

Visa Inc.  
Form S-4/A  
August 30, 2007  
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As filed with the Securities and Exchange Commission on August 29, 2007

Registration No. 333-143966

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**AMENDMENT No. 4**  
**TO**  
**FORM S-4**  
**REGISTRATION STATEMENT**  
**UNDER**  
**THE SECURITIES ACT OF 1933**

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**VISA INC.**

*(Exact name of Registrant as specified in its charter)*

**Delaware**  
*(State or other jurisdiction of  
incorporation or organization)*

**7389**  
*(Primary Standard Industrial  
Classification Code Number)*

**26-0267673**  
*(I.R.S. Employer  
Identification Number)*

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**P.O. Box 8999**  
**San Francisco, California 94128-8999**

**(415) 932-2100**

*(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)*

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**Joseph W. Saunders**

**Chief Executive Officer and Chairman of the Board of Directors**

**Visa Inc.**

**P.O. Box 8999**

**San Francisco, California 94128-8999**

**(415) 932-2100**

*(Name, address, including zip code, and telephone number, including area code, of agent for service)*

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*With copies to:*

**Kevin Keogh**

**Mark L. Mandel**

**S. Ward Atterbury**

**White & Case LLP**

**1155 Avenue of the Americas**

**New York, New York 10036**

**(212) 819-8200**

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**Approximate date of commencement of the proposed sale of the securities to the public:** At the restructuring closing date described herein, which is expected to occur as soon as practicable after the effective date of this registration statement and the satisfaction or waiver of all conditions to the closing of the restructuring.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**



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**DATED AUGUST 29, 2007, SUBJECT TO COMPLETION**

**PROXY STATEMENT-PROSPECTUS**

**RESTRUCTURING PROPOSED YOUR CONSIDERATION IS IMPORTANT**

Dear Member:

The boards of directors of Visa International Service Association, Visa U.S.A. Inc., Visa Europe Limited and Visa Canada Association have approved a restructuring agreement that contemplates a series of transactions by which Visa International, Visa U.S.A. and Visa Canada will become subsidiaries of a Delaware stock corporation, Visa Inc. The board of directors of each of Visa International, Visa U.S.A. and Visa Canada recommends that its members vote to approve the restructuring proposal. The restructuring agreement contemplates that Visa Europe will not become a subsidiary of Visa Inc., but a stockholder of Visa Inc. and will enter into a series of contractual relationships that will govern its relationship with Visa Inc.

We believe the restructuring will enable us to compete more effectively and better serve our customers by streamlining decision making, facilitating business growth and enhancing our ability to coordinate business on a global basis, while preserving our existing competitive advantages, such as strong local market relationships, expertise and execution. In addition, we believe that the restructuring will enable us to facilitate a common, global approach, where appropriate, to the legal, regulatory and competitive issues arising in today's marketplace, while also presenting an opportunity to increase operational efficiency.

Upon completion of the restructuring, Visa Europe, Visa Europe Services Inc., or VESI, and certain members of Visa International in the unincorporated regions of Visa Asia Pacific, or Visa AP, Visa Latin America and Caribbean, or Visa LAC, and Visa Central and Eastern Europe, Middle East and Africa, or Visa CEMEA, and certain members of Visa U.S.A. and Visa Canada will receive common stock of Visa Inc. of a class that corresponds to the applicable Visa region with which each member is associated. The purpose of the issuance of these regional classes of common stock is to facilitate a re-balancing, or true-up, of the ownership of Visa Inc. prior to an initial public offering of Visa Inc.'s common stock. In the true-up, each regional class of common stock will be converted into a new class of Visa Inc.'s common stock, based upon a conversion ratio that is tied to the relative financial performance of the applicable region during a certain period prior to a proposed initial public offering.

Upon completion of the restructuring, and without giving effect to the true-up process, Visa Inc.'s outstanding capital stock (excluding shares held by subsidiaries of Visa Inc.) will be comprised of:

426,390,481 shares of class USA common stock representing 55.01% of Visa Inc.'s outstanding capital stock;

62,762,788 shares of class EU common stock (series I and series III) representing 8.10% of Visa Inc.'s outstanding capital stock;

27,904,464 shares of class EU common stock (series II) representing 3.60% of Visa Inc.'s outstanding capital stock;

22,034,685 shares of class Canada common stock representing 2.84% of Visa Inc.'s outstanding capital stock;

119,100,481 shares of class AP common stock representing 15.37% of Visa Inc.'s outstanding capital stock;

80,137,915 shares of class LAC common stock representing 10.34% of Visa Inc.'s outstanding capital stock; and

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36,749,698 shares of class CEMEA common stock representing 4.74% of Visa Inc.'s outstanding capital stock.

**For a discussion of the risks relating to the restructuring, see *Risk Factors* beginning on page 10.**

To approve the proposed restructuring, we require the affirmative vote of members representing at least: a majority of the voting power of Visa International; a two-thirds majority of the voting power of Visa U.S.A.; and an 80% majority of all votes eligible to be cast at the meeting of Visa Canada members.

We are seeking broad support in connection with the approval of the restructuring, and it is important that as many of Visa International's, Visa U.S.A.'s and Visa Canada's members as possible approve the restructuring.

We hope that we can count on your support during one of the most exciting times in Visa's history.

Sincerely,

Joseph W. Saunders  
Chief Executive Officer and Chairman of the Board  
Visa Inc.

**Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved the restructuring, the issuance of securities to be issued in connection with the restructuring or the other transactions described in this proxy statement-prospectus or determined if this proxy statement-prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

This proxy statement-prospectus is dated \_\_\_\_\_, 2007 and was first mailed to eligible members on or about \_\_\_\_\_, 2007.

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**ADDITIONAL INFORMATION**

This proxy statement-prospectus incorporates important business and financial information about Visa Inc., which is contained in documents that were filed as exhibits to the registration statement of which this document forms a part, but are not included in or delivered with this document. Information incorporated into this proxy statement-prospectus, but not included in or provided with it, is available to members of Visa International, Visa U.S.A. and Visa Canada, without charge, upon request submitted to:

D.F. King & Co., Inc.

48 Wall Street

New York, NY 10005

**IN ORDER TO TIMELY RECEIVE ADDITIONAL INFORMATION YOUR REQUEST MUST BE SUBMITTED NOT LATER THAN .**

**The distribution of this proxy statement-prospectus and the offer and sale of the securities in certain jurisdictions may be restricted by law. This proxy statement-prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities in any state or other jurisdiction where, or to or from any person from whom, such offer or solicitation is unlawful or not authorized.**

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 Annex K Visa Inc. 2007 Equity Incentive Compensation Plan

The registered trademarks of Visa International include: Bands-Design Blue, White & Gold; Dove Design; Interlink; Life Takes Visa; PLUS Distribution & Design; V PAY; Verified by Visa; Visa; Visa Bill Pay; Visa Classic; Visa Corporate; Visa Electron; Visa Fleet; Visa Infinite; Visa Mobile; VisaNet; Visa Platinum; Visa Purchasing; Visa Resolve Online; Visa Signature; Visa TravelMoney; Visa Va Pedagio; and World's Best Way to Pay. Upon completion of the restructuring, all of these trademarks will be the property of Visa Inc. or its subsidiaries. Other trademarks used in this proxy statement-prospectus are the property of their respective owners.

As of August 28, 2007, the exchange rate between U.S. dollars and euros was 1.3626 U.S. dollars per euro. As of June 30, 2007, the period end exchange rate between U.S. dollars and euros was 1.3520 U.S. dollars per euro, while the average exchange rate for the year ended September 30, 2006 was 1.2058 U.S. dollars per euro. The exchange rates referred to above are based on the noon buying rate in New York City for cable transfers in euros as certified for customs purposes by the Federal Reserve Bank of New York. We make no representation that the U.S. dollar or euro amounts referred to in this proxy statement-prospectus could have been or could in the future be converted into euros or U.S. dollars, as the case may be, at any particular rate or at all.

As of August 28, 2007, the exchange rate between U.S. dollars and Canadian dollars was 1.0616 Canadian dollars per U.S. dollar. As of June 30, 2007, the period end exchange rate between U.S. dollars and Canadian dollars was 1.0634 Canadian dollars per U.S. dollar, while the average exchange rate for the year ended September 30, 2006 was 1.1424 Canadian dollars per U.S. dollar. The exchange rates referred to above are based on the noon buying rate in New York City for cable transfers in Canadian dollars as certified for customs purposes by the Federal Reserve Bank of New York. We make no representation that the U.S. dollar or Canadian dollar amounts referred to in this proxy statement-prospectus could have been or could in the future be converted into Canadian dollars or U.S. dollars, as the case may be, at any particular rate or at all.

You should rely only on the information contained in this proxy statement-prospectus or other information to which we have referred you. We have not authorized anyone to provide you with information that is different. Information on the web sites of Visa International, Visa U.S.A., Visa Europe and Visa Canada is not part of this document. The information in this proxy statement-prospectus may be accurate only as of the date of this proxy statement-prospectus.

As used in this proxy statement-prospectus, references to we or us refer to Visa Inc., which is a recently incorporated Delaware stock corporation and which will become the parent company of Visa International, Visa U.S.A., Visa Canada and Inovant LLC, or Inovant, when the restructuring is completed.

The fiscal year end for each of Visa International, Visa U.S.A. and Visa Canada is September 30.

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**QUESTIONS AND ANSWERS ABOUT THE RESTRUCTURING TRANSACTIONS**

*The following are some questions that you, as a member of Visa International, Visa U.S.A. or Visa Canada, may have regarding the restructuring and the other matters being considered, and brief answers to those questions. We urge you to read carefully the remainder of this document, including the attached annexes, because the information in this section does not provide all of the information that might be important to you with respect to the restructuring and the other matters being considered.*

**Q: What is the restructuring?**

A: We use the term restructuring to describe the series of mergers, exchanges and similar transactions, as a result of which Visa International, Visa U.S.A., Visa Canada and Inovant will become direct or indirect subsidiaries of a recently incorporated Delaware stock corporation, Visa Inc. We refer to Visa U.S.A., Visa Canada and Visa Europe as incorporated regions and the three geographic operating divisions of Visa International – Visa AP, Visa LAC and Visa CEMEA – as unincorporated regions. Members associated with the unincorporated regions are members of Visa International. Together, the incorporated regions and the unincorporated regions currently make up Visa’s six geographic regions. Inovant LLC, the direct or indirect owners of which are Visa U.S.A., Visa Europe, Visa International and Visa Canada, is responsible for operating the VisaNet transaction processing system, our secure, centralized, global processing platform, and other related processing systems. In the restructuring, Visa Inc. will issue shares of common stock to the financial institution members of Visa U.S.A., the financial institution members of the three unincorporated regions of Visa International, the financial institution members of Visa Canada, and to Visa U.S.A., Visa Europe and VESI.

Upon the completion of the restructuring, Visa Europe will remain a separate entity, will not become a subsidiary of Visa Inc. and will enter into a series of contractual arrangements that will govern its relationship with Visa Inc. VESI will remain a subsidiary of Visa Europe.

**Q: What are the reasons for the restructuring?**

A: We believe the restructuring will enable Visa Inc. to compete more effectively and better serve our customers by streamlining decision making, facilitating business growth and enhancing Visa Inc.’s ability to coordinate business on a global basis, while preserving our existing competitive advantages, such as strong local market relationships, expertise and execution. In addition, we believe that the global restructuring will enable Visa Inc. to facilitate a common, global approach, where appropriate, to the legal, regulatory and competitive issues arising in today’s marketplace, while also presenting an opportunity to increase operational efficiency. The restructuring is also intended to facilitate an initial public offering of shares in Visa Inc. For further information about our reasons for the restructuring, see *The Restructuring Transactions – Visa International’s, Visa U.S.A.’s and Visa Canada’s Reasons for the Global Restructuring*.

**Q: When will Visa Inc. conduct an initial public offering?**

A: The loss sharing agreement, which forms a part of our retrospective responsibility plan (described below), provides that we must use our commercially reasonable efforts to complete an initial public offering within 120 days after the closing of the restructuring. If we do not complete the initial public offering within 240 days after the closing of the restructuring, the members’ obligations under the agreement may be suspended until we have completed our initial public offering, at which point the obligations under the agreement will be reinstated in full as if they had never been suspended. This 240-day period may be extended under certain circumstances. As a result, we intend to commence planning for an initial public offering after the completion of the restructuring. However, there are many issues that are outside of our control, such as market factors, that could prevent us from completing an initial public offering, and we may never do so.

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**Q: What is the recommendation of the boards of directors of Visa International, Visa U.S.A. and Visa Canada to their respective members regarding the restructuring?**

A: Each of the boards of directors of Visa International, Visa U.S.A. and Visa Canada recommends that their respective members vote in favor of the restructuring and the other proposals described in this proxy statement-prospectus. In addition, each of the regional boards of directors of the unincorporated regions of Visa AP, Visa LAC and Visa CEMEA has recommended the restructuring to the Visa International board of directors.

**Q: If I am a member in one of the unincorporated regions and thus have a membership interest in Visa International, what will happen to my membership interest in Visa International in the restructuring?**

A: In the restructuring, the bylaws of Visa International will be amended so that members of Visa International affiliated with one of the unincorporated regions (other than a sponsored member) will have an equity and a non-equity interest in Visa International. The equity interest will represent such members' voting and economic rights in Visa International, and the non-equity interest will represent such members' commercial and other rights and obligations regarding participation in the Visa payments system. The equity interests will be converted into LLC interests in a transitory limited liability company, or VI LLC, and will be subsequently reallocated. As soon as practicable after this reallocation, VI LLC will be merged out of existence into Visa Inc. As a result of the VI LLC merger, those reallocated LLC interests will then be converted into the right to receive shares of common stock in Visa Inc. The class of common stock that such members will receive upon the closing of the restructuring will correspond to the geographic Visa region with which they are associated. The non-equity interests of such members in Visa International will continue to be outstanding following the restructuring. For more information about the eligibility of our members to participate in the restructuring, see *The Global Restructuring Agreement The Restructuring Equity Allocation to Members of Visa International in the Unincorporated Regions and Subsequent Adjustment*.

**Q: What will happen to my Visa U.S.A. membership interest in the restructuring?**

A: In the restructuring, the bylaws and certificate of incorporation of Visa U.S.A. will be amended so that you will have equity and non-equity interests in Visa U.S.A. Your equity interest will represent your voting and economic rights in Visa U.S.A., and your non-equity interest will represent your commercial and other rights and obligations regarding participation in the Visa payments system. Your equity interest in Visa U.S.A. will be converted into the right to receive shares of class USA common stock in Visa Inc. upon the closing of the restructuring. Your non-equity interest in Visa U.S.A. will continue to be outstanding following the restructuring.

**Q: What will happen to my Visa Canada membership interest in the restructuring?**

A: No membership interests in Visa Canada will survive the restructuring. Visa Canada members will enter into Canadian services agreements and related agreements with Visa Canada, which will embody their commercial and other rights and obligations regarding participation in the Visa payments system. Their remaining membership rights will, if they so elect, be transferred to Visa Inc. in exchange for class Canada common stock. Those membership interests not exchanged will be converted into series B common shares of Visa Canada when it becomes an Ontario share capital corporation and, as part of the amalgamation of Visa Canada and Visa Canada merger sub, will ultimately become class Canada common stock of Visa Inc.

**Q: Why is Visa Inc. issuing different classes of common stock to equity members from each of the different geographic regions?**

A: Visa Inc. is issuing a separate class of common stock to the equity members of each of the different Visa geographic regions in order to give effect to the true-up process described below and the provisions regarding the election of the regional members of the Visa Inc. board of directors.



**Table of Contents****Q: How many shares of Visa Inc. common stock will I receive?**

A: The accompanying form of proxy to consent, in the case of members of Visa International and Visa U.S.A., or the accompanying form of proxy to vote, in the case of members of Visa Canada, sets forth the class and an estimate of number of shares of common stock that each equity member will receive upon the closing of the restructuring. Both the class and number of shares of common stock that you receive upon the closing of the restructuring are subject to subsequent adjustment in the true-up process, as described below.

**Q: How were the shares of Visa Inc. stock initially allocated among the various geographic regions?**

A: The initial allocation of shares of common stock among the regions other than Visa Europe, which we refer to as the participating regions, was determined under a methodology that was agreed upon among the participating regions. It was based upon the projected net income to be contributed by each participating region in fiscal 2008. The same methodology was applied to the unincorporated regions of Visa AP, Visa LAC and Visa CEMEA, as was applied to Visa Canada and Visa U.S.A. In addition, there were certain negotiated adjustments that were made to the allocations to reflect, among other things, potential operating synergies and one-time adjustments to financial projections. The initial allocation of shares upon the closing of the restructuring is subject to subsequent conversion and reallocation as a result of the true-up process in order to better reflect the actual net revenue contribution of each participating region. The consideration to be received by Visa Europe was the result of a negotiation between the participating regions in Visa Inc., on the one hand, and Visa Europe, on the other hand. Upon the completion of the restructuring, Visa Europe will receive class EU (series I) and class EU (series III) common stock that represents, without giving effect to any outstanding class EU (series II) common stock issued to Visa Europe, 8.4% of the outstanding shares of Visa Inc. common stock. Visa Europe will also receive class EU (series II) common stock representing 3.60% of our outstanding common stock, plus an additional number of shares of class EU common stock in order to gross up Visa Europe's percentage ownership to at least 10% after giving effect to the outstanding shares of our class USA common stock that will be held by Visa U.S.A. This results in Visa Europe owning 11.70% of the outstanding shares of Visa Inc. common stock, of which 3.60% (plus any additional shares of class C (series II) common stock that may be issued in the future to Visa Europe) is in the form of class C (series II) common stock that is redeemable for an aggregate amount of \$1.146 billion (less any dividends or distributions paid upon such shares and imputed interest on such dividends or distributions) upon the later of one year after the closing of the restructuring or the completion of our initial public offering.

**Q: What is the percentage of shares that has been allocated to my region?**

A: The shares of common stock that will be issued at the restructuring closing will initially be allocated on a regional basis as follows:

Region	Shares issued and outstanding after restructuring closing (not giving effect to the true-up)	Percentage ownership (not including Visa's class EU (series II) shares)	Percentage ownership (including Visa's class EU (series II) shares)
Visa U.S.A. <sup>(1)</sup>	426,390,481	57.06%	55.01%
Visa AP	119,100,481	15.94%	15.37%
Visa LAC	80,137,915	10.73%	10.34%
Visa CEMEA	36,749,698	4.92%	4.74%
Visa Canada	22,034,685	2.95%	2.84%
Visa Europe <sup>(2)</sup>	62,762,788	8.40%	8.10%
Visa Europe <sup>(3)</sup>	27,904,464		3.60%
Visa Europe Total	90,667,252	8.40%	11.70%
Total	775,080,512	100.00%	100.00%

<sup>(1)</sup> Excluding shares of class USA common stock held by Visa U.S.A.

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- (2) Excluding shares of class EU (series II) common stock, but including 549,587 shares of class EU (series III) common stock issued to VESI, a subsidiary of Visa Europe.
- (3) Class EU (series II) shares.

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This initial allocation of shares will be subject to subsequent conversion into class C common stock or, in the case of Visa U.S.A. common stock, into class B common stock and reallocation in connection with the true-up. Thus, each equity member may receive a greater or lesser number of shares at that time.

**Q: What is the true-up process and how does it work?**

A: The initial allocation of shares was based primarily on each participating region's projected net income contribution to the overall Visa enterprise in fiscal 2008, plus certain negotiated adjustments, which we refer to as the baseline amount. In order to reflect relative actual performance against projections, there will be a subsequent conversion and reallocation of shares, which we refer to as the true-up process, based on each participating region's relative under- or over-achievement beyond certain percentage limits. For further information about the true-up process, see *Summary True-Up of Merger Consideration* and *The Global Restructuring Agreement The Restructuring True-Up of Merger Consideration*.

**Q: Within my participating region, how was the number of shares that I will receive calculated?**

A: The allocation of shares among a participating region's financial institution members will differ from region to region. With regard to Visa U.S.A., the shares will be allocated to each member of Visa U.S.A. in accordance with the Visa U.S.A. membership proportion as defined in the Visa U.S.A. certificate of incorporation.

With regard to Visa Canada, the shares will be allocated to each member of Visa Canada based on its Visa card sales volume (as defined in the bylaws of Visa Canada) for the period from October 1, 1990 to the September 30 immediately preceding the date on which the restructuring is consummated.

With regard to Visa AP, Visa LAC and Visa CEMEA, the shares will be allocated to eligible members of Visa International affiliated with such regions in accordance with a formula based on net fees and total volume, of each such member. The formula measures the net fees and total volume of a member entitled to receive shares in proportion to the aggregate net fees and total volume of all eligible members within the applicable unincorporated region. The net fees and total volume components are weighted equally in determining the equity allocation of each eligible member of each of Visa AP, Visa LAC and Visa CEMEA. At the restructuring closing, the eligible members of Visa AP, Visa LAC and Visa CEMEA will receive an initial allocation of shares based upon net fees and total volume for each such region beginning on October 1, 2001 and ending on June 30, 2007. This initial allocation will be subject to adjustment based on the net fees and total volume of each eligible member in proportion to the aggregate net fees and aggregate total volumes for all eligible members within the applicable region during the period from October 1, 2001 through the last day of the measurement period for the true-up.

Visa Europe has advised us that the methodology for distributing shares to its members has not yet been determined.

**Q: Are there any restrictions on my ability to sell or transfer my shares of Visa Inc.?**

A: Yes. Following the restructuring, all of the shares of our common stock will be subject to a prohibition on transfer, with limited exceptions, until the third anniversary of the completion of a Visa Inc. initial public offering; provided, however, that in the case of the shares issued to members of Visa U.S.A., the shares will not be able to be transferred, subject to limited exceptions, until the later of the third anniversary of the completion of a Visa Inc. initial public offering or the final resolution of the covered litigation.

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**Q: What determines my current voting power?**

A: The voting power of members of Visa International and Visa U.S.A. is determined by the respective entity's existing certificate of incorporation and bylaws, and applicable Delaware law. For members of Visa International and Visa U.S.A., your voting power allocation is indicated on the proxy card accompanying this proxy statement-prospectus. For more information on the allocation of voting power, see *The Proxy Solicitation Consent Required*.

The voting power of members of Visa Canada is determined by Visa Canada's existing letters patent, supplementary letters patent and bylaws, and applicable Ontario law. In accordance with Visa Canada bylaw 5.04(b), a statement of voting power allocations has been distributed to all Visa Canada members and is binding, except in the case of manifest error.

**Q: Will I continue to have voting rights following the restructuring?**

A: Yes. Until the completion of an initial public offering of Visa Inc. common stock, each holder of Visa Inc. common stock will be entitled to vote on all matters submitted to the stockholders for a vote.

Prior to our initial public offering, in connection with the true-up process, all of the shares of Visa Inc. common stock will be converted into a new class of common stock.

Shares held by members of Visa U.S.A. will be converted into shares of class B common stock.

Shares held by members of the AP, LAC, CEMEA and Canada regions will be exchanged for or converted into shares of class C (series I) common stock.

Shares held by Visa Europe will be converted into shares of class C (series II) common stock and class C (series III) common stock, and shares held by VESI will be converted into shares of class C (series IV) common stock. The class C (series III) common stock held by Visa Europe (together with the class C (series IV) common stock held by VESI) will represent the initial 8.1% interest in Visa Inc. to be held by Visa Europe and VESI. The class C (series II) common stock held by Visa Europe will represent an additional 3.6% interest in Visa Inc. These shares of class C (series II) common stock will generally not be entitled to vote on any matters, and will be subject to redemption.

Upon the completion of our initial public offering of Visa Inc. class A common stock, holders of class B common stock and class C common stock will cease to have voting rights, except in the case of certain extraordinary transactions and as may be required under Delaware law.

Each class of our common stock will vote on an as converted basis, which means that each class will be entitled to a number of votes equal to the number of shares of class A common stock into which such shares are convertible. The shares of our class B common stock and class C common stock will initially convert into class A common stock on a one-to-one basis, subject to adjustments for stock splits, stock dividends and the like. In addition to adjustments for stock splits, stock dividends and the like, the conversion ratio for the shares of our class B common stock may be adjusted in connection with our retrospective responsibility plan, as described below.

**Q: After the closing of the restructuring, what will Visa Europe's relationship be to Visa Inc.?**

A: Unlike Visa International, Visa U.S.A. and Visa Canada, Visa Europe will remain a separate entity and will not become a subsidiary of Visa Inc. in the restructuring. Visa Europe will retain its current structure as a U.K. limited liability company and will become a stockholder of Visa Inc. Visa Europe will also become an exclusive licensee of Visa Inc.'s trademarks and technology in Visa Europe's region, and Visa Inc. and Visa Europe will provide each other with services.





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**Q: Why is Visa Europe not becoming a wholly owned subsidiary of Visa Inc.?**

A: Visa Europe believes that by being owned and governed by its European member financial institutions, it will be best positioned to serve a borderless payment market in Europe, meet the goals of its member financial institutions, consumers and merchants, and support the European Union's vision of a Single Euro Payments Area, or SEPA.

**Q: Will the restructuring affect the rules for qualification as a member of Visa International, Visa U.S.A. or Visa Canada?**

A: The rules for the qualification of members of Visa International and Visa U.S.A. will not change as a result of the restructuring. Visa Canada will no longer have members; instead, Visa Canada's relationship with former members of Visa Canada will be governed by services agreements.

**Q: How will the restructuring affect my existing agreement(s) with Visa?**

A: In general, and in the absence of a specific contractual provision requiring consent or notice in connection with a transaction like the proposed restructuring, your existing agreement(s) will not be affected by the restructuring.

**Q: What proposals are the members of Visa International and Visa U.S.A. being asked to approve?**

A: Members of Visa International and Visa U.S.A. are being asked to approve the following proposals:  
First, a proposal to adopt and approve the restructuring agreement. Specifically, the members of Visa International are being asked to approve the mergers through which Visa International will become a wholly owned subsidiary of Visa Inc. and the members of Visa U.S.A. are being asked to approve the merger through which Visa U.S.A. will become a wholly owned subsidiary of Visa Inc.

Second, the members of Visa International and Visa U.S.A. are being asked to approve the Visa Inc. 2007 Equity Incentive Compensation Plan for Visa Inc., which we refer to as the equity incentive plan.

In lieu of a special meeting of Visa International or Visa U.S.A., action on the restructuring proposal and equity incentive plan proposal will be taken by written consent of the respective members of each entity. In order to be effective, written consents must be received by

**Q: What proposals are the shareholders of Visa Canada being asked to vote FOR ?**

A: Members/Shareholders of Visa Canada are being asked to vote **FOR** the following proposals:  
First, a resolution, to be approved by a majority of all votes eligible to be cast at the meeting, approving the restructuring agreement.

Second, a resolution, to be approved by 80% of all votes eligible to be cast at the meeting, amending the bylaws of Visa Canada to permit the transferability of members' interests and to make other amendments to accommodate the restructuring.

Third, a resolution, to be approved by 80% of all votes eligible to be cast at the meeting, authorizing the application for supplementary letters patent to permit the transferability of members' interests.

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Fourth, a resolution, which we refer to as the conversion resolution, to be approved by 80% of all votes eligible to be cast at the meeting, authorizing the application for supplementary letters patent and the filing of articles of amendment and restated articles of incorporation to convert Visa Canada into a share capital corporation, to be named Visa Canada Inc., under the *Business Corporations Act* (Ontario), or the OBCA.

Fifth, a special resolution, which we refer to as the amalgamation resolution, under the OBCA, to be approved by 66<sup>2</sup>/<sub>3</sub>% of the votes cast by the holders present and voting in person or by proxy of the shares of Visa Canada to be outstanding after the conversion referred to above, approving the amalgamation of Visa Canada Inc. and Visa Canada merger sub, a wholly owned subsidiary of Visa Inc.

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Sixth, a resolution, to be approved by the members holding membership interests in Visa International, Visa U.S.A. and Visa Canada which, assuming the completion of the restructuring, would represent a majority of the outstanding shares of Visa Inc., approving the adoption of the equity incentive plan.

**Q: When and where will the special meeting for Visa Canada take place?**

A: The special meeting will be held on , 2007, at 12:00 p.m. (Eastern Standard Time) at the Offices of Visa Canada, Suite 3170, Scotia Plaza, 40 King Street West, Toronto, Ontario.

**Q: What approvals are required to approve the restructuring?**

A: The adoption and approval of the restructuring agreement and the Visa International merger requires the written consent of members of Visa International representing a majority of the total voting power of the members that would be entitled to vote on such proposals at a meeting of the members of Visa International.

The adoption and approval of the restructuring agreement and the Visa U.S.A. merger requires the written consent of members representing a two-thirds majority of the total voting power of the members that would be entitled to vote on such proposals at a meeting of the members of Visa U.S.A.

The approval of 80% of all votes eligible to be cast at the meeting of Visa Canada members will be required to implement the restructuring in Canada; as well as, if we determine that the amalgamation resolution is necessary or desirable, 66 <sup>2</sup>/<sub>3</sub>% of the votes cast by holders of shares of Visa Canada after the conversion referred to above that are present in person or by proxy at the meeting.

**Q: Why am I being asked to approve the Visa Inc. 2007 Equity Incentive Compensation Plan?**

A: The effectiveness of our equity incentive plan is subject to stockholder and member approval. We believe that encouraging stock ownership by our employees and directors helps align their interests with those of our stockholders and helps us attract, motivate and retain employees and directors. Accordingly, we expect that this plan will promote our long-term success and increase stockholder value. The equity incentive plan would allow us to grant stock options, restricted stock and other stock-based awards and would be administered by our compensation committee. Some of the awards under this plan would provide opportunities for beneficial tax treatment to our employees if this plan is approved by our members. For more information on the equity incentive plan, see *The Visa Inc. 2007 Equity Compensation Plan*.

**Q: What approvals are required to approve the equity incentive plan?**

A: To approve the equity incentive plan, we are seeking the approval of the members holding membership interests in Visa International, Visa U.S.A. and Visa Canada, which, assuming the completion of the restructuring, would represent a majority of the outstanding shares of common stock of Visa Inc. immediately after the closing.

**Q: How do members of Visa International and Visa U.S.A. submit their proxies to consent?**

A: After you have carefully read this entire proxy statement-prospectus, please submit your proxy in any one of the following ways:

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*By Internet.* Log on to the following web site: . In order for us to verify your identity, you will be asked to provide your 13-digit control number (located in the bottom left corner of the form of proxy accompanying this proxy statement-prospectus). Once you have provided your 13-digit control number please follow the instructions that are provided online in order to submit your proxy to consent over the Internet;

*By Phone.* Call the following phone number: . In order for us to verify your identity, you will be asked to provide your 13-digit control number (located in the bottom left corner of the form of proxy accompanying this proxy statement-prospectus). Once you have provided your 13-digit control number a representative will walk you through the instructions to submit your proxy over the phone; or

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*In Writing.* Sign and date the form of proxy accompanying this proxy statement-prospectus and return it by:

*E-mail.* Send a portable document format (PDF) copy of *both sides* of the completed proxy to the following e-mail address:  
;

*Fax.* Send a copy of *both sides* of the completed proxy to the following toll-free fax number ; or

*Mail.* Send the completed proxy in the provided postage-paid envelope or courier pouch.

**Q: Can members of Visa International and Visa U.S.A. revoke their proxies once given?**

A: Any proxy given by a member of Visa International or Visa U.S.A. may be revoked at any time before consents from members representing the requisite number of votes required to adopt and approve the matters under consideration are delivered to Visa International or Visa U.S.A., respectively. Proxies may be revoked by delivering a notice of revocation of consent to Visa International Service Association, Attn: Thomas M Guinness, Secretary, P.O. Box 8999, San Francisco, CA 94128-8999 in the case of Visa International or Visa U.S.A. Inc., Attn: Joshua Floum, Secretary, P.O. Box 8999, San Francisco, CA 94128-8999 in the case of Visa U.S.A.

**Q: How do members/shareholders of Visa Canada vote?**

A: A registered voting member of Visa Canada may attend the meeting and vote in person. After the conversion resolution becomes effective, a registered voting member of Visa Canada that has not exchanged its membership interest for Visa Inc. class Canada common stock automatically becomes a registered shareholder of Visa Canada Inc. and can also vote on the amalgamation resolution in person at the meeting in the event that we determine that the adoption of the resolution is necessary or desirable. Alternatively, a registered member/shareholder may by means of a proxy appoint a person as nominee to attend and act at the meeting on the member/shareholder's behalf. A proxy must be executed by the member/shareholder. Proxies must be deposited with Visa Canada.

**Q: Can members/shareholders of Visa Canada change their vote?**

A: A registered voting member of Visa Canada can change its vote by submitting a new proxy to Visa Canada no later than on or by attending the meeting and voting its interests/shares in person. A registered voting member of Visa Canada may also revoke its proxy by delivering written notice to Visa Canada on or before or to the Chairman of the meeting at the meeting.

**Q: When do you expect to complete the restructuring?**

A: We anticipate that the restructuring will be completed as soon as practicable after all of the conditions to the restructuring are satisfied, including the requisite approval of the members of Visa International, Visa U.S.A. and Visa Canada of the restructuring agreement, the receipt of certain U.K. and Canadian tax approvals and the receipt of all other required governmental or other consents.

**Q: What will happen if the members do not approve the proposed transactions?**

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- A: If the restructuring does not receive the requisite approvals, or if the restructuring is not completed for any reason, the boards of directors of Visa International, Visa U.S.A. and Visa Canada intend to continue to operate these companies in their current forms.
- Q: What are my rights if I vote against or do not consent to the proposed transactions, but the proposed transactions are nevertheless approved by the requisite approval of members of Visa International, Visa U.S.A. and Visa Canada?**
- A: The restructuring will be completed if all of the applicable conditions contained in the restructuring agreement are satisfied, including the requisite approvals by the members of Visa International, Visa U.S.A. and Visa Canada. A Visa Canada shareholder may dissent with respect to the amalgamation resolution in the

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event that we determine that the adoption of the resolution is necessary or desirable by following certain procedures described in this proxy statement-prospectus. If the amalgamation of Visa Canada is completed, a dissenting shareholder that has complied with the procedures will be entitled to be paid the fair value of its common shares of Visa Canada. However, pursuant to Delaware law, members of Visa International and Visa U.S.A. will not be entitled to appraisal rights or similar rights in connection with the Visa International merger or the Visa U.S.A. merger. Members of Visa International, Visa U.S.A. or Visa Canada that have the right to consent or vote, but do not do so, will nevertheless have the right to receive Visa Inc. common stock in connection with the restructuring, unless (in the case of Visa Canada shareholders) they exercise their dissent rights.

**Q: What are the U.S. federal income tax consequences of the restructuring and the true-up?**

A: We have not requested that the U.S. Internal Revenue Service issue a ruling on the restructuring and the true-up. However, based on the opinion of our special tax counsel, we believe that, subject to the assumptions, qualifications and limitations set forth in *United States Federal Income Tax Considerations*, the members of Visa International and the members of Visa U.S.A. will not recognize any gain or loss for U.S. federal income tax purposes in connection with the restructuring and the true-up, except that any such member may recognize imputed interest income with respect to a portion of any Visa Inc. stock received in connection with the true-up.

If a stockholder is not a United States person for U.S. federal income tax purposes, Visa Inc. may be required to withhold U.S. federal income tax at a rate of 30% of the imputed interest, or, if applicable, at a lower treaty rate. Members should consult their local tax advisors regarding the potential U.S. federal tax consequences, as well as the potential U.S. state and local tax consequences, of the restructuring and the true-up.

**Q: What are the tax consequences of the restructuring and the true-up other than with regard to U.S. federal income tax?**

A: Members of Visa International, Visa Europe, Visa U.S.A. and Visa Canada may be required to recognize income, revenue, gain or loss in connection with the restructuring and the true-up in jurisdictions outside the United States, as well as in any United States state and local jurisdictions. Members should consult their local tax advisors regarding the potential non-U.S. tax consequences, as well as the potential U.S. federal, state and local tax consequences, of the restructuring and the true-up.

**Q: What are the accounting implications of the restructuring for members?**

A: Members of Visa International, Visa U.S.A. and Visa Canada should consult their financial advisors regarding the potential accounting implications of the restructuring.

**Q: What do I need to do now?**

A: After carefully reading and considering the information contained in this proxy statement-prospectus, please complete, sign and date your form of proxy and return it in accordance with the instructions above.

**Q: What happens if I don't submit a proxy or vote?**

A: Except with respect to Visa Canada shareholder approval of the amalgamation resolution, if you do not return a consent or proxy it will have the same effect as voting against the proposals. Therefore, it is very important that you register your approval by one of the methods outlined above.



**Q: How will eligible members receive their shares of Visa Inc.?**

A: Included with this proxy-statement prospectus is a letter of transmittal that includes instructions on how to obtain the Visa Inc. common stock that equity members are entitled to receive. As a condition to your receipt of Visa Inc. stock, you must return the completed letter of transmittal as described in the instructions

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by Internet, phone or in writing. Your Visa Inc. stock will be issued as soon as practicable after DF King, our proxy solicitor, receives your completed letter of transmittal and the closing of the restructuring. Shares of Visa Inc. will be held electronically in book entry form and you will receive a notice from our transfer agent.

**Q: Who can help answer my questions?**

A: If you have questions about this document, you should contact our proxy solicitor:  
D.F. King & Co., Inc.

48 Wall Street

New York, NY 10005

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**SUMMARY**

*This summary highlights selected information from this proxy statement-prospectus. It does not contain all of the information that may be important to you. You should read carefully the entire document and the other documents to which this proxy statement-prospectus refers you in order to fully understand the restructuring and the related transactions. See WHERE YOU CAN FIND MORE INFORMATION on page 387. Each item in this summary refers to the page of this proxy statement-prospectus on which that subject is discussed in more detail.*

**The Global Restructuring Agreement (Page 89)**

The boards of directors of Visa International, Visa U.S.A., Visa Canada and Visa Europe have approved a restructuring agreement that contemplates a series of transactions through which Visa International, Visa U.S.A., Visa Canada and Inovant will become direct or indirect subsidiaries of a Delaware stock corporation, Visa Inc. Each of the boards of directors of Visa International, Visa U.S.A. and Visa Canada recommends that its members vote to approve the restructuring proposal. The restructuring agreement contemplates that Visa Europe will remain a separate entity and become a stockholder of Visa Inc. In the restructuring, Visa Inc. will issue shares of common stock to the financial institution members of Visa U.S.A., to eligible financial institution members of Visa International affiliated with the Visa AP, Visa LAC and Visa CEMEA regions, to the financial institution members of Visa Canada and to Visa Europe and VESI. After the restructuring, Visa Inc. will conduct its global payments business through its subsidiaries, including Visa International, Visa U.S.A., Visa Canada and Inovant.

In the restructuring, the bylaws of each of Visa International and Visa U.S.A. will be amended and restated so that certain members of Visa International (other than Visa Europe and Visa Canada) and of Visa U.S.A. will have an equity membership interest representing voting and economic rights in Visa International or Visa U.S.A., respectively, and a non-equity membership interest, representing the commercial and other rights and obligations with regard to participation in the Visa payments system as a member of Visa International or Visa U.S.A., respectively.

As a result of the Visa International merger, the equity membership interests in Visa International will be converted into LLC interests in Visa International Transition LLC, a transitory entity, which we refer to as VI LLC, and will be subsequently reallocated to reflect the agreed-upon initial ownership percentages in Visa Inc. As a result of the VI LLC merger, those LLC interests will then be converted into the right to receive shares of common stock in Visa Inc.

The class of common stock that you will receive at the closing of the restructuring will correspond to the geographic Visa region with which you are associated. Non-equity interests in Visa International or Visa U.S.A., representing commercial and other rights and obligations regarding participation in the Visa payments system, will continue to be outstanding following the restructuring. The following is a discussion of the legal steps that we will take to achieve these economic results.

*Visa International Merger*

In what we refer to as the Visa International merger, VI Merger Sub, Inc., a Delaware non-stock corporation and wholly owned subsidiary of VI LLC, which we refer to as VI merger sub, will be merged with and into Visa International, and Visa International will continue as the surviving corporation after the effectiveness of the Visa International merger. Upon the effectiveness of the Visa International merger, each of the outstanding equity membership interests held by members of Visa International (other than Visa Canada and Visa Europe) will be canceled in consideration of the issuance of limited liability company interests in VI LLC, which are substantially similar to the equity membership interests formerly held by such members and which we refer to as LLC shares. Such LLC shares will be issued ratably in accordance with the respective equity membership interests in Visa International.

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Visa Europe's entire membership interest in Visa International will be canceled, and Visa Europe will be issued LLC shares. In addition, prior to the Visa International merger, Visa Canada will cease to be a member of Visa International at the same time as its commercial and other rights and obligations regarding participation in the Visa payments system will be embodied in a regional service agreement. Thus, Visa Europe and Visa Canada will not retain any non-equity membership interests in Visa International following this merger and the restructuring. Instead, the rights and obligations of Visa Europe and Visa Canada with regard to participation in the Visa payments system will be governed by, in the case of Visa Europe, the framework agreement and, in the case of Visa Canada, the regional services agreement and certain other agreements between Visa Inc., Visa International and Visa Canada. For a description of the agreements we are entering into with Visa Europe and Visa Canada, see *Material Contracts The Framework Agreement, The Put-Call Option Agreement and The Global Restructuring Agreement The Restructuring The Canada Transaction Documents.*

Promptly after the effectiveness of the Visa International merger, the LLC shares will be converted and reallocated as regional classes of limited liability interests in VI LLC corresponding to five Visa geographic regions, reflecting the initial allocation to members of VI LLC of shares of Visa Inc., as follows:

- (i) in the case of Visa U.S.A., 127,800,553 class USA LLC shares;
- (ii) in the case of Visa Europe, 62,213,201 class EU (series I) LLC shares and 27,904,464 class EU (series II) LLC shares;
- (iii) in the case of each eligible member of Visa International associated with the Visa AP region, a number of class AP LLC shares equal to 119,100,481 multiplied by such member's initial ownership percentage, which is calculated based upon such member's historical fees and total volume as compared with the historical fees and total volume of other eligible members of Visa International associated with the Visa AP region;
- (iv) in the case of each eligible member of Visa International associated with the Visa LAC region, a number of class LAC LLC shares equal to 80,137,915 multiplied by such member's initial ownership percentage, which is calculated based upon such member's historical fees and total volume as compared with the historical fees and total volume of other eligible members of Visa International associated with the Visa LAC region; and
- (v) in the case of each eligible member of Visa International associated with the Visa CEMEA region, a number of class CEMEA LLC shares equal to 36,749,698 multiplied by such member's initial ownership percentage, which is calculated based upon such member's historical fees and total volume as compared with the historical fees and total volume of other eligible members of Visa International associated with the Visa CEMEA region.

After this reallocation, VI LLC will be merged with and into Visa Inc., Visa Inc. will continue as the surviving corporation, the regional classes of LLC shares will be canceled and, in consideration for such cancellation, Visa Inc. will issue to the former holders thereof, on a one-to-one basis, shares of common stock of Visa Inc. corresponding to the same five geographic regions: (i) class USA common stock; (ii) class EU (series I) common stock and class EU (series II) common stock; (iii) class AP common stock; (iv) class LAC common stock; and (v) class CEMEA common stock.

*Visa U.S.A. Merger*

Visa U.S.A. merger sub is a newly formed Delaware non-stock corporation and wholly owned subsidiary of Visa Inc. On the business day immediately following the date on which the VI LLC merger occurs, Visa U.S.A. merger sub will be merged with and into Visa U.S.A., which we refer to as the Visa U.S.A. merger, and Visa U.S.A. will continue as the surviving non-stock corporation. Upon the effectiveness of the Visa U.S.A. merger: (i) each of the outstanding equity membership interests in Visa U.S.A. will be canceled in consideration for the issuance to the holder thereof of a number of shares of our class USA common stock equal to 426,390,481



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multiplied by such holder's initial Visa Inc. ownership percentage, which will be equal to the member's membership proportion as defined in the Visa U.S.A. certificate of incorporation; and (ii) each of the non-equity membership interests in Visa U.S.A. will continue to be issued and outstanding after the closing of the restructuring.

*Visa Canada Restructuring*

Prior to the Visa International merger, the charter of Visa Canada will be amended to permit Visa Canada membership interests to be transferable, and the bylaws of Visa Canada will be amended to accommodate the vesting of the commercial and other rights and obligations regarding participation in the Visa payments system of members of Visa Canada in service agreements. Prior to the Visa International merger, Visa Canada will surrender to Visa International its entire membership in Visa International, and at the same time Visa International and Visa Inc. will enter into a regional services agreement with Visa Canada to continue Visa Canada's existing commercial rights with respect to the Visa payments system. At the closing of the restructuring, Visa Canada will offer to its members the opportunity to enter into separate services agreements with Visa Canada; Visa Canada and Visa International will offer to members of Visa Canada the opportunity to enter into separate trademark agreements with Visa International; and Visa Inc. will offer to members of Visa Canada the opportunity to enter into a support agreement with Visa Inc., all of which agreements are designed to enable members of Visa Canada to continue their existing commercial rights with respect to the Visa payments system.

On the business day after the date on which the VI LLC merger occurs, each eligible member of Visa Canada that has elected to do so will be entitled to exchange its membership interest in Visa Canada with Visa Inc. for a number of shares of Visa Inc. class Canada common stock equal to 22,034,685 multiplied by such member's initial ownership percentage, which will be such member's card sales volume (as defined in the bylaws of Visa Canada) during the period from October 1, 1990 through the September 30 immediately preceding the closing of the restructuring, expressed as a percentage of the aggregate card sales volume of all eligible members of Visa Canada during such period. Immediately following such exchanges, Visa Canada will be converted from a non-share capital corporation to a for-profit share capital corporation governed by the OBCA, with Visa Inc. receiving, as a member of Visa Canada, common shares of the converted Visa Canada, and eligible members of Visa Canada that did not previously elect to exchange their membership interests as described above receiving common shares of the converted Visa Canada. Visa Inc. will then transfer its common shares of Visa Canada to Visa Canada merger sub in exchange for common shares of Visa Canada merger sub.

As soon as practicable after the conversion of Visa Canada described above, Visa Canada, Visa Canada merger sub, which is a wholly owned subsidiary of Visa Inc., and Visa Inc. will enter into an amalgamation agreement, pursuant to which Visa Canada and Visa Canada merger sub will be amalgamated and, upon completion of the redemption referred to below, the combined entity formed by the Visa Canada amalgamation will become a wholly owned subsidiary of Visa Inc. Upon the effectiveness of the Visa Canada amalgamation, all of the outstanding share capital of Visa Canada (other than the series A common shares held by Visa Canada merger sub) will be converted into redeemable preferred shares of the combined entity in the Visa Canada amalgamation, which will be immediately redeemed for (and Visa Inc. will issue to each eligible Visa Canada member then a shareholder of Visa Canada) a number of shares of our class Canada common stock equal to 22,034,685 multiplied by each eligible Visa Canada member's initial Visa Inc. ownership percentage, all of the outstanding share capital of Visa Canada merger sub will be converted into 100 common shares of the combined entity formed in the Visa Canada amalgamation, and the series A common shares of Visa Canada held by Visa Canada merger sub will be canceled without payment. Upon the effectiveness of the Visa Canada amalgamation, the bylaws of Visa Canada will be the Visa Canada merger sub bylaws and the directors and officers of Visa Canada merger sub will become the directors and officers of Visa Canada.

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*Inovant U.S. Holdco Merger; VESI Share for Share Exchange*

On the business day after the later to occur of the Visa U.S.A. merger and the Visa Canada amalgamation, Inovant, Inc. will be merged with and into Visa Inc., which we refer to as the Inovant U.S. holdco merger, and Visa Inc. will continue as the surviving corporation after the closing of the Inovant U.S. holdco merger. Upon the effectiveness of the Inovant U.S. holdco merger, all of the outstanding capital stock of Inovant, Inc. will be canceled in consideration for the issuance to Visa U.S.A., which is the sole stockholder of Inovant, Inc., of 3,791,455 shares of our class USA common stock. On the business day immediately after the date of the effectiveness of the Inovant U.S. holdco merger, VESI will deliver to Visa Inc. all of the limited liability company interests in Inovant then owned by VESI, in exchange for 549,587 shares of our class EU (series III) common stock.

*True-Up of Merger Consideration*

The initial allocation of shares of Visa Inc. common stock was determined under a methodology that was agreed upon among the participating regions. It was based primarily on each participating region's projected net income contribution to the overall Visa enterprise in fiscal 2008. In addition, there were some negotiated adjustments that were made to the allocations to reflect, among other things, potential operating synergies and one-time adjustments to financial projections. In order to better reflect relative actual performance against projections, there will be a subsequent conversion and reallocation of shares, which we refer to as the true-up, based on each participating region's relative under- or over-achievement of its net revenue targets beyond certain percentage limits, which we refer to as tolerance bands, of its net revenue targets for the relevant four-quarter period, which we refer to as the measurement period. As a result of the true-up, each of the regional classes of common stock will be converted into class C common stock or, in the case of the class USA common stock, class B common stock, prior to the initial public offering of our common stock. Because the true-up calculation is based on relative financial performance among the regions, it is possible that a region could meet or exceed its net revenue goals and be allocated fewer shares as a result of the true-up if other regions were to outperform their revenue targets by a greater percentage.

If a participating region's actual net revenue during the measurement period is not over 104% of its estimated net revenue and not below 98% of its estimated net revenue for such period, then that region's applicable multiplier will be 1.0, and no adjustment will be made to that region's baseline amount. If a region exceeds or falls short of its net revenue targets by an amount in excess of these tolerance band percentages, then the region's applicable multiplier will equal the percentage difference between the actual and projected net revenues for the measurement period multiplied by 1.5. The upper tolerance band percentage will be increased from 104% to 108% if a region exceeds its marketing budget by more than 30% during the measurement period. The lower tolerance band percentage will be adjusted from 98% to 96% if the participating region's actual marketing expense is less than 70% of the participating region's projected marketing expense during the measurement period. The region's adjusted amount equals the baseline amount multiplied by the applicable multiplier, plus an additional, negotiated amount for, among other things, a negotiated portion of the overall expected cost savings relating to the restructuring. Each participating region's percentage ownership after the true-up will equal this adjusted amount as a percentage of the aggregate adjusted amounts of all the participating regions, multiplied by 0.916 (to exclude Visa Europe's 8.4% interest represented by the class EU (series I) and class EU (series III) common stock of Visa Inc. from the true-up calculation).

The measurement period will be the four quarters ending September 30, 2008; provided, however, that if Visa Inc. files a registration statement on Form S-1 for an initial public offering prior to the end of fiscal 2008, then the measurement period will be the four-quarter period ending with (and including) the latest quarter for which financial statements are included in the registration statement on Form S-1 on the date it is declared effective by the United States Securities and Exchange Commission, or SEC. In no event, however, will the measurement period be any earlier than the four quarters ending September 30, 2007.

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In addition, the allocation of shares among the financial institutions that are members of the Visa AP, Visa LAC and Visa CEMEA regions is also subject to a separate adjustment in connection with the final allocation of shares within the unincorporated regions, as described below, based on the relative performance of each financial institution within the Visa AP, Visa LAC and Visa CEMEA regions, respectively, compared to the financial performance of all of the other financial institutions within its respective region during the measurement period. For more information about the true-up process, see *The Global Restructuring Agreement The Restructuring True-Up of Merger Consideration*.

The following is a diagram showing the organization and ownership of Visa Inc. and its significant subsidiaries immediately after giving effect to the restructuring described above:

### **Retrospective Responsibility Plan (Page 96)**

Our retrospective responsibility plan addresses potential liabilities arising from the litigation described under the heading *Business of Visa Inc. Legal and Regulatory Proceedings Covered Litigation*, which we refer to as the covered litigation.

Upon the completion of the initial public offering of Visa Inc. common stock, we will deposit a portion of the proceeds of the offering in an amount determined by the litigation committee (as described below) in an escrow account from which settlements of, or judgments in, the covered litigation would be paid.

The net initial public offering proceeds less the sum of: (i) the initial escrow amount, (ii) any funds retained by Visa Inc. for general working capital purposes and (iii) the \$1.146 billion that is designated to redeem the Visa Europe class C (series II) shares, will be used to redeem a portion of the shares of class B common stock and the shares of class C common stock (other than class C (series II) common stock). The redemption price for these shares will equal the net initial public offering price per share.



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The shares of class B common stock that are retained by Visa U.S.A. members and that are not redeemed out of the proceeds of the initial public offering will be subject to dilution to the extent of the initial amount of the escrow account. This dilution of the shares of class B common stock will be accomplished through an adjustment to the conversion ratio of the shares of class B common stock. These shares will not be able to be converted into shares of class A common stock or, subject to limited exceptions, transferred until the later of the third anniversary of our initial public offering or the final resolution of the covered litigation. The shares of class C common stock held by members other than the Visa U.S.A. members will not be subject to this dilutive adjustment.

After the completion of our initial public offering and at the request of the litigation committee, we expect to conduct follow-on offerings of our shares of class A common stock, which we refer to as loss shares, if the litigation committee deems it desirable to increase the escrow account. The proceeds from the sale of loss shares would then be deposited in the escrow account and the shares of class B common stock would be subject to additional dilution to the extent of the loss shares through a concurrent adjustment to the conversion ratio of the class B shares.

Any amounts remaining in the escrow account on the date on which all of the covered litigation has been resolved will be released back to us, and the conversion ratio of the shares of class B common stock then outstanding will be adjusted in the holders' favor through a formula based on the released escrow amount and the market price of our stock.

The litigation committee will be established pursuant to a litigation management agreement between Visa Inc., Visa International, Visa U.S.A. and five individuals who are affiliated with, or acting for, certain Visa U.S.A. members. The litigation committee: (i) will determine the percent of initial public offering proceeds to be deposited in the escrow account; (ii) may request the sale of loss shares, subject to Visa Inc.'s right to delay the filing or effectiveness of a registration statement relating to such loss shares under certain circumstances; and (iii) may recommend or refer the cash payment portion of a proposed settlement of any covered litigation to the Visa U.S.A. board of directors.

Visa U.S.A., Visa International and Visa Inc. have entered into a loss sharing agreement with some of the Visa U.S.A. members, which will be effective as of the restructuring closing date. The loss sharing agreement provides that the Visa U.S.A. members that are parties to the agreement will be responsible for a proportionate share of the liabilities associated with the covered litigation that might otherwise be borne by Visa U.S.A., Visa International or, in certain instances, Visa Inc. This proportionate share of each Visa U.S.A. member will be equal to such member's membership proportion, as calculated in accordance with Visa U.S.A.'s certificate of incorporation.

Visa U.S.A. previously entered into a judgment sharing agreement with certain of its members that have also been named as defendants in the lawsuit filed by American Express, which we refer to as the Amex judgment sharing agreement. In addition, Visa U.S.A. and Visa International entered into an interchange judgment sharing agreement with certain Visa U.S.A. members that have been named as defendants in the merchant interchange litigation and the Kendall litigation with regard to certain covered litigation. Under these judgment sharing agreements, the Visa U.S.A. members that are signatories will pay their membership proportion of the portion of a final judgment not allocated to the conduct of MasterCard. In the event that a final judgment is enforced against Visa U.S.A. or Visa International in the interchange litigation, the Visa U.S.A. member signatories will reimburse Visa U.S.A. or Visa International for the entire amount of the final judgment so enforced that is allocated to the conduct of MasterCard.

In order to avoid a double payment as a result of the dilutive adjustment in the conversion ratio of the class B shares upon the establishment of the escrow account, Visa U.S.A. members that have made certain payments pursuant to the interchange judgment sharing agreement, the loss sharing agreement or the Amex judgment sharing agreement will be reimbursed from the escrow account.

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The members of Visa U.S.A. have indemnification obligations pursuant to Visa U.S.A.'s certificate of incorporation and bylaws and in accordance with their membership agreements. After the closing of the restructuring, these indemnification obligations will continue with respect to the covered litigation, although we currently expect that, after the completion of our initial public offering, the initial escrow account and any additional proceeds from the sale of loss shares, which will subsequently be deposited into the escrow account, will be used first to resolve the covered litigation.

To the extent that the amount of the initial escrow and any additional sale of loss shares is insufficient to fully resolve the covered litigation and reimburse judgment sharing and loss sharing payments by Visa U.S.A.'s members, we will use commercially reasonable efforts to enforce the indemnification obligations of Visa U.S.A.'s members for such excess amount, including but not limited to enforcing indemnification obligations pursuant to the loss sharing agreement, Visa U.S.A.'s certificate of incorporation and bylaws and in accordance with their membership agreements.

### **Material Contracts with Visa Europe (Page 303)**

#### *The Framework Agreement*

The relationship between Visa Inc. and Visa Europe will be governed after the restructuring by a framework agreement, which provides for trademark and technology licenses and bilateral services.

#### *(i) Trademark and Technology Licenses*

Visa Inc., Visa U.S.A., Visa International and Inovant, as the licensors, will grant to Visa Europe exclusive, irrevocable and perpetual licenses to use the Visa trademarks and technology intellectual property owned by the licensors and certain affiliates within the Visa Europe region for use in the field of financial services, payments, related information technology and information processing services and participation in the Visa system. Visa Europe may sublicense the Visa trademarks and technology intellectual property to its members and other sublicensees, such as processors, for use within Visa Europe's region and, in certain limited circumstances, outside the Visa Europe region.

From the restructuring closing date until the earlier of: (i) one year from the restructuring closing date; and (ii) the filing of a registration statement on Form S-1 for a Visa Inc. initial public offering, the fee payable for the licenses will be \$6 million per quarter. Thereafter until the later of: (i) the date our shares commence trading on an internationally recognized securities exchange; and (ii) 369 days after the Inovant U.S. holdco merger, the fee payable for the licenses will be \$142.5 million per year, payable quarterly, which we refer to as the quarterly base fee, reduced by an amount equal to \$1.146 billion multiplied by the three-month LIBOR rate plus 100 to 200 basis points. Three years after Visa Europe begins to pay the quarterly base fee, this fee will be increased annually based on the annual growth of the gross domestic product of the European Union. In each case, the quarterly base fee will be reduced by an amount equal to the product of the following: (i) our net initial public offering price per share; (ii) the number of shares of Visa Inc. held by Visa Europe (other than class EU (series II) shares or class C (series II) shares) that would have been redeemed immediately, but for provisions that delay the redemption of shares held by Visa Europe until one year following the date of the initial public offering; (iii) the three-month LIBOR rate plus 100 to 200 basis points; and (iv) the number of days in that quarter which fall in the post-initial public offering period divided by 365.

Visa Europe must comply with certain agreed global rules governing the use and interoperability of the Visa trademarks and interoperability of Visa Inc.'s systems with the systems of Visa Europe. In addition, the parties will guarantee the obligations of their respective members to settle transactions between such members, service global customers, participate in certain global sponsorships, manage certain global programs, establish rules for

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servicing global merchants, ensure that their customers and members require acceptance of globally accepted cards, maintain adequate capital levels to support their ongoing business operations and establish and comply with rules relating to the operation of the Visa enterprise. Visa Inc. will indemnify Visa Europe for any claims arising from activities within the field brought outside Visa Europe's region and Visa Europe will indemnify Visa Inc. for any claims arising from activities within the field brought within Visa Europe's region. For a description of the trademark and technology license arrangements, see *Material Contracts The Framework Agreement*.

*(ii) Bilateral Services*

Visa Inc. and Visa Europe will provide each other with transitional and ongoing services similar to those services currently provided among Visa International, Visa U.S.A., Inovant, Visa Canada and Visa Europe. Visa Inc. will provide Visa Europe on an ongoing basis with authorization services for cross-border transactions involving Visa Europe's region, on the one hand, and the rest of the world, on the other hand, as well as clearing and settlement system services between Visa Europe's region and the rest of the world. Until Visa Europe's regional clearing and settlement system is deployed, Visa Inc. will also provide clearing and settlement system services within Visa Europe's region. In addition, the parties will share foreign exchange revenues related to currency conversion for transactions involving European cardholders as well as other cross-border transactions that take place in Visa Europe's region until Visa Europe's regional clearing and settlement system is deployed, at which time this arrangement will cease. The parties will also use each others' switching and processing services.

Visa Europe will indemnify Visa Inc. for any claims arising out of the provision of the services brought by Visa Europe's member banks against Visa Inc., while Visa Inc. will indemnify Visa Europe for any claims arising out of the provision of the services brought against Visa Europe by Visa Inc.'s customer financial institutions.

*Put-Call Option Agreement*

Upon the consummation of the restructuring, Visa Inc. and Visa Europe will enter into a put-call option agreement under which Visa Europe will provide us with a call option to require Visa Europe to cause its members to convey and deliver to us all of the issued shares of capital stock of Visa Europe. We may exercise the call option at any time following certain triggering events, which consist of severe declines in the number of merchants and the number of automatic teller machines in the Visa Europe region that accept Visa-branded products for the processing of payment transactions, provided that in no event will the call option be exercised prior to the closing of our initial public offering.

In addition, we will grant Visa Europe a put option to require Visa Inc. to purchase from the Visa Europe members all of the issued shares of capital stock of Visa Europe. The put option may be exercised by Visa Europe at any time after the earlier of: (i) 365 days after the consummation of an initial public offering of shares of Visa Inc.; and (ii) 605 days after the closing date of the restructuring. The price per share at which both the call option and the put option are exercisable is based upon a formula that is based upon, among other things, Visa Europe's projected sustainable twelve month adjusted net operating income and the forward P/E multiple applicable to Visa Inc. common stock at the time the option is exercised, subject to certain adjustments. For a description of the put-call option agreement, see *Material Contracts The Put-Call Option Agreement*.

**Management Following the Restructuring (Page 269)**

Joseph Saunders, our Chief Executive Officer and Chairman of our board, is currently serving as the sole director of Visa Inc. From and after the closing of the restructuring and until the closing of our initial public

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offering, our board of directors will consist of Mr. Saunders, ten independent directors (who will constitute a majority of the total directors) and seven directors drawn from our geographic regions (which we refer to as regional directors) as follows:

- (i) two directors elected by holders of our class USA common stock;
- (ii) one director elected by holders of our class Canada common stock;
- (iii) one director elected by holders of our class AP common stock;
- (iv) one director elected by holders of our class LAC common stock;
- (v) one director elected by holders of our class CEMEA common stock; and
- (vi) one director elected by holders of our voting series of class EU common stock.

### **Equity Incentive Plan (Page 104)**

The equity incentive plan is intended to promote the long-term success of Visa Inc. and increase stockholder value by attracting, motivating and retaining our non-employee directors, officers, employees and consultants and those of our subsidiaries and affiliates. To achieve this purpose, the equity incentive plan allows the flexibility to grant or award stock options, stock appreciation rights, restricted stock awards, restricted stock units, performance unit awards, performance share awards, cash-based awards and other stock-based awards to eligible persons.

The equity incentive plan would allow us to grant these stock-based incentive awards to non-employee directors, employees and consultants covering a total of up to 59,000,000 shares of the common stock. No awards have been made under the equity incentive plan. The compensation committee of our board of directors will have discretionary authority to operate, manage and administer the equity incentive plan in accordance with its terms. The compensation committee will determine the non-employee directors, employees and consultants who will be granted awards under the equity incentive plan, the size and types of awards, the terms and conditions of awards and the form and content of the award agreements. The compensation committee will be authorized to establish, administer and waive terms, conditions and performance goals of outstanding awards and to accelerate the vesting or exercisability of awards, in each case, subject to limitations contained in the equity incentive plan.

The equity incentive plan will become effective on the date it has been approved by the affirmative vote of the members holding membership interests in Visa International, Visa U.S.A. and Visa Canada, which, assuming the completion of the restructuring, would represent a majority of the outstanding shares of common stock of Visa Inc. immediately after the closing.

### **Risk Factors (Page 10)**

You should carefully consider all of the information provided in this proxy statement-prospectus and, in particular, you should evaluate the specific factors described under *Risk Factors* for a description of the risks associated with our business and the restructuring.

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**RISK FACTORS**

*If the restructuring is completed, members of Visa International, Visa U.S.A. and Visa Canada will become our stockholders. Therefore, if you choose to approve the restructuring, you will be choosing to invest in our common stock. An investment in our common stock involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this document before deciding whether to approve the restructuring.*

**Risks Related to Our Business**

***Legal and Regulatory Risks***

**Interchange fees are subject to significant legal and regulatory scrutiny worldwide, which may have a material adverse impact on our revenue, our prospects for future growth and our overall business.**

Interchange fees are typically paid by acquirers to issuers in connection with transactions initiated with cards in our payments system. Interchange fees are often the largest component of the costs that acquirers charge merchants in connection with the acceptance of payment cards. We set default interchange rates in an effort to maximize system volume. As the volume of card-based payments has increased in recent years, interchange fees, including our default interchange rates, have become subject to increased regulatory scrutiny worldwide. We believe that regulators are increasingly adopting a similar approach to interchange fees and, as a result, developments in any one jurisdiction may influence regulators' approach in other jurisdictions. In certain jurisdictions, default interchange rates are set by the government and not by us. Interchange fees and related practices are being or have been reviewed by regulatory authorities and/or central banks in a number of jurisdictions, including the United States, the European Union, Australia, Brazil, Colombia, Germany, Hungary, Mexico, Norway, Poland, Portugal, Romania, South Africa, Spain, Sweden, Switzerland and the United Kingdom. For example:

The Reserve Bank of Australia has made regulations under legislation enacted to give it powers over payments systems. A regulation controls the costs that can be considered in setting interchange fees for Visa credit and debit cards. The Reserve Bank of Australia does not regulate the merchant discount charged by any payment system.

The Commerce Commission, New Zealand's competition regulator, filed a civil claim alleging that, among other things, the fixing of default interchange rates by Cards NZ Limited, Visa International, MasterCard and certain Visa International member banks contravenes the New Zealand Commerce Act. A group of New Zealand retailers filed a nearly identical claim against the same parties before the same tribunal. Both the Commerce Commission and the retailers seek declaratory, injunctive and monetary relief.

In March 2006, Banco de México, the central bank of Mexico, reached an agreement with the Mexican Banks Association to implement a new, value-based interchange methodology. As part of Banco de México's transparency policies, details of the new interchange rates have been publicly disclosed and are available on Banco de México's web site.

Interchange fees have been the topic of recent committee hearings in the U.S. House of Representatives and the U.S. Senate, as well as conferences held by a number of U.S. federal reserve banks. In addition, the U.S. House of Representatives has passed a bill that would commission a study by the Federal Trade Commission of the role of interchange fees in alleged price gouging at gas stations. Individual state legislatures in the United States are also reviewing interchange fees, and legislators in a number of states have proposed bills that purport to limit interchange fees or merchant discount rates or to prohibit interchange fees or merchant discount rates from being applied to portions of a transaction. In addition, the Merchants Payments Coalition, a coalition of trade associations representing businesses that accept credit and debit cards, is mounting a challenge to interchange fees in the United States by seeking legislative and regulatory intervention.

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If we cannot successfully defend our ability to set default interchange rates to maximize system volume, our payments system may become unattractive to issuers. This result could reduce the number of financial institutions willing to participate in our open-loop multi-party payments system, lower overall transaction volumes, and/or make closed-loop payments systems or other forms of payment more attractive. Issuers could also charge higher fees to consumers, thereby making our card programs less desirable and reducing our transaction volumes and profitability, or they could attempt to decrease the expense of their card programs by seeking incentives or a reduction in the fees that we charge. Any of the foregoing could have a material adverse impact on our revenue, our prospects for future growth, and our overall business.

### **If Visa U.S.A. or Visa International is found liable in the merchant interchange multidistrict litigation, we may be forced to pay substantial damages.**

From 2005 through 2007, a total of approximately 51 class action and individual complaints were filed on behalf of merchants against Visa U.S.A., Visa International, MasterCard and other defendants, including certain Visa U.S.A. member financial institutions. The plaintiffs allege that Visa U.S.A.'s and Visa International's setting of default interchange rates violated federal and state antitrust laws, among other antitrust allegations. The lawsuits have been transferred to a multidistrict litigation in the Eastern District of New York. The class action complaints have been consolidated into a single amended class action complaint, and the individual complaints are also being consolidated in the same multidistrict litigation. A similar case, filed in 2004, is on appeal by plaintiffs after having been dismissed with prejudice, and has not been transferred to the multidistrict litigation.

The plaintiffs in the multidistrict litigation seek damages for alleged overcharges in merchant discount fees, as well as injunctive and other relief. The plaintiffs have not yet quantified the damages they seek, although several of the complaints allege that the plaintiffs expect that damages will range in the tens of billions of dollars. Because these lawsuits were brought under the U.S. federal antitrust laws, any actual damages will be trebled and Visa U.S.A. and/or Visa International may be subject to joint and several liability among the defendants if liability is established, which could significantly magnify the effect of any adverse judgment. Failure to successfully defend or settle the multidistrict litigation would result in liability that could have a material adverse effect on our results of operations, financial condition and cash flows, or, in certain circumstances, even cause us to become insolvent. For a discussion of the multidistrict litigation, see *Business of Visa Inc. Legal and Regulatory Proceedings Covered Litigation Interchange Litigation*.

### **If Visa U.S.A. or Visa International is found liable in any of the cases brought by American Express or Discover, we may be forced to pay substantial damages.**

In 1998, the U.S. Department of Justice filed suit against Visa U.S.A., Visa International and MasterCard International in the U.S. District Court for the Southern District of New York. The suit alleged, among other things, that Visa U.S.A. restrained competition by prohibiting its member financial institutions from issuing certain competing payment cards (such as American Express or Discover). The district court held that the prohibition constituted an unlawful restraint of trade under the U.S. federal antitrust laws, and this decision was affirmed by the Second Circuit Court of Appeals. As a result of this judgment, the Visa U.S.A. bylaw that provided for the prohibition became unenforceable in October 2004 and was subsequently repealed.

American Express and Discover have each filed suit against Visa U.S.A., Visa International and MasterCard International, alleging that prohibiting member financial institutions from issuing competing payment cards caused them injury under the U.S. federal antitrust laws. American Express has sued other defendants as well, including certain Visa U.S.A. member financial institutions. American Express also alleges, among other antitrust allegations, that Visa U.S.A.'s partnership agreements with certain of its members constitute exclusive dealing in violation of the antitrust laws. In connection with their respective claims, American Express and Discover each requested that the district court give collateral estoppel effect to the court's findings in the judgment of the 1998 Department of Justice litigation. Although the district court denied that request when made at the outset of the litigation, the district court indicated it would entertain a motion by American Express or

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Discover for collateral estoppel at a later time. If the court were to give collateral estoppel effect to one or more issues, significant elements of the plaintiffs' claims would be established, making it more likely that Visa International and Visa U.S.A. could be found liable and that the plaintiffs would be awarded damages.

On July 24, 2007, American Express and Discover served expert reports seeking substantial damages. Because these lawsuits were brought under the U.S. federal antitrust laws, any actual damages will be trebled and Visa International and Visa U.S.A. may be subject to joint and several liability among the defendants if liability is established, which could significantly magnify the effect of any adverse judgment. Failure to successfully defend against or settle these lawsuits would result in liability that could have a material adverse effect on our results of operations, financial condition and cash flows, or, in certain circumstances, even cause us to become insolvent. For a discussion of the American Express and Discover litigations, see *Business of Visa Inc. Legal and Regulatory Proceedings Covered Litigation*.

**If the settlements of Visa U.S.A.'s and Visa International's currency conversion cases are not ultimately approved and we are unsuccessful in any of the various lawsuits relating to Visa U.S.A.'s and Visa International's currency conversion practices, our business may be materially and adversely affected.**

Visa U.S.A. and Visa International are defendants in several state and federal lawsuits alleging that their currency conversion practices are or were deceptive, anti-competitive or otherwise unlawful. In particular, a trial judge in California found that the former currency conversion practices of Visa U.S.A. and Visa International were deceptive under California state law, and ordered Visa U.S.A. and Visa International to mandate that their members disclose the currency conversion process to cardholders in cardholder agreements, applications, solicitations and monthly billing statements. The judge also ordered unspecified restitution to credit card holders. The decision was reversed on appeal on the ground that the plaintiff lacked standing to pursue his claims. After the trial court's decision, several putative class actions were filed in California state courts challenging Visa U.S.A.'s and Visa International's currency conversion practices for credit and debit cards. A number of putative class actions relating to Visa U.S.A.'s and Visa International's former currency conversion practices were also filed in federal court. The federal actions have been coordinated or consolidated in the U.S. District Court for the Southern District of New York. The consolidated complaint alleges that the former currency conversion practices of Visa U.S.A. and Visa International violated federal antitrust laws.

On July 20, 2006 and September 14, 2006, Visa U.S.A. and Visa International entered into agreements settling or otherwise disposing of the federal and state actions and related matters. Pursuant to the settlement agreements, Visa U.S.A. paid approximately \$100 million as part of the defendants' settlement fund for the federal actions and will pay approximately \$20 million to fund settlement of the California cases. The federal court has granted preliminary approval of the settlement agreements, but the settlement is subject to final approval by the court and resolution of all appeals. If final approval of the settlement agreements is not granted, all of the agreements resolving the federal and state actions will terminate. If that occurs, and we are unsuccessful in defending against some or all of these lawsuits, we may have to pay restitution and/or damages, and may be required to modify our currency conversion practices. The potential amount of damages and/or restitution could be substantial. In addition, although Visa U.S.A. and Visa International have substantially changed the practices that were at issue in these litigations, if the courts require further changes to the currency conversion and cross-border transaction practices, it could significantly affect the revenues received by Visa U.S.A. and Visa International from these transactions. See *Business of Visa Inc. Legal and Regulatory Proceedings Currency Conversion Litigation*.

**If Visa U.S.A. or Visa International is found liable in certain other lawsuits that have been brought against them or if we are found liable in other litigation to which we may become subject in the future, we may be forced to pay substantial damages and/or change our business practices or pricing structure, any of which could have a material adverse effect on our revenue and profitability.**

In actions filed in a number of U.S. state courts and the District of Columbia against Visa U.S.A., and, Visa International, in one state, plaintiffs assert claims under state antitrust statutes, consumer protection statutes and/

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or state common law. The plaintiffs are suing on behalf of putative classes of consumers; one action was brought by the West Virginia Attorney General on behalf of consumers. The plaintiffs' claims are based on allegations made in a lawsuit brought on behalf of a class of U.S. merchants against Visa U.S.A. and MasterCard International, which Visa U.S.A. settled in June 2003. The plaintiffs allege, among other things, that Visa U.S.A.'s former Honor All Cards rule had the effect of unlawfully tying the provision of credit and debit card services for merchants, that Visa U.S.A. attempted to monopolize an alleged point-of-sale debit card market, and that Visa U.S.A. deceived merchants about debit cards. The plaintiffs claim that this led merchants to pay excessive fees for debit card processing services, which the merchants, in turn, passed on to consumers. In addition, one merchant that opted-out of the merchant class action has filed suit against Visa U.S.A., challenging Visa U.S.A.'s former Honor All Cards rule, among other claims. See *Business of Visa Inc. Legal and Regulatory Proceedings U.S. Merchant Opt-Out and Consumer Litigations*.

Visa U.S.A. and Visa International have also been investigated or sued on a variety of other legal claims, including:

a claim of patent infringement, misrepresentation, breach of contract and antitrust violations against Visa International, relating to a license agreement for smart card technology;

a trademark infringement claim against Visa International in Venezuela in connection with the Visa Vale product;

a patent infringement claim against Visa U.S.A. and Visa International, involving the Verified by Visa product;

a promissory estoppel and misrepresentation claim against Visa U.S.A. and Visa International, regarding deferment of a deadline for laboratory certification of ATM devices meeting heightened data encryption standards;

two state unfair competition law claims, one against Visa U.S.A. and Visa International alleging failure to inform cardholders of a security breach in a timely manner, and another against Visa U.S.A. and Visa International based in part on Visa U.S.A.'s past practice of prohibiting member financial institutions from issuing certain competing payment cards (such as American Express or Discover); and

a Civil Investigative Demand to Visa U.S.A. from the Office of the Attorney General for the District of Columbia, in coordination with the Attorneys General of New York and Ohio, seeking information regarding practices related to PIN debit cards;

a patent infringement claim against Visa U.S.A. and Visa International regarding certain Visa contactless payment technology; and

a patent infringement claim against Visa U.S.A. regarding prepaid card products.

If we are unsuccessful in our defense against any of the proceedings described above, we may be forced to pay substantial damages and/or change our business practices or pricing structure, any of which could have a material adverse effect on our revenue and profitability. For a discussion of these legal proceedings, see *Business of Visa Inc. Legal and Regulatory Proceedings Intellectual Property Litigation* and *Other Litigation*.

### **Limitations on our business and other penalties resulting from litigation or litigation settlements may materially and adversely affect our revenue and profitability.**

Certain limitations have been placed on our business in recent years as a result of litigation and litigation settlements. For example, as a result of the June 2003 settlement of a U.S. merchant lawsuit against Visa U.S.A., merchants are able to reject Visa consumer debit cards in the United States while still accepting other Visa-branded cards, and vice versa. In addition, following the final judgment entered in the litigation the U.S. Department of Justice, or DOJ, brought against Visa U.S.A. and Visa International in 1998, as of October 2004, members of Visa U.S.A. may



issue certain payment cards that compete with Visa-branded cards (such as

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American Express or Discover). For more information on the DOJ's suit, see *Business of Visa Inc. Legal and Regulatory Proceedings Department of Justice Antitrust Case and Related Litigation*. Since this final judgment, several members of Visa U.S.A., including, but not limited to, Bank of America, Citibank, HSBC/Metris, U.S.A.A., Barclaycard U.S., GE Consumer Finance, First Bank & Trust, Credit One, Central National Bank & Trust, and Brenham National Bank, have begun to issue, or have announced that they will issue, American Express or Discover-branded cards.

In June 2007, a federal court ruled that Visa U.S.A.'s settlement service fee violates the final judgment entered in the case the DOJ brought against Visa U.S.A., Visa International and MasterCard in 1998. For more information on the final judgment, see *Business of Visa Inc. Legal and Regulatory Proceedings Department of Justice Antitrust Case and Related Litigation*. Visa U.S.A.'s bylaws provide that a settlement service fee is to be paid by certain Visa U.S.A. members that shift a substantial portion of their offline debit card volume to another debit brand unless that shift is to the American Express or Discover brands. As a remedy, the court ordered Visa U.S.A. to repeal the settlement service fee bylaw and to permit any Visa U.S.A. debit issuer subject to the settlement service fee prior to its repeal that entered into an agreement that includes offline debit issuance with Visa U.S.A. on or after June 20, 2003 to terminate its agreement, provided that the issuer has entered into an agreement with MasterCard to issue MasterCard branded debit cards and the issuer has repaid to Visa U.S.A. any unearned benefits or financial incentives under its Visa U.S.A. agreement. On June 13, 2007, the parties entered into an agreement to toll the statute of limitations on certain potential claims MasterCard may have against Visa U.S.A. in connection with the settlement service fee. Pursuant to the court's order, the settlement service fee bylaw was rescinded as of the effective date of the order. On June 29, 2007, Visa U.S.A. filed a notice of appeal to the Second Circuit Court of Appeals and on July 2, 2007 sought a stay pending appeal as to the contract termination portion of the court's remedy. On July 13, 2007, the Second Circuit Court of Appeals issued a scheduling order for the appeal, which was subsequently modified by agreement of the parties. Visa U.S.A.'s appellate brief must be filed by August 27, 2007, and MasterCard's response by September 26, 2007. Oral argument will likely occur sometime after early November 2007. On August 7, 2007, the district court denied Visa U.S.A.'s request for a stay of the contract termination portion of the remedy pending appeal. On August 17, 2007, Discover Financial Services and DFS Services LLC moved the district court to intervene in the settlement service fee matter. Discover also sought to have the district court modify its June 15, 2007 order (1) to extend the contract termination remedy to issuers entering into agreements with Discover; and (2) to void certain provisions of Visa U.S.A.'s debit agreements. Visa U.S.A.'s opposition to Discover's motion is due September 4, 2007, and Discover's reply is due September 11, 2007. In light of the briefing schedule for Discover's motion, Visa U.S.A. has requested that the Second Circuit grant the parties to the appeal a 30-day extension of the current briefing schedule. If the Second Circuit grants Visa U.S.A.'s request, oral argument will not likely be heard before mid-December 2007.

The developments discussed above and any future limitations on our business resulting from litigation or litigation settlements could limit the fees we charge and reduce our payments volume, which could materially and adversely affect our revenue and profitability.

**The payments industry is the subject of increasing global regulatory focus, which may result in costly new compliance burdens being imposed on us and our customers and lead to increased costs and decreased payments volume and revenues.**

We and our customers are subject to regulations that affect the payment industry in the many countries in which our cards are used. Regulation of the payments industry has increased significantly in recent years.

*Anti-money laundering regulation.* Most jurisdictions in which we and our customers operate have implemented, amended or have pending anti-money laundering regulations. In 2002, we and our customers became subject to the provisions of the U.S.A. PATRIOT Act, which requires the creation and implementation of comprehensive anti-money laundering programs.

*U.S. Treasury Office of Foreign Assets Control regulation.* Visa International and Visa U.S.A. are subject to regulations imposed by the U.S. Treasury Office of Foreign Assets Control, or OFAC.

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OFAC restricts financial dealings with Cuba, Iran, Myanmar and Sudan, as well as financial dealings with certain parties, such as identified money laundering fronts for terrorists or narcotics traffickers. While we prohibit financial institutions that are domiciled in those countries or are restricted parties from being Visa members, many Visa International members are non-U.S. financial institutions, and thus are not subject to OFAC restrictions. Accordingly, our payments system may be used for transactions in or involving countries or parties subject to OFAC-administered sanctions.

*Regulation of the price of credit.* In recent years, a number of regulations relating to the price of credit have been implemented in some jurisdictions in which our cards are used. In the United States, regulators and the U.S. Congress have increased their scrutiny of our customers' pricing and underwriting standards relating to credit. For example, a number of regulations have been issued to implement the U.S. Fair and Accurate Credit Transactions Act, and other regulations are expected to be issued in 2007. One such regulation pertaining to risk-based pricing could have a significant impact on the application process for credit cards and result in increased costs of issuance and/or a decrease in the flexibility of card issuers to set the price of credit. Any regulation in this regard could result in a decrease in our payments volume and revenue.

*Other regulation*

Many jurisdictions in which our customers and we operate are considering, or are expected to consider, legislation with regard to Internet transactions, and in particular with regard to choice of law, the legality of certain e-commerce transactions, the collection of applicable taxes and copyright and trademark infringement.

In recent years, federal banking regulators in the United States have adopted a series of regulatory measures intended to require more conservative accounting, greater risk management and higher capital requirements for bank credit card activities.

Increased regulatory focus in connection with the matters discussed above may increase our costs, which could materially and adversely affect our financial performance. Similarly, increased regulatory focus on our customers may cause a reduction in payments volume, which could reduce our revenues and materially and adversely impact our financial performance.

**Existing and proposed regulation in the areas of consumer privacy and data use and security could decrease the number of payment cards issued, and could decrease our payments volume and revenues.**

We and our customers are subject to regulations related to privacy and data use and security in the jurisdictions in which we do business, and we could be adversely affected by these regulations. For example, in the United States, we and our customers are subject to the banking regulators' information safeguard rules and the Federal Trade Commission's rules under the Gramm-Leach-Bliley Act. The rules require that we and our customers develop, implement and maintain written, comprehensive information security programs containing safeguards that are appropriate to our size and complexity, the nature and scope of our activities, and the sensitivity of any customer information at issue.

In recent years, there has been a heightened legislative and regulatory focus on data security, including requiring consumer notification in the event of a data breach. In the United States, a number of bills have been introduced in Congress and there have been several Congressional hearings to address these issues. Congress will likely consider data security/data breach legislation in 2007 that, if implemented, could affect our customers and us. In addition, a number of U.S. states have enacted security breach legislation, requiring varying levels of consumer notification in the event of a security breach, and several other states are considering similar legislation.

Regulation of privacy, data use and security may materially increase our customers' and our costs and may decrease the number of our cards that our customers issue, which could materially and adversely affect our profitability. Failure to comply with the privacy and data use and security laws and regulations to which we are subject could result in fines, sanctions and damage to our global reputation and our brand.

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### **Government actions may prevent us from competing effectively in the domestic payment markets of certain countries, which could impair our ability to maintain or increase our revenues.**

Governments in certain countries have acted, or could act, to provide resources or protection to selected national payment card providers or national payment processing providers to support domestic competitors or to displace us from, prevent us from entering into, or substantially restrict us from participating in, particular geographic markets. For example, our members in China are not permitted to issue our cards for domestic use in China. Governments in certain countries that were formerly part of the Soviet Union have considered similar restrictions from time to time. Our efforts to effect change in countries where our access to the payment market is limited may not be successful, which could adversely affect our ability to maintain or increase our revenues and extend our global brand.

### **If government regulators determine that we are a systemically important payments system, we may have to change our settlement procedures or other operations, which could make it more costly to operate our business and reduce our operational flexibility.**

Government regulators in the United States may determine that we are a systemically important payments system and impose settlement risk management requirements on us, including new settlement procedures or other operational rules to address credit and operational risks or new criteria for member participation and merchant access to our payments system. Increased regulatory focus in connection with the matters discussed above could make it more costly to operate our business.

## ***Business Risks***

### **We face intense competitive pressure on the fees we charge our customers, which may materially and adversely affect our revenue and profitability.**

We generate revenue from fees we charge our customers that are based on payments volume or that are based on transaction messages processed and various other services we provide. In order to increase payments volume, enter new markets and expand our card base, we offer incentives to customers, such as upfront cash payments, fee discounts, credits, performance based growth incentives, marketing support payments and other support, such as marketing consulting and market research studies. Over the past several years, we have increased our use of incentives such as up front cash payments and fee discounts in many countries, including the United States. In order to stay competitive, we may have to continue to increase our use of incentives. Such pressure on fees may make the provision of certain products and services unprofitable and materially and adversely affect our operating revenue and profitability. To the extent that we continue to increase incentives to our customers, we will need to further increase payments volume or the amount of services we provide in order to benefit incrementally from such arrangements and to increase revenue and profit, and we may not be successful in doing so. In addition, we enter into long-term contracts with certain customers and continued pressure on fees could prevent us from entering into such agreements in the future on terms that we consider favorable, or may require us to modify existing agreements in order to maintain relationships. Increased pressure on fees also enhances the importance of cost containment and productivity initiatives in areas other than those relating to customer incentives, and we may not succeed in these efforts.

### **Our operating results may suffer because of intense competition worldwide in the global payments industry.**

The global payments industry is highly competitive. Our payment programs compete against all forms of payment, including cash, checks and electronic transactions such as wire transfers and automated clearing house payments. In addition, our payment programs compete against the card-based payments systems of our competitors such as MasterCard, American Express, Discover and private-label cards issued by merchants.

Some of our competitors have developed, or may develop, substantially greater financial and other resources than we have, may offer a wider range of programs and services than we offer, may use more effective

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advertising and marketing strategies to achieve broader brand recognition or merchant acceptance than we have or may develop better security solutions or more favorable pricing arrangements. Our competitors may also introduce more innovative programs and services than ours.

Certain of our competitors, including American Express, Discover, private-label card networks and certain alternative payments systems, operate closed-loop payments systems with direct connections to both merchants and consumers, without involving intermediaries. These competitors seek to derive competitive advantages from their business models. For example, operators of closed-loop payments systems tend to have greater control over consumer and merchant customer service than operators of open-loop multi-party payments systems such as ours, in which we must rely on our issuing and acquiring financial institution customers. In addition, these competitors have not attracted the same level of legal or regulatory scrutiny of their pricing and business practices as have operators of open-loop multi-party payments systems such as ours.

We also expect that there may be changes in the competitive landscape in the future, including:

Competitors, customers and other industry participants may develop products that compete with or replace value added services we currently provide to support our transaction processing. For example, in recent years some of our competitors and members have begun to compete with our currency conversion services by providing dynamic currency conversion services. Dynamic currency conversion is a service offered or facilitated by a merchant or processor that allows a cardholder to choose to have a transaction converted from the merchant's currency into the cardholder's billing currency at the point of sale in real time, thereby bypassing our currency conversion processes.

Parties that process our transactions in certain countries may try to eliminate our position in the payments value chain. For example, merchants could process transactions directly with issuers, and processors could process transactions directly between issuers and acquirers.

Participants in the payments industry may merge, create joint ventures or form other business combinations that may strengthen their existing business proposition or create new payment services that compete with our services. Strategic acquisitions could be easier for our public company competitors to effect because of their greater ability to finance acquisitions through the issuance of equity.

Competition from alternative types of payment services, such as online payment services and other services that permit direct debit of consumer checking accounts or ACH payments, may increase.

If we are not able to compete effectively against any of the foregoing competitive threats, our revenue or profitability may decline.

### **Our operating revenue would decline significantly if we lose one or more of our largest customers, which could have a material adverse impact on our business.**

A significant portion of our operating revenue is concentrated among our largest customers. Our pro forma operating revenues from our four largest members represented approximately \$847.9 million, or 23%, and \$870.9 million, or 22%, of our total pro forma operating revenue for the nine months ended June 30, 2007 and fiscal 2006, respectively. In addition, our pro forma operating revenues from JPMorgan Chase accounted for \$367.6 million, or 10%, and \$408.5 million, or 10%, of our pro forma operating revenue for the nine months ended June 30, 2007 and fiscal 2006, respectively. Most of our larger customer relationships are not exclusive and in certain circumstances (including, in some cases, on relatively short notice) may be terminated by our members. Our customers can reassess their commitments to us at any time in the future and/or develop their own competitive services. Loss of business from any of our largest customers could have a material adverse effect on our business.

### **Consolidation of the banking industry could result in our losing business and may create pressure on the fees we charge our customers, which may materially and adversely affect our revenue and profitability.**

Over the last several years the banking industry has undergone substantial consolidation, and we expect this trend to continue in the future. Significant ongoing consolidation in the banking industry may result in a member



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financial institution with a substantial part of our portfolio being acquired by an institution that has a strong relationship with a competitor, resulting in a substantial loss of business. In addition, one or more of our customers could seek to merge with or acquire one of our competitors, and any such transaction could have a material adverse effect on our business and prospects.

Continued consolidation in the banking industry would also reduce the overall number of our customers and potential customers and could increase the bargaining power of our remaining customers and potential customers. This consolidation could lead financial institutions to seek greater pricing discounts or other incentives with us. In addition, consolidations could prompt our existing customers to seek to renegotiate their pricing agreements with us to obtain more favorable terms. Pressure on the fees we charge our customers caused by such consolidation could materially and adversely affect our revenue and profitability.

**Merchants are pursuing litigation and supporting regulatory proceedings relating to the costs associated with payment card acceptance and are negotiating incentive arrangements, including pricing discounts, all of which may increase our costs and materially and adversely affect our profitability.**

We rely on merchants and their relationships with our customers to maintain and expand the acceptance of our payment cards. We believe that consolidation in the retail industry is producing a set of larger merchants that are having a significant impact on all participants in the global payments industry. For instance, some large merchants are bringing lawsuits against us with regard to, or advocating regulation of, interchange fees, which may represent a significant cost that merchants pay to accept payment cards. The emphasis merchants are placing on the costs associated with payment card acceptance may lead to additional litigation and regulation, which could impair our business.

We, along with our customers, negotiate pricing discounts and other incentive arrangements with certain large merchants to increase acceptance of our payment cards. If merchants continue to consolidate, our customers and we may have to increase the incentives provided to certain larger merchants, which could materially and adversely affect our revenues and profitability.

**Certain financial institutions have exclusive, or near exclusive, relationships with our competitors to issue payment cards and these relationships may adversely affect our ability to maintain or increase our revenues.**

Certain financial institutions have long-standing exclusive, or near exclusive, relationships with our competitors to issue payment cards, and these relationships may make it difficult or cost prohibitive for us to do material amounts of business with them in order to increase our revenues. In addition, these financial institutions may be more successful and may grow faster than the financial institutions that primarily issue our cards, which could put us at a competitive disadvantage.

**We depend significantly on our relationships with our customers and other third parties to deliver services and manage our payments system. If we are unable to maintain those relationships, or if third parties on which we depend fail to deliver services on our behalf, our business may be materially and adversely affected.**

We are, and will continue to be, significantly dependent on relationships with our customers and their relationships with cardholders and merchants to support our programs and services. We do not issue cards, extend credit to cardholders or determine the interest rates (if applicable) or other fees charged to cardholders using cards that carry our brands. Each issuer determines these and most other competitive card features. In addition, we do not generally solicit merchants to accept our cards and we do not establish the discount rates that merchants are charged for card acceptance, which are responsibilities of acquirers. As a result, the success of our business significantly depends on the continued success and competitiveness of our customers.

Outside of the United States and a select number of jurisdictions, most domestic (as opposed to cross-border) transactions conducted using our payment cards are authorized, cleared and settled by our customers or

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other processors without involving our central processing systems. Because we do not provide domestic transaction processing services in these countries, do not generally have direct relationships with merchants and never have direct relationships with cardholders, we depend on our close working relationships with our customers to effectively manage the processing of transactions involving our cards. Our inability to control the end-to-end processing on cards carrying our brands in many countries may put us at a competitive disadvantage by limiting our ability to ensure the quality of the services supporting our brand.

In addition, we depend on third parties to provide various services on our behalf and to the extent that any third party vendors fail to deliver services, our business and reputation could be impaired.

**Global economic, political and other conditions may adversely affect trends in consumer spending and cross-border travel, which may materially and adversely impact our revenue and profitability.**

The global payments industry depends heavily upon the overall level of consumer, business and government spending. For example, a sustained deterioration in general economic conditions, particularly in the Visa U.S.A. and Visa AP regions, where approximately 70% and 12%, respectively, of our pro forma revenue was generated for fiscal 2006, or increases in interest rates in key countries in which we operate, may adversely affect our financial performance by reducing the number or average purchase amount of transactions involving payment cards carrying our brands. A significant portion of the revenue we earn outside the United States results from cross-border business and leisure travel, which may be adversely affected by world geopolitical, economic and other conditions, including the threat of terrorism and outbreak of diseases such as SARS and avian flu. In particular, revenue from processing foreign currency transactions for our members fluctuates with cross-border travel and our members' need for transactions to be converted into their base currency. In addition, as we are principally domiciled in the United States, a negative perception of the United States could impact the perception of our company, which could adversely affect our business prospects and growth.

**Visa Europe's payments system operations are becoming increasingly independent from ours and if we are unable to maintain seamless interaction of our respective systems, our business and the global perception of the Visa brand could be impaired.**

Visa Europe currently has a regionally controlled processing platform. In June 2006, Visa Europe began operating an authorization system that is separate from ours and Visa Europe plans to begin operating a transaction processing and settlement system that is separate from ours. Because Visa Inc. and Visa Europe have independent processing platforms, interoperability must be maintained. Visa Europe's authorization system has experienced interruptions in service, and it could do so in the future. To the extent that system disruptions occur, it can affect our cardholders who are traveling in Visa Europe's region and can impair our reputation. The increasingly independent payments system operations of Visa Europe could present certain challenges to our business because differences between the two processing systems may make it more difficult to maintain the interoperability of our respective systems. In addition, under the framework agreement we are restricted from requiring Visa Europe to implement certain changes that we may deem important unless we agree to pay for the implementation costs. Any of the foregoing could result in a loss of payments volume or of members or could materially increase our costs.

**As a guarantor of certain obligations of our members, we are exposed to risk of loss or insolvency if any of our members fail to fund their settlement obligations.**

We indemnify our members for any loss suffered due to the failure of a member to fund its daily settlement obligations because of technical problems, liquidity shortfall, insolvency or other reasons. In certain instances, we indemnify members even in situations in which a transaction is not processed by our system.

While we believe that we have sufficient liquidity to cover a settlement failure by any of our largest members, concurrent settlement failures of more than one of our largest members or several of our smaller



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members, or systemic operational failures that last for more than a single day, may exceed our available resources and could materially and adversely affect our business and financial condition. In addition, even if we have sufficient liquidity to cover a settlement failure, we may not be able to recover the amount of such a payment and may therefore be exposed to significant losses, which could materially and adversely affect our results of operations, cash flow and financial condition.

Some of our members are composed of groups of financial institutions. Some of these members have elected to limit their responsibility for settlement losses arising from the failure of their constituent financial institutions in exchange for managing their constituent financial institutions in accordance with our credit risk policy. To the extent that any settlement failure resulting from a constituent financial institution exceeds the limits established by our credit risk policy, we would have to absorb the cost of such settlement failure, which could materially and adversely affect our cash flow.

### **If our transaction processing systems are disrupted or we are unable to process transactions efficiently, our revenue or profitability could be materially reduced.**

Our transaction processing systems may experience service interruptions or degradation as a result of processing or other technology malfunction, fire, natural disasters, power loss, disruptions in long distance or local telecommunications access, fraud, terrorism or accident. Our visibility in the global payments industry may attract terrorists and hackers to conduct physical or computer-based attacks, leading to an interruption in service, increased costs or the compromise of data security. Additionally, we rely on service providers for the timely transmission of information across our global data network. If a service provider fails to provide the communications capacity or services we require, as a result of natural disaster, operational disruption, terrorism or any other reason, the failure could interrupt our services, adversely affect the perception of our brands' reliability and materially reduce our revenue or profitability.

### **If we are not able to keep pace with the rapid technological developments in our industry to provide members, merchants and cardholders with new and innovative payment programs and services, the use of our cards could decline, which would reduce our revenue and income.**

The payment card industry is subject to rapid and significant technological changes, including continuing developments of technologies in the areas of smart cards, radio frequency and proximity payment devices (such as contactless cards), e-commerce and mobile commerce, among others. We cannot predict the effect of technological changes on our business. We rely in part on third parties, including some of our competitors and potential competitors, for the development of and access to new technologies. We expect that new services and technologies applicable to the payments industry will continue to emerge, and these new services and technologies may be superior to, or render obsolete, the technologies we currently use in our card programs and services. In addition, our ability to adopt new services and technologies that we develop may be inhibited by a need for industry-wide standards, by resistance from members or merchants to such changes or by intellectual property rights of third parties. Our future success will depend, in part, on our ability to develop or adapt to technological changes and evolving industry standards.

### **Account data breaches involving card data stored by us or third parties could adversely affect our reputation and revenue.**

We and our customers, merchants, and other third parties store cardholder account information in connection with our payment cards. In addition, our customers may use third-party processors to process transactions generated by cards carrying our brands. Breach of the systems on which sensitive cardholder data and account information are stored could lead to fraudulent activity involving our cards, damage the reputation of our brands and lead to claims against us. For example, in January 2007, TJX Companies, Inc., a large retailer with stores in the United States, Canada and the United Kingdom, disclosed a significant security breach in connection with card and account information, which exposed tens of millions of payment network cards issued under our brands and our competitors' brands to fraudulent use. If we are sued in connection with any data security breach, we could be involved in protracted litigation. If unsuccessful in defending such lawsuits, we may

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be forced to pay damages and/or change our business practices or pricing structure, any of which could have a material adverse effect on our revenue and profitability. In addition, any damage to our reputation or our brands resulting from an account data breach at one of our customers or merchants or other third parties could decrease the use and acceptance of our cards, which could have a material adverse impact on our payments volume, revenue and future growth prospects. Finally, any data security breach could result in additional regulation, which could materially increase our costs.

### **An increase in fraudulent and other illegal activity involving our cards could lead to reputational damage to our brands and could reduce the use and acceptance of our cards.**

Criminals are using increasingly sophisticated methods to capture cardholder account information to engage in illegal activities such as fraud and identity theft. As outsourcing and specialization become a more acceptable way of doing business in the payments industry, there are more third parties involved in processing transactions using our cards. If fraud levels involving our cards were to rise, it could lead to reputational damage to our brands, which could reduce the use and acceptance of our cards, or to greater regulation, which could increase our compliance costs.

### **Adverse currency fluctuations could decrease revenues and increase expenses.**

We conduct business globally in many foreign currencies, but report our financial results in U.S. dollars. We are therefore exposed to adverse movements in foreign currency exchange rates because depreciation of non-U.S. currencies against the U.S. dollar reduces the U.S. dollar value of the non-U.S. dollar denominated revenue that we recognize and appreciation of non-U.S. currencies against the U.S. dollar increases the U.S. dollar value of expenses that we incur that are denominated in those foreign currencies. We enter into foreign currency hedging contracts to reduce the effect of adverse changes in the value of a limited number of foreign currencies and for a limited period of time (typically up to one year).

### **Some of our financial incentives to customers are recorded using estimates of our customers' performance. Material changes in our customers' performance compared to our estimates could have a material adverse impact on our results of operations.**

In certain instances, we offer our customers financial incentives, which are typically tied to their payments volume or messages processed, often under particular programs. These financial incentives are typically recorded as a reduction of revenue. We typically make estimates of our customers' performance under these programs (sometimes over several years) in order to derive our estimates of the financial incentives that we will pay them. The reduction of revenue that we record each quarter is based on these estimates. Material changes in our customers' performance compared to estimates could have a material adverse impact on our results of operations.

### **We have significant contingent liabilities for settlement payment of all issued and outstanding travelers cheques.**

As of March 31, 2007, we had over \$1 billion in contingent liabilities for settlement payment of all issued and outstanding travelers cheques. Approximately 30% of these travelers cheques were issued outside of the United States by a single issuer. While these obligations are supported in part by a bank guarantee, if the issuer were to fail to pay, we would be obligated to fund partial settlement of presented travelers cheques.

### **Our brand and reputation are key assets of our business and may be affected by how we are perceived in the marketplace.**

Our brand and its attributes are key assets of our business. Our ability to attract and retain consumer cardholders and corporate clients is highly dependent upon the external perceptions of our company and our industry. Our business may be affected by actions taken by our customers that impact the perception of our brand. From time to time, our customers may take actions that we do not believe to be in the best interests of our brand, such as creditor practices that may be viewed as predatory, which may materially and adversely impact our business. Adverse developments with respect to our industry may also, by association, impair our reputation, or result in greater regulatory or legislative scrutiny.

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**Risks Related to the Restructuring**

**Our retrospective responsibility plan depends, in part, on the timely completion of an initial public offering, and if we are unable to close such a transaction in a timely manner, or if the retrospective responsibility plan is insufficient, we may have insufficient funds to pay settlements or judgments relating to such litigation, which could materially negatively affect our results of operations, cash flow and financial condition.**

Visa U.S.A. and Visa International are currently involved in the litigation described under the heading *Business of Visa Inc. Legal and Regulatory Proceedings Covered Litigation*. Plaintiffs in these litigation matters have alleged substantial damages. We refer to our plan to address liabilities that may arise in the covered litigation as our retrospective responsibility plan. Visa U.S.A., Visa International and Visa Inc. have entered into a loss sharing agreement, which will become effective upon the closing of the restructuring, and a judgment sharing agreement in the interchange litigation, which became effective on July 1, 2007, with certain of its members, which provide that these members will be responsible for their proportionate share of the liabilities associated with the covered litigation. However, the loss sharing agreement provides that if we do not timely pursue and consummate an initial public offering, including having completed an initial public offering within 240 days after completion of the restructuring, the members' obligations under the loss sharing agreement may be suspended until we have completed an initial public offering, at which point such obligations will be reinstated in full as if they had never been suspended. This 240-day period may be extended under certain circumstances. In addition, this agreement provides that the signing banks are responsible only for a proportionate amount of the liability in respect of the covered litigation equal to their membership proportion, as calculated in accordance with Visa U.S.A.'s certificate of incorporation. Because not all of Visa U.S.A.'s members will sign the loss sharing agreement, until the funding of the escrow account described below, we would also need to rely upon those members' indemnification obligations contained in Visa U.S.A.'s certificate of incorporation and bylaws and as agreed in their membership agreements to recover the remaining portion of any liability from Visa U.S.A.'s members.

Upon the completion of an initial public offering of our common stock, we will deposit a portion of the proceeds of the offering, in an amount determined by the litigation committee, in an escrow account from which settlements or judgments in the covered litigation would be paid. In addition, the shares of class B common stock that are held by members of Visa U.S.A. following the restructuring will be subject to dilution as a result of any follow-on offerings of our class A shares, the proceeds of which are used to fund additional amounts into the escrow account necessary to resolve the covered litigation. However, the amount in the escrow account, including any additional amounts deposited in the escrow account from the proceeds of any subsequent offerings, may not be sufficient to satisfy all liabilities with respect to the covered litigation.

It may be difficult for us to fund settlement of any of the covered litigation prior to the completion of our planned initial public offering because we plan to use the escrow account as our primary source of funds for the payment of any potential losses arising from the covered litigation. In addition, if there were a final judgment against us in connection with the covered litigation or if we were to incur a judgment sharing obligation in a covered litigation before our initial public offering, we would have to rely upon the loss sharing agreement, which only indemnifies us for a portion of the liability with respect to the covered litigation that is equal to the aggregate membership proportion of the Visa U.S.A. members that sign the loss sharing agreement, as calculated in accordance with Visa U.S.A.'s certificate of incorporation, and we would have to seek indemnification from Visa U.S.A.'s remaining members pursuant to Visa U.S.A.'s certificate of incorporation and bylaws and as agreed in their membership agreements. To the extent we are unable to secure indemnification from our members, any portion of such a judgment not covered by our judgment sharing agreements would have to be paid by us and could have a material adverse effect on our financial condition.

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**Our retrospective responsibility plan depends on several related mechanisms to address potential liabilities arising from the covered litigation, some of which are unique and complex, and if we are prevented from using one or more of these mechanisms, it may be difficult for us to fund the payment of a settlement or final judgment against us, which could have a material adverse effect on our financial condition.**

Our retrospective responsibility plan is intended to address potential liabilities arising from the litigations described under the heading *Business of Visa Inc. Legal and Regulatory Proceedings Covered Litigation*. Our retrospective responsibility plan consists of several related mechanisms to fund a final judgment or settlement in connection with the covered litigation, including an escrow account funded with a portion of the net proceeds of our initial public offering and potential follow-on offerings of our common stock, a loss sharing agreement, judgment sharing agreements and the indemnification obligation of Visa U.S.A. members pursuant to Visa U.S.A.'s certificate of incorporation and bylaws and in accordance with their membership agreements. These mechanisms and combinations of mechanisms are unique and complex. If we are prevented from using one or more of these mechanisms under our retrospective responsibility plan, we could have difficulty funding the payment of a settlement or final judgment against us, which could have a material adverse effect on our financial condition.

**The shares of class B common stock that are held by members of Visa U.S.A. following the restructuring will be subject to dilution as a result of any follow-on offerings of our class A shares, the proceeds of which will be used to fund additional amounts into the escrow account necessary to resolve the covered litigation.**

The shares of class B common stock that are retained by Visa U.S.A. members and that are not redeemed out of the proceeds of the initial public offering will be subject to dilution to the extent of the initial amount of the escrow account. This dilution of the shares of class B common stock will be accomplished through an adjustment to the conversion ratio of the shares of class B common stock. These shares will not be able to be converted into shares of class A common stock or, subject to limited exceptions, transferred until the later of the third anniversary of our initial public offering or the final resolution of the covered litigation. The shares of class C common stock, which will be held by members other than the Visa U.S.A. members, will not be subject to this dilutive adjustment. After the completion of an initial public offering and at the request of the litigation committee, we expect to conduct follow-on offerings of our shares of class A common stock, which we refer to as loss shares, if the litigation committee deems it desirable to increase the escrow account. The proceeds from the sale of loss shares would then be deposited in the escrow account, and the shares of class B common stock would be subject to additional dilution to the extent of the loss shares through a concurrent adjustment to the conversion ratio of the class B shares. Because the voting power of the class B and class C common stock, and the entitlement of the holders of class B common stock and class C common stock to participate in dividends or distributions upon a liquidation or winding up of Visa Inc. is determined on an as converted basis, based upon the number of shares of class A common stock into which the class B or class C common stock would be converted at the time of the vote, dividend or distribution, as applicable, the adjustment to the conversion ratio applicable to the class B common stock upon the issuance of loss shares will result in a dilution of the voting power of the class B common stock and the entitlement of holders of class B common stock to participate in dividends and distributions upon a liquidation of Visa Inc.

**Our governance structure after the restructuring could have a material adverse effect on our business relationships with our members.**

A number of our key members currently have officers who also serve on the boards of directors of Visa International, Visa U.S.A., Visa Canada or the regional boards of directors of our unincorporated regions of Visa AP, Visa LAC and Visa CEMEA, which we refer to collectively, with the boards of directors of Visa U.S.A. and Visa Canada, as our regional boards of directors or our regional boards. The historical practice has been to submit all material decisions regarding interregional issues for the approval of each of our regional boards of directors prior to submitting these issues to the Visa International board of directors for approval. After the consummation of the restructuring, material decisions will be made by the Visa Inc. board of directors. The

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regional boards of directors of the unincorporated regions will be eliminated, and the boards of directors of Visa U.S.A. and Visa Canada will be comprised of management and be largely administrative in nature. In addition, directors who are elected by our members are expected to comprise a minority of our board of directors. Thus, the role of member-nominated and member-elected directors in our corporate governance will be reduced after the closing of the restructuring. These changes could have a detrimental effect on our business relationships with members associated with a particular region. In addition, if a member that currently has an officer who also serves on one of the regional boards of directors will not have an officer who also serves on our board of directors after the restructuring, our business relationship with that member could suffer. A significant loss of revenue or payments volume attributable to such members could have a material adverse effect on our business.

**Following the restructuring, our relationship with Visa Europe will be governed by our framework agreement. This agreement gives Visa Europe very broad rights to operate the Visa business in Visa Europe's region, and we have limited ability to control their operations and limited recourse in the event of a breach by Visa Europe.**

Historically, Visa Europe has been subject to the same global operating rules as Visa International, Visa U.S.A. and Visa Canada. These global operating rules regulate, among other things, interoperability of payment processing, brand maintenance and investment, standards for products and services, risk management, disputes between members and acceptance standards for merchants. After the restructuring, Visa Europe, unlike Visa International, Visa U.S.A. and Visa Canada, will not become our subsidiary, but will instead remain a separate legal entity, and will no longer be subject to the same global operating rules as our subsidiaries and members. Our relationship with Visa Europe after the closing of the restructuring will be governed by a framework agreement and a subset of operating rules that we have agreed to with Visa Europe and that we have a limited ability to change in the future. Although the agreement will seek to ensure that Visa Europe operates in a manner that is acceptable to us, the contractual arrangement is untested and may not be effective in achieving this result. We have no audit rights, and thus have limited ability to monitor their performance. The agreement provides Visa Europe with very broad latitude to operate the Visa business and use our brands and technology within Visa Europe's region and provides us limited controls over the operation of the Visa business in their region. Visa Europe is not required to spend any minimum amount promoting and building the Visa brand in its region. Visa Europe may develop, among other things, new brands, payment processing characteristics, products, services, risk management standards, processes for resolving disputes among members or merchant acceptance profiles that are inconsistent with the global operating rules that we apply within the territory in which we operate. If we want to change a global rule or require Visa Europe to implement certain changes that would not have a positive return for Visa Europe and its members, then Visa Europe is not required to implement such rule or change unless we agree to pay for the implementation costs and expenses that Visa Europe and its members will incur as a consequence of the implementation to the extent necessary to return Visa Europe and its members to a neutral financial condition. We cannot terminate the framework agreement even in the event of Visa Europe's material uncured breach, and we can only exercise our call right to purchase Visa Europe under severe conditions. Our remedies under this agreement, if Visa Europe fails to meet its obligations, are limited. Our inability to terminate and other features of the licenses granted under the agreement may also raise issues concerning the characterization of the licenses for purposes of determining our tax treatment with respect to entering into the licenses and receiving payments thereunder. Any inconsistency in the payment processing, services and products that we are able to provide could negatively affect cardholders from Visa Europe using cards in our regions or our cardholders using cards in Visa Europe's region.

**Our framework agreement with Visa Europe requires us to indemnify Visa Europe for losses resulting from any claims brought outside of Visa Europe's region arising from either party's activities that relate to our payments business or the payments business of Visa Europe, and this indemnification obligation could expose us to significant liabilities.**

Under our framework agreement with Visa Europe, we are required to indemnify Visa Europe for losses resulting from any claims in the United States or anywhere else outside of Visa Europe's region arising from our or their activities that relate to our payments business or the payments business of Visa Europe. This obligation

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applies whether or not we or any of our related parties or agents participated in the actions that gave rise to such claims. Such an obligation could expose us to significant losses for activities over which we have little or no control.

**We have granted to Visa Europe the right to require us to purchase all of the outstanding shares of Visa Europe's capital stock. If Visa Europe exercises this option, we could incur a substantial financial liability and face operational challenges in integrating Visa Europe into our business.**

Contemporaneously with, and as a condition to, the closing of the restructuring, we will enter into a put-call option agreement with Visa Europe. Under the put-call option agreement, we will grant Visa Europe a put right under which we will be required to purchase all of the outstanding shares of capital stock of Visa Europe from the members of Visa Europe. Under the put-call option agreement, Visa Europe may exercise the put option at any time following the date that is the earlier of: (i) 365 days after the completion of an initial public offering of our common stock; and (ii) 605 days after the completion of the restructuring. The purchase price of the Visa Europe shares under the put option is based upon a formula that is based upon, among other things, Visa Europe's projected sustainable twelve month adjusted net operating income and the forward P/E multiple applicable to Visa Inc. common stock at the time the option is exercised, subject to certain adjustments. Upon exercise of the put option, we will be obligated, subject only to regulatory issues and other limited conditions, to pay the purchase price within 285 days in cash or, under certain circumstances, with a combination of cash and shares of our common stock. We must pay the purchase price in cash, however, if the settlement of the put option occurs more than three years after the completion of the restructuring. The portion of the purchase price we will be able to pay in stock will be limited to a percentage equal to that percentage of our class C common stock received by stockholders (other than Visa Europe) that remains subject to transfer restrictions set out in Visa Inc.'s certificate of incorporation.

In the event that Visa Europe exercises the put option, we will incur a substantial financial obligation. If we are unable to pay the purchase price for the Visa Europe shares with available cash on hand, we will need to obtain third-party financing, either by borrowing funds or undertaking a subsequent equity offering. This financing may not be available to us in a sufficient amount within the required 285-day period, or on terms that we deem to be reasonable. Any subsequent equity offering required to satisfy this obligation would dilute the ownership interests of our stockholders. Moreover, the acquisition of Visa Europe following an exercise of the put option would require us to integrate the operations of Visa Europe into our business, which could divert the time and attention of senior management.

Upon entering into the put-call agreement, we will be required to record the put option at its fair value in our consolidated balance sheet. (See *Unaudited Pro Forma Combined Financial Information* on page 111 for an estimate of the initial impact to our unaudited condensed combined pro forma balance sheet had we entered into this agreement on June 30, 2007, including a full description of the methodology and assumptions used in the computation of this pro forma amount.) Going forward, we will be required to record any changes in the fair value of the put option on a quarterly basis. These adjustments will also be recorded through our consolidated statement of operations, which will therefore impact our reported net income and net income per share. Such quarterly adjustments and their resulting impact on our reported statement of operations could be significant. The existence of these charges could adversely affect our ability to raise capital, including through our planned initial public offering, and/or the price at which we can raise capital.

For more information on the put-call option agreement, see *Material Contracts The Put-Call Option Agreement*.

**Our management team will be new and will not have had a history of working together.**

We designated Joseph Saunders as our Chief Executive Officer and Chairman of our board in May 2007 and he has begun assembling a new management team. Our success will largely depend on the ability of the new management team to work together to implement the proposed restructuring plan, to integrate the operations and

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business of Visa International, Visa U.S.A. and Visa Canada and to continue to execute our business strategy. Because many of these people do not have a history of working together and have been recruited from outside our company, our management team may not be able to work together effectively, which could disrupt our operations and harm our business.

**The restructuring is expensive and will require us to make significant changes to our culture and business operations and if we fail to make this transition successfully, our business could be materially and adversely affected.**

We have incurred and expect to incur substantial costs in connection with legal, accounting and other advisory fees related to the proposed restructuring. In addition, the proposed restructuring requires a broad and significant change to our culture and operations. The primary goal of Visa International, Visa U.S.A. and Visa Canada has not been to maximize profit for these entities, but has been to deliver benefits to their members and enhance member opportunity and revenue. After the completion of the restructuring, we will need to operate our business as a for-profit corporation, in a way that maximizes long term stockholder value. Many members of our management team have limited experience operating a for-profit business. Consequently, this transition will be subject to risks, expenses and difficulties that we cannot predict and may not be capable of handling in an efficient manner.

In addition, the Visa enterprise is currently operated under a decentralized regional structure, and each region has much autonomy in its own business strategies and decisions. Our proposed restructuring will result in a more centralized corporate governance structure in which our board of directors will exert centralized management control. This change will require substantial changes to our internal culture given our history of operating in a decentralized manner with substantial regional autonomy. We may not be able to retain and attract key employees. We may not be able to make this cultural and organizational change in an efficient and timely manner, and we may not realize the cost savings and operational efficiencies that we currently expect.

**There is no existing market for our regional classes of common stock or for class B common stock and class C common stock into which the regional classes of common stock will be converted prior to our planned initial public offering, and thus we do not expect these shares to provide you with liquidity.**

There is currently no existing market for our regional classes of common stock or our class B common stock and class C common stock into which our regional classes of common stock will convert prior to our planned initial public offering, and we do not anticipate that any of these shares will be listed on any securities exchange or quoted on any automated quotation systems or electronic communications network.

**Our regional classes of common stock, our class B common stock and our class C common stock will be subject to significant restrictions on transfer and ownership.**

The regional classes of our common stock that will be issued upon the closing of the restructuring, and our class B common stock and class C common stock into which our regional classes of common stock will be converted prior to our planned initial public offering, will each be subject to significant ownership and transfer restrictions. For example, subject to limited exceptions, shares of our class B common stock may not be transferred until the later of three years from the date of an initial public offering or the period of time necessary to resolve the covered litigation. All other regional classes of our common stock and our class C common stock may not be transferred, subject to limited exceptions, until the third anniversary of the date of an initial public offering. During such periods, except for limited exceptions, holders of our regional classes of common stock, and our class B common stock and class C common stock will not be able to transfer such stock to any person or entity other than affiliates of the holder or to holders of common stock of the same class of common stock.

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**The voting power represented by shares of our common stock may be limited because ownership of a significant percentage of our common stock will be concentrated in a few of our largest members.**

Upon completion of the restructuring, we expect that our four largest stockholders will own about 25% of our outstanding common stock. This concentration of voting power could result in these stockholders having the ability to block stockholder action that you may deem favorable.

**The U.S. Internal Revenue Service may treat a portion of our common stock received by a member of Visa International or Visa U.S.A. as taxable income.**

Based on the opinion of our special tax counsel, we believe that, subject to the assumptions, qualifications, and limitations set forth in *United States Federal Income Tax Considerations*, we, the members of Visa International and the members of Visa U.S.A. will not recognize any gain or loss for U.S. federal income tax purposes in connection with the restructuring and the true-up, except that, as to a portion of any Visa Inc. stock received in connection with the true-up, a stockholder of Visa Inc. may recognize imputed interest income. If a stockholder is not a United States person for U.S. federal income tax purposes, Visa Inc. may be required to withhold U.S. federal income tax at a rate of 30% of the imputed interest or, if applicable, at a lower treaty rate.

Notwithstanding the foregoing, the opinion of our special tax counsel does not apply to the extent that the fair market value of Visa Inc. common stock received by a member of Visa International or by a member of Visa U.S.A. pursuant to the restructuring and the true-up (whether received on the date of closing of the restructuring or thereafter) is different from the fair market value of such member's equity interest in Visa International or Visa U.S.A., as the case may be, immediately before the commencement of the restructuring. Our special tax counsel is unable to opine as to such difference because, in transactions similar to the restructuring and the true-up, treatment as an exchange described in Section 351 of the Internal Revenue Code of 1986, as amended, generally applies only to the extent that a taxpayer transfers property to a corporation in exchange for stock having the same fair market value. The IRS might therefore take the position that the difference (whether received on the date of closing of the restructuring or thereafter), in the case of an excess of value received over value surrendered, should not be treated for U.S. federal income tax purposes as having been received in exchange for property. As a result, a member of Visa International or a member of Visa U.S.A. could be required to recognize income, but only to the extent of the excess or shortfall of value received over value surrendered. For more information, see *United States Federal Income Tax Considerations*.

**The IRS could challenge our characterization of the restructuring and the true-up and assert that it involves taxable transactions for U.S. federal income tax purposes, and we may face adverse tax consequences as a result of the restructuring, the true-up or our other contemplated transactions.**

We have not requested that the IRS issue a ruling on the restructuring and the true-up. There can be no assurance that the IRS will not challenge our characterization of the restructuring and the true-up and assert that it is taxable for U.S. federal income tax purposes.

Members of Visa International and Visa U.S.A. should consult their own tax advisors regarding the U.S. federal, as well as any state, local or non-U.S., tax consequences to them of the restructuring and the true-up. For more information, see *United States Federal Income Tax Considerations*.

In addition, at some point after the closing of the restructuring, the company's status for certain state income tax purposes may change. This change in status may affect the deductibility of certain expenses, including litigation related items.



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### **Members may incur tax liabilities in jurisdictions outside the United States, as well as in United States state and local jurisdictions, in connection with the restructuring and the true-up.**

Members of Visa International, Visa Europe, Visa Canada and Visa U.S.A. may be required to recognize a gain or loss in connection with the restructuring and the true-up in jurisdictions outside the United States, as well as in United States state and local jurisdictions. Members should consult their local tax advisors regarding the potential non-U.S. tax consequences, as well as the potential United States state and local tax consequences, of the restructuring and the true-up.

### **The restructuring will facilitate future strategic transactions, such as our planned initial public offering, which will dilute the interest held by our members.**

As a result of the restructuring, we will be better positioned to engage in future capital raising activities and strategic transactions such as acquisitions. Transactions of this type would likely involve issuing or selling our equity interests to non-members. In addition, certain aspects of our retrospective responsibility plan depend upon an initial public offering, and we currently intend to commence planning for an initial public offering after the closing of the restructuring. Our certificate of incorporation provides that class A common stock may be issued to non-members, subject only to approval of our board of directors. Thus, if we implement an initial public offering as currently planned, our members' interest in our company will be diluted.

### **The consideration that will initially be issued to members upon the closing of the restructuring is subject to reallocation and conversion.**

The restructuring agreement provides that each of the regional classes of common stock issued upon the closing of the restructuring will automatically convert into shares of class B common stock (in the case of class USA common stock) or class C common stock (in the case of class EU common stock, class Canada common stock, class AP common stock, class LAC common stock and class CEMEA common stock) in connection with the true-up process. As a result of these conversions, members from Visa U.S.A., Visa Canada and our unincorporated regions may ultimately receive a greater or lesser number of shares than their initial allocation, depending on the relative performance of their region vis-à-vis the other regions. Thus, if a region's net revenue performance (as measured by its variance from agreed upon projections and potentially further adjusted for its variance from agreed upon marketing expense projections) during the twelve months prior to the true-up calculation is worse than one or more other regions' net revenue performance (similarly measured), its members may be entitled to fewer shares upon such conversion and reallocation than at the closing of the restructuring. In addition, because the true-up calculation is based on relative financial performance among the regions, it is possible that a region could meet or exceed its net revenue goals and be allocated fewer shares as a result of the true-up if other regions were to outperform their revenue targets by a greater percentage. In addition, the allocation of shares among the members of the Visa AP, Visa LAC and Visa CEMEA regions are also subject to a separate true-up based on the relative contribution (based on net fees and total volume during the relevant measuring period) of each eligible member within the Visa AP, Visa LAC and Visa CEMEA regions, respectively, as compared with the contribution of all of the other eligible members within its respective region during the measurement period. Thus, members of the unincorporated regions may receive fewer shares as a result of the true-up process if other members in their respective region contribute relatively more in net fees and total volume than during the specified period. For a discussion of the share allocation and true-up process, see *The Global Restructuring Agreement*, *The Restructuring True-Up of Merger Consideration* and *Equity Allocation to Members in the Unincorporated Regions and Subsequent Adjustment*.

### **Anti-takeover provisions in our governing documents and Delaware law could delay or prevent entirely a takeover attempt or a change in control.**

Provisions contained in our amended and restated certificate of incorporation, bylaws and Delaware law could delay or prevent a merger or acquisition that our stockholders consider favorable. Except for limited exceptions, no person may own more than 15% of our total outstanding shares on an as converted basis or more

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than 15% of any class or series of our common stock, unless our board of directors approves the acquisition of such shares. In addition, except for shares of common stock issued to a member in connection with the restructuring, or shares issuable on conversion of such shares, shares held by a member or similar person (a competitor or affiliate or member of a competitor) may not exceed 5% of any class of common stock. In addition:

our board of directors will be divided into three classes, with approximately one-third of our directors elected each year;

until the closing of our initial public offering, seven directors will be elected by the former members of Visa International, Visa U.S.A., Visa Canada and Visa Europe, and from and after the closing of our initial public offering until the third anniversary of our initial public offering, six directors will be regional directors from the former unincorporated regions of Visa International and from Visa U.S.A. and Visa Canada;

our directors, other than the directors elected by the holders of our class B common stock and class C common stock (who may be removed by the holders of the class and series of common stock electing them), may be removed only upon the affirmative vote of at least 80% of the voting power of all the shares of stock then entitled to vote at an election of directors, voting together as a single class;

our stockholders are not entitled to the right to cumulate votes in the election of directors;

holders of our class A common stock are not entitled to act by written consent;

our stockholders must provide timely notice for any stockholder proposals and director nominations;

we have adopted provisions that eliminate the personal liability of directors for monetary damages for actions taken as a director or member, with certain exceptions;

in addition to certain class votes, a vote of 66<sup>2</sup>/<sub>3</sub>% or more of all of the outstanding shares of our common stock then entitled to vote is required to amend certain sections of our amended and restated certificate of incorporation; and

we will be governed by Section 203 of the General Corporation Law of the State of Delaware, or DGCL, as amended from time to time, which provides that a corporation shall not engage in any business combination with any interested stockholder for a period of three years following the time that such stockholder became an interested stockholder, except under certain circumstances including upon receipt of prior board approval.

For a discussion of anti-takeover provisions in our charter, see *Description of Capital Stock of Visa Inc. Amendment of Certificate of Incorporation* and *Delaware Anti-Takeover Statute*.

### **U.S. federal and state banking regulations may impact our members' ownership of our common stock.**

Federal and state banking laws and regulations in the United States govern, among other things, the types of equity investments that regulated institutions are permitted to make. Members that are subject to regulation by any of the federal or state bank or other financial institution regulatory agencies should consult their own advisors regarding any notice or application that is required to be made, or any consent that is required to be obtained, from any applicable federal or state regulatory agency regarding the common stock they receive in the restructuring. Members that are federal savings associations should also consult their own advisors regarding the application of certain Office of Thrift Supervision rules that limit pass through investments to a percentage of an institution's total capital. In addition, we expect that federal or

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state-chartered credit unions may be required to seek the advice of their relevant federal and state regulators in connection with the receipt and holding of our common stock. Failure to provide proper notice or make appropriate application to, or receive approval from, the relevant federal and state regulators, if necessary, could result in any of a wide range of formal or informal enforcement actions or administrative measures by such regulators.

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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This proxy statement-prospectus, including the annexes and exhibits hereto, contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may include statements regarding the period following the completion of the restructuring. The safe harbor provision of the Private Securities Litigation Reform Act of 1995 and Section 24A of the Securities Act do not apply to the forward-looking statements that are made in this proxy statement-prospectus.

These forward-looking statements are based on current expectations or projections about our business, operations, industry, financial condition and liquidity. Words such as anticipate, believe, continue, could, estimate, expect, intend, may, plan, potential, predict, p variations thereof or words and terms of similar substance used in connection with any discussion of future operating or financial performance or the restructuring of our business, identify forward-looking statements. You should note that the discussion of Visa International s, Visa U.S.A. s, Visa Canada s and Visa Europe s reasons for the restructuring and the description of the financial advisors opinions, as well as other portions of this proxy statement-prospectus, contain many forward-looking statements that describe beliefs, assumptions and estimates as of the indicated dates and those forward-looking expectations may have changed as of the date of this proxy statement-prospectus. In addition, any underlying assumptions are forward-looking statements. By their nature, forward-looking statements are not guarantees of future performance or results and are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. Therefore, actual results could differ materially and adversely from these forward-looking statements. You are cautioned not to place undue reliance on such statements, which speak only as of the date of this proxy statement-prospectus.

We list below the principal factors we believe are important to our business and the restructuring that could cause actual results to differ from our expectations. We caution you that although these factors are important, this list should not be considered as exhaustive or as an admission regarding the adequacy of disclosure and that you should read carefully the factors described in the *Risk Factors* section of this proxy statement-prospectus:

increased legal and regulatory scrutiny of interchange fees;

the outcome of the merchant interchange multidistrict litigation against Visa U.S.A. and Visa International;

the outcome of litigations brought against Visa U.S.A. and Visa International by American Express and Discover;

approval of the settlement of Visa U.S.A. s and Visa International s currency conversion litigations and the outcome of various lawsuits relating to Visa U.S.A. s and Visa International s currency conversion practices;

limitations on our business resulting from litigation or litigation settlements;

increased global regulatory scrutiny of the payments industry;

existing and proposed regulation in the areas of consumer privacy and data use and security;

actions of foreign governments that may prevent us from effectively competing in certain domestic payment markets;

intense competitive pressure on the fees we charge our members;

intense competition in the global payments industry;

consolidation in the banking and retail industries;

our relationships with our customer financial institutions;

global economic and political conditions;

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interoperability between our payments system operations and Visa Europe's payments system operations;

our guarantee of the settlement obligations of our principal members;

potential disruptions of our transaction processing system;

technological developments in the global payment card industry;

effectiveness of our payments system's security;

fraudulent or other illegal activities involving payments cards carrying our brands;

currency fluctuations;

estimates involved in recording member incentives in our financial results;

the reputation of our brand, our business and the global payments industry;

changes in our corporate governance structure after the restructuring that may reduce the influence of our financial institution members;

the sufficiency of our retrospective liability plan, which depends in part, on the timely completion of an initial public offering of our common stock after the restructuring;

dilution of our class B common stock as a result of follow-on offerings of our class A common stock;

our contractual relationship with Visa Europe after the restructuring;

Visa Europe's right to indemnification for claims brought against Visa Europe outside of its region;

Visa Europe's right to require us to purchase all of the issued shares of capital stock of Visa Europe;

the ability of our new management team to successfully work together;

changes to our business culture and operations after the restructuring;

lack of an existing market for our regional class B and class C common stock;

significant restrictions on transfer and ownership that apply to our regional class B and class C common stock;

concentration of ownership of our common stock in a few of our largest members;

the ultimate allocation of shares of our common stock to our members under the true-up process;

our characterization of the restructuring and the true-up for U.S. federal income tax purposes;

restrictions on a change of control contained in our organizational documents and applicable law; and

the impact of U.S. banking regulations on our members' ownership of our common stock.

All subsequent written and oral forward-looking statements concerning the restructuring or other matters addressed in this proxy statement-prospectus and attributable to Visa International, Visa U.S.A., Visa Canada, Visa Europe or Visa Inc. or any person acting on any such company's behalf are expressly qualified in their entirety by the cautionary statements referred to in this section. Except to the extent required by applicable law or regulation, none of Visa International, Visa U.S.A., Visa Canada or Visa Inc. undertakes any obligation to release publicly any revision to such forward-looking statements.

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**THE PROXY SOLICITATION**

**Matters to be Considered**

This proxy statement-prospectus is furnished to members of Visa International and Visa U.S.A. in connection with the solicitation by the boards of directors of Visa International and Visa U.S.A. of the adoption and approval by their respective members of the restructuring proposal and the equity incentive plan proposal. The Visa International and Visa U.S.A. boards of directors recommend that the restructuring proposal and the equity incentive plan proposal be approved.

**The Restructuring Proposal**

Members of Visa International and Visa U.S.A. are being asked to adopt and approve the restructuring agreement and each of the transactions contemplated by the restructuring agreement, including:

The amendments to the certificate of incorporation and bylaws of Visa U.S.A. in order to separate the voting and economic rights of members of Visa U.S.A. from members' commercial and other rights and obligations as members of Visa U.S.A. with regard to participation in the Visa payments system;

The merger of VI merger sub, a wholly owned subsidiary of VI LLC, which is a wholly owned subsidiary of Visa International, into Visa International, in the Visa International merger;

The reallocation of all of the limited liability company interests in VI LLC to separate the limited liability company interests into six classes, corresponding to the five geographic Visa regions (after the surrender of Visa Canada's interest as described above), and the allocation of the limited liability company interests to individual members of VI LLC in accordance with each member's regional affiliation and the respective ownership percentages as contemplated by the restructuring agreement;

The merger of VI LLC into Visa Inc. in the VI LLC merger; and

The merger of a non-stock corporation in which Visa Inc. is the sole member, and which we refer to as Visa U.S.A. merger sub, into Visa U.S.A. in the Visa U.S.A. merger.

Consummation of the restructuring is conditioned upon, among other things, receiving the consents of the respective members of Visa International and Visa U.S.A. necessary to approve the restructuring, as well as approval of the members of Visa Canada.

The full text of the restructuring agreement is attached as Annex A to this proxy statement-prospectus and is incorporated herein by reference. For additional information, see *The Global Restructuring Agreement*.

**The Equity Incentive Plan Proposal**

In addition to the restructuring, you will be asked to consider and approve the equity incentive plan. The equity incentive plan would allow us to grant or award stock-based rights and awards to our non-employee directors, officers, employees and consultants.

**Action by Written Consent**

In lieu of a special meeting of Visa International or Visa U.S.A., action on the restructuring proposal and equity incentive plan proposal will be taken by written consent of the respective members of each entity. The restructuring is scheduled to be consummated on \_\_\_\_\_, 2007, which is expected to be as soon as practicable after consents have been received and not revoked from members of Visa International and Visa U.S.A. representing the requisite number of votes required to approve the restructuring and all other conditions to closing have been satisfied or waived.





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If the equity incentive plan proposal receives the requisite member approval, the equity incentive plan will become effective immediately after the closing of the restructuring.

Notwithstanding the foregoing, no consent by a member of Visa International will be effective to approve the restructuring proposal unless it is delivered within 60 days of the earliest dated consent to the restructuring proposal or equity incentive plan proposal delivered to Visa International. Similarly, no consent by a member of Visa U.S.A. will be effective to approve the restructuring proposal unless it is delivered within 60 days of the earliest dated consent to the restructuring proposal or equity incentive plan proposal, respectively, delivered to Visa U.S.A.

### **Record Date**

Visa International and Visa U.S.A. have fixed the close of business on June 30, 2007 and August 23, 2007, respectively, as the record date for determining which of their respective members are entitled to consent with respect to the restructuring proposal and to determine the members that will be asked to execute a proxy to authorize the execution of a written consent to approve the equity incentive plan proposal. Only members of Visa International and Visa U.S.A. on the record date are entitled to consent to the restructuring proposal and execute proxies to approve the equity incentive plan proposal. On the record date, there were approximately 839 members of Visa International and 1,786 members of Visa U.S.A. who will be entitled to submit consents and proxies.

As of the record date, no directors and executive officers of Visa International or Visa U.S.A. beneficially held membership interests in Visa International or Visa U.S.A.

### **Consent Required**

#### ***The Restructuring Proposal***

##### *Visa International*

In order for the restructuring proposal to be approved by the members of Visa International, consents must be received from members having a majority of the voting power held by all members that are entitled to elect the governing body of Visa International. The voting power represented by each consent is set forth on the accompanying form of proxy to consent and is out of a total of 4,546,900,861 votes that would be entitled to be cast on such proposal at a meeting of Visa International's members. Specifically:

each Principal and Visa Cash Program participant is entitled to one vote for each U.S. \$1,000, or fraction thereof, of card sales volume and Visa Cash sales volume as reported in such member's operating certificates for the calendar year ended December 31, 2006;

each PLUS Issuer is entitled to one vote for every 25 PLUS Program Cards, except for cards that bear both Visa and PLUS Program marks, in existence at December 31, 2006; and

each Cheque Issuer is entitled to one vote for each U.S. \$1,000, or fraction thereof, of cheque sales volume, or its equivalent in such member's currency, as set forth, in the Cheque Issuer's operating certificates for the calendar year ended December 31, 2006.

The voting allocation in each case is subject to the operating certificates not being found inaccurate by the board of directors of Visa International.

##### *Visa U.S.A.*

Approval of the restructuring proposal by Visa U.S.A. members will require the consent of members representing two-thirds of the voting power of members that would be entitled to vote on the proposal at a meeting of Visa U.S.A.'s members, which we refer to as Visa U.S.A. voting members. Acquirer members, administrative members, cheque issuer members, group members, associate members sponsored by a debit



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interchange member and principal members of Visa U.S.A. in existence as of the relevant date of determination are voting members if such member had sales volume during the twelve months preceding March 31, 2007 and meets any of the following criteria:

had its application accepted by Visa U.S.A. on or before February 10, 1992;

is an affiliate, as defined in the Federal Bank Holding Company Act of 1956, as amended, of a member that had its application accepted by Visa U.S.A. on or before February 10, 1992; or

had debit card sales volume, during the twelve months preceding March 31, 2007.

The Visa U.S.A. voting members are entitled to an aggregate of 100 million votes. Each Visa U.S.A. voting member is entitled to the number of votes equal to 100 million multiplied by the Visa U.S.A. voting member's membership proportion, which number of votes is set forth on the accompanying consent. Membership proportion means, for each Visa U.S.A. voting member, an amount equal to the quotient obtained by dividing: (A) the total of all service fees based on sales volume, check guarantee accounts, Gold Card accounts, and/or Electron Card accounts paid by such Visa U.S.A. voting member (or in the case of an associate member sponsored by a debit interchange member, paid on its behalf by its sponsoring debit interchange member) to Visa U.S.A. from the date of the Visa U.S.A. voting member's acceptance as a member through January 15, 2006; by (B) the total of all service fees based on sales volume, check guarantee accounts, Gold Card accounts, and/or Electron Card accounts paid to Visa U.S.A. by all Visa U.S.A. voting members (or in the case of an associate member sponsored by a debit interchange member, paid on its behalf by its sponsoring debit interchange member) from May 26, 1970 through January 15, 2006.

***The Equity Incentive Plan Proposal***

To approve the equity incentive plan for Visa Inc. we are seeking the approval of the members holding membership interests in Visa International, Visa U.S.A. and Visa Canada, which, assuming the completion of the restructuring, would represent a majority of the outstanding shares of common stock of Visa Inc. immediately after the closing.

**Revocation of Consents**

Any consent or proxy to consent given pursuant to this solicitation by a member of Visa International with respect to the restructuring proposal or equity incentive plan proposal being submitted for member approval may be revoked by the member giving it at any time before unrevoked consents from members representing the requisite number of votes required to approve the restructuring proposal or equity incentive plan proposal are delivered to Visa International, or in the case of the equity incentive plan proposal, before a written consent approving the equity incentive plan proposal is executed and delivered to Visa Inc. Consents may be revoked by filing a written notice of revocation with the Secretary of Visa International. Any such notice of revocation should be sent to the following address:

Visa International Service Association

P.O. Box 8999

San Francisco, CA 94128-8999

Attn: Thomas M. Guinness, Secretary

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Any consent given pursuant to this solicitation by a member of Visa U.S.A. may be revoked by the member giving it at any time before unrevoked consents from members representing the requisite number of votes required to approve the restructuring proposal or equity incentive plan proposal are delivered to Visa U.S.A. Consents may be revoked by filing a written notice of revocation with the Secretary of Visa U.S.A. Any such notice of revocation should be sent to the following address:

Visa U.S.A. Inc.

P.O. Box 8999

San Francisco, CA 94128-8999

Attn: Joshua Floum, Secretary

**Costs of Soliciting Consents; Additional Materials**

The cost of the solicitation of consents from Visa International members will be paid by Visa International. The cost of the solicitation of consents from Visa U.S.A. members will be paid by Visa U.S.A. In addition to solicitation by mail, Visa International and Visa U.S.A. may solicit proxies to consent by telephone, telegram, e-mail, facsimile or through personal contacts. The extent to which this will be necessary depends entirely upon how promptly proxies to consent are returned.

Visa International and Visa U.S.A. have jointly retained D.F. King & Co., Inc. to aid in the solicitation of proxies and to verify certain records related to the solicitation for a fee of \$740,000 plus expenses. You are urged to send in your proxy without delay.

All copies of information materials will be furnished directly to members of Visa International, Visa U.S.A. and any member who desires additional copies of the solicitation materials for the purposes of review in connection with the decision to furnish a consent should write to:

Visa Inc.

P.O. Box 8999

San Francisco, CA 94128-8999

Attn: Visa Inc. Corporate Secretary

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**GENERAL INFORMATION REGARDING THE VISA CANADA MEETING**

**General**

**Visa Canada management is delivering this proxy statement-prospectus as part of the information being made available to members of Visa Canada in connection with the general meeting.**

The information provided herein is given as of , 2007, unless otherwise specified.

**Date, Time and Place of Meeting**

The meeting will be held on , 2007 at 12:00 p.m. (Eastern Standard Time) at the offices of Visa Canada Inc., Suite 3710, Scotia Plaza, 40 King Street West, Toronto, Ontario, unless otherwise adjourned or postponed.

**Purpose of the General Meeting**

At the general meeting, Visa Canada members/shareholders will be asked to consider, and if thought advisable, to pass, with or without amendment:

1. bylaw amendments to accommodate the vesting of the commercial and other rights and obligations regarding participation in the Visa payments system of members of Visa Canada in separate service agreements between each member and Visa Canada;
2. applications for supplementary letters patent to permit Visa Canada membership interests to be transferable and, subsequently, to effect the charter changes required to convert Visa Canada from a non-share capital corporation to a for-profit share capital corporation as contemplated in paragraph 3;
3. a proposal (including supplementary letters patent) to take steps to convert from a non-share capital corporation to an OBCA corporation;
4. if we determine that it is necessary or desirable a special resolution authorizing the amalgamation of Visa Canada and Visa Canada merger sub, a wholly owned subsidiary of Visa Inc., under sections 175 and 176 of the OBCA upon the terms and conditions set forth in the restructuring agreement;
5. a resolution approving the equity incentive plan; and

to transact such other business as may be properly brought before the meeting or any postponement(s) or adjournment(s) thereof.

**Voting**

A Visa Canada member/shareholder may appoint a person to act as proxy holder and provide voting instructions to that person.

The proxy holders named in the attached form of proxy are directors of Visa Canada. **A Visa Canada member/shareholder may appoint another person to act as proxy holder.**

Visa Canada members/shareholders that are unable to attend the meeting should complete, date, sign and return the enclosed form of proxy to:

Visa Canada Association

Edgar Filing: Visa Inc. - Form S-4/A

Suite 3710, Scotia Plaza

40 King Street West

Toronto Ontario, M5H 3Y2

Attn: Mitchell Wolfe

**not later than 5:00 p.m. (Eastern Standard Time), on , 2007, or if the meeting is adjourned, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the adjourned meeting.**

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### **Voting Instructions**

On the form of proxy, each Visa Canada member/shareholder may indicate how the member/shareholder wants the proxy holder to vote, or the member/shareholder may let the proxy holder decide. If voting instructions are given, then proxy holders will vote in accordance with those instructions.

If no voting instructions are given, then proxy holders will vote as they see fit. If a member/shareholder appoints the proxy holders named on the attached form of proxy and does not specify how they should vote, then the proxy holder will vote **FOR** each of the resolutions under consideration.

### **Revocation of Proxies**

A Visa Canada member/shareholder who has returned a form of proxy may revoke it by:

- (i) completing and signing another form of proxy with a later date than the form of proxy that was previously returned and returning the later-dated form of proxy to the corporate secretary of Visa Canada; or
- (ii) returning a written statement signed by the member/shareholder or member/shareholder's attorney as authorized by the member/shareholder in writing:
  - (a) to the corporate secretary of Visa Canada, at any time up to and including , 2007 or, if the meeting is adjourned or postponed, then not less than 48 hours (excluding Saturdays and holidays) before the time to which the meeting has been adjourned or postponed; or
  - (b) to the chairman of the meeting on the date of the meeting or any adjournment(s) or postponement(s) of the meeting, before the start of the meeting.

### **Members/Shareholders Entitled to Vote**

As of , 2007, the date of this proxy statement prospectus, there were members/shareholders of Visa Canada entitled to vote with an aggregate of votes eligible to be cast at the meeting.

### **Principal Members/Shareholders**

To the knowledge of the directors and officers of Visa Canada, the only members that, together with such member's associates, as at , 2007, beneficially own, directly or indirectly, or exercise control or direction over more than 10% of the votes attached to membership interests in Visa Canada are Canadian Imperial Bank of Commerce, which is entitled to 60,069,424 votes, Royal Bank of Canada, which is entitled to 47,275,459 votes, and The Toronto-Dominion Bank, which is entitled to 24,265,377 votes.



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### **THE RESTRUCTURING TRANSACTIONS**

#### **Background to the Restructuring Transactions**

##### ***The Visa Enterprise***

The Visa enterprise consists of five primary corporate entities related by ownership and membership: Visa International, Visa U.S.A., Visa Europe, Visa Canada and Inovant. The Visa enterprise operates in six geographic regions, Visa U.S.A., Visa Europe, Visa Canada and three regions that operate as divisions of Visa International: Visa AP, Visa LAC, and Visa CEMEA. All five corporate entities and the three unincorporated regions have their own boards of directors.

Inovant, the direct or indirect owners of which are Visa U.S.A., Visa Europe, Visa International and Visa Canada, is responsible for operating the VisaNet transaction processing system and other related processing systems.

Visa International is a Delaware non-stock corporation, the members of which are Visa U.S.A., Visa Europe, Visa Canada and certain financial institutions and groups of such institutions, which we refer to as group members, in the Visa International unincorporated regions of Visa AP, Visa LAC and Visa CEMEA. The members of Visa U.S.A., Visa Europe and Visa Canada are financial institutions within each respective geographic region.

Together, the six Visa regions have a long-standing relationship stemming from their joint ownership, governance, and continued investment in Visa International and Inovant. This relationship extends to their unified commitment to offer a seamless global service to the financial institution members, merchants and cardholders that participate in the Visa system worldwide.

##### ***Regional Evaluations***

Throughout its recent history, the management and boards of directors of each of the Visa regions have engaged in strategic reviews that included the evaluation of business and structural opportunities. In addition, the Visa International board and Presidents' Council, a committee consisting of the presidents of the five primary corporate entities and the presidents of the three unincorporated regions, have engaged in various discussions on how to improve the Visa business through increased global coordination and interoperability, joint investment and product development and prioritization of key business objectives, with the objective of enhancing the Visa enterprise's global business and structure.

At the beginning of 2005, strategic reviews were in progress in four regions:

Visa U.S.A. was engaged in an evaluation of its business model to explore operational, governance and ownership alternatives, including a potential initial public offering of Visa U.S.A.;

Visa Canada was engaged in an evaluation of potential restructuring options for Visa Canada, including a potential initial public offering of Visa Canada;

Visa AP was engaged in an evaluation of the implications of incorporating Visa AP; and

Visa LAC was engaged in an evaluation of the implications of incorporating Visa LAC.

Each of these reviews shared the common fundamental objective of improving Visa operations within their respective regions for the benefit of the overall Visa enterprise.

##### ***Global Discussions Begin***

*This section describes the process by which each Visa region evaluated its individual alternatives before the regions reached a consensus that the proposed global restructuring would best position the overall Visa enterprise to succeed at both a global and regional level.*



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At its regular meeting held on April 5, 2005, the Visa International board of directors discussed the separate strategic reviews then being conducted by Visa U.S.A., Visa Canada and Visa AP. Visa International's board decided that Visa International management would evaluate Visa International's role as a global enterprise, taking into consideration the then-current direction of Visa U.S.A., Visa Canada and Visa AP.

At its regular meeting held on April 29, 2005, the Visa LAC board discussed the necessity of maintaining global coordination and the interoperability of the Visa payments system in the event of any structural change in any of the regions. The Visa LAC board determined that Visa International should be asked to work together with all of the regions to analyze options for operating the Visa enterprise as a single company before any region-specific structural changes were implemented. The Visa LAC board also directed the region's management to explore the financial and legal implications of separately incorporating Visa LAC.

At its regular meeting held on May 31, 2005, the Visa International board of directors decided that Visa International would coordinate the restructuring efforts across the regions. At the suggestion of directors from Visa LAC, the Visa International board also determined that the management of Visa International, in conjunction with representatives of the management of each region, should conduct a thorough evaluation of potential global restructuring options.

For the next few months, in parallel with region-specific structural evaluations, Visa International, with participation from all regions, evaluated potential global restructuring options. Throughout this evaluation period, frequent status updates were provided to each of the regional boards, which also continued to deliberate on region-specific alternatives.

On June 12, 2005 and August 25, 2005, the Visa U.S.A. board discussed governance and structural alternatives specific to Visa U.S.A. On July 29, 2005 and October 19, 2005, the Visa Canada board discussed region-specific governance, structural and ownership alternatives for Visa Canada, considering these options in light of the ongoing Visa International-led evaluation of global restructuring options. On October 24, 2005, the Visa LAC board discussed the business, legal and tax implications of regional incorporation and approved in principle the incorporation of Visa LAC, subject to a review of the conclusions and recommendations of the ongoing Visa International global restructuring evaluation. During this period Visa LAC retained Greenberg Traurig LLP, which we refer to as Greenberg Traurig, to provide legal advice to the board of Visa LAC in connection with its evaluation of restructuring options. On October 20, 2005, the Visa AP board extensively discussed governance and structural options, including regional incorporation, but determined not to take action that might be inconsistent with a global restructuring of the Visa enterprise until the Visa International global restructuring evaluation was complete. On October 25, 2005, the Visa CEMEA board engaged in extensive discussions before determining that it would wait until the completion of the Visa International global restructuring evaluation before pursuing the incorporation of Visa CEMEA.

At its regular meeting held on November 11, 2005, the Visa International board discussed the status of the global restructuring evaluation and the regional reorganization efforts. There was a consensus among the directors from the various regions that no region would implement any restructuring process without first consulting with the Visa International board, with the exception of Visa U.S.A.'s ongoing effort to add independent directors to its board. At this time, the Visa International board and all of the regional boards agreed to increase the frequency of their regularly scheduled and special meetings to consider potential global restructuring options.

At a special meeting of the Visa International board held on January 5, 2006, the board was updated on the current status of the Visa International-led evaluation of potential global restructuring options. The board also reviewed preliminary global restructuring options proposed by Visa U.S.A.

At a special meeting held on February 6, 2006, the Visa International board created an informal advisory group, led by Peter Hawkins, Chairman of the Visa AP board, and composed of directors of Visa International

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from each of the regions to oversee the review of global restructuring options and the development and refining of specific global restructuring options. The board also agreed that senior management representatives from each of the regions would temporarily move to Visa International's California corporate headquarters and would focus on the evaluation of four potential global restructuring options developed by the Visa International-led management team. The structures under consideration generally were:

a unified entity where all Visa entities participate in a public offering;

a public offering with the regions controlled to varying degrees by a newly created holding company;

a public offering with the Visa brand held jointly by the current Visa entities and the holding company; and

retention of the then-existing member association.

The management team was instructed to make a recommendation to the Visa International board by May 2006, and to provide regular updates to the Visa International and regional boards. McKinsey & Company, Inc. United States, which we refer to as McKinsey, which had been retained by Visa International in December of 2004 to evaluate Visa International's global operating model, provided strategic support and Greenhill & Co., LLC, which we refer to as Greenhill, which had been retained by Visa U.S.A. in December 2005 as a financial advisor to evaluate strategic alternatives, provided strategic and financial advice.

In parallel with assessing global restructuring options, the Visa regions continued to evaluate region-specific restructuring alternatives:

On January 17, 2006 and February 21, 2006, the Visa AP board held a lengthy discussion of the implications of the global restructuring options for Visa AP in the context of its previously proposed regional incorporation. On February 21, 2006, the board discussed the implications of the different global restructuring options. The Visa AP board had concerns that the current association model would not be sufficient to meet the needs of the current and future business environment, noting the restructuring of specific global competitors and the need to transition to a more unified, global organization to better serve the needs of customers.

On January 23, 2006, February 23, 2006, and March 27, 2006, the Visa CEMEA board reviewed the four global restructuring options under evaluation, expressing preliminary support for options contemplating a global public offering as best addressing the future needs of the Visa enterprise. The board also considered the conditions under which Visa CEMEA would consider participating in a global restructuring.

On January 25, 2006 and March 15, 2006, the Visa U.S.A. board debated the merits of the four global restructuring options as compared with Visa U.S.A. region-specific alternatives. At the March 15, 2006 meeting, the Visa U.S.A. board approved a proposal for approaching U.S.-based litigation in the context of a global restructuring.

On January 30, 2006, February 18, 2006, and March 27, 2006, the Visa LAC board reviewed the four global restructuring options and their implications for the Visa LAC region, including considerations related to U.S.-based litigation.

On January 30, 2006, February 22, 2006, and March 24, 2006, the Visa Canada board discussed the four global restructuring options in light of Visa Canada's regional objectives. The Visa Canada board also reviewed the current status of Visa Canada's evaluation of region-specific restructuring options. The board confirmed that Visa Canada was supportive of the global restructuring initiative and that any region-specific restructuring undertaken by Visa Canada would leave Visa Canada the flexibility to participate in a global restructuring once finalized.

At the regular Visa International board meeting held on February 27, 2006, through February 28, 2006, Mr. Hawkins and Visa International Chairman, William Campbell, presented an update on the ongoing

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evaluation of global restructuring options. At the regular meeting of the Visa International board of directors held on March 29, 2006, the board formalized a governance and structure subcommittee to replace the advisory group previously constituted on February 6, 2006, to oversee Visa International's restructuring efforts, with Mr. Hawkins as its Chairman. Mr. Hawkins then led a discussion on the current status of the global restructuring options, and the matters which would need to be resolved in order for the Visa International board to endorse a preferred approach. The board also discussed the preparation of a Memorandum of Understanding, or MOU, in order to facilitate achieving a consensus among the regions. The board also considered a proposal to address potential U.S.-based litigation liabilities in the context of the different global restructuring options.

In late April and early May of 2006, Mr. Hawkins met with each of the Visa regional boards to discuss the results of the global restructuring team's evaluation of the global restructuring options. In particular, Mr. Hawkins discussed the emerging support for a global public offering with Visa Europe as a licensee, but also highlighted the need to retain regionality, or the global company's ability to focus on and properly serve local markets. Mr. Hawkins met with the Visa AP board on April 18, 2006, the Visa LAC board on April 24, 2006, the Visa Canada board on April 26, 2006, the Visa U.S.A. board on April 27, 2006, the Visa Europe board on May 2, 2006, and the Visa CEMEA board on May 5, 2006. The Visa AP board, after lengthy discussion, expressed its support, in principle, for a global public offering with Visa Europe as a licensee and requested that Visa AP's representatives on the Visa International board to attempt to build global consensus for this option. The Visa LAC board discussed the strategic, legal and business impacts of the global restructuring and expressed the view that preserving regionality was the key to a successful global restructuring solution. The Visa Canada board considered the strategic, legal and business implications of each of the restructuring options. The Visa Canada board noted that it believed that its current association model would not best position Visa Canada for future success and the board reached a preliminary consensus that a global solution offered numerous benefits, provided that regional focus could be preserved. The Visa U.S.A. board voiced support for a global public offering and discussed the required commitment of Visa U.S.A. and its members regarding U.S.-based litigation. The Visa CEMEA board noted that a global public offering with Visa Europe as a licensee appeared to be the best option, but determined that it should continue to consider other possible strategic alternatives available to the regions.

At a special meeting of the Visa International board of directors held on May 8 and 9, 2006, Mr. Hawkins led the board in a detailed overview of the four global restructuring options. Visa Canada President, Derek Fry, reviewed the global restructuring team's analysis, evaluation criteria, and recommendation that Visa pursue a restructuring option, in which the Visa enterprise would be restructured into a global, for-profit, public company - Visa Inc. - with regionality. Under the recommended option, Visa Europe would retain its member-owned association structure and become an exclusive licensee of Visa Inc. Visa International President, Christopher Rodrigues, addressed the board regarding the conclusions drawn from a global strategy evaluation, which endorsed the recommendation made by the global restructuring team. Visa U.S.A. Executive Vice President, William Sheedy, then presented to the board an analysis of the valuation and marketability of all four global restructuring options, drawing on the advice of three investment banks consulted - Greenhill, Lehman Brothers Inc., which we refer to as Lehman Brothers, and which had been retained by Visa International in April of 2006, and UBS Investment Bank, which we refer to as UBS. Representatives from Lehman Brothers then reviewed with the board the advantages of a global float to the Visa enterprise. Director Richard Davis, acting in his capacity as a director of Visa U.S.A. and Visa U.S.A. General Counsel, Joshua Floum, presented to the Visa International board a privileged proposal regarding certain existing current U.S.-based litigation. Representatives from each of Greenhill and UBS then separately advised the board regarding various financial implications of each of the global restructuring options. Following the presentations of each of Greenhill and UBS, Mr. Hawkins led a discussion in which each of the regional presidents expressed his or her views on, and preference for, the recommended global restructuring option. After additional discussion, the Visa International board of directors unanimously endorsed the restructuring team's recommendation and agreed on a process for negotiating a MOU, to be led by Mr. Hawkins and supported by management and a team of directors with representation from each region. The board determined that business model and valuation support for this phase would be provided by Lehman Brothers.

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***Negotiation of the Memorandum of Understanding and Board Approvals***

*This section describes the process by which director representatives from each Visa region, working closely with their respective regional boards, agreed to terms for a non-binding MOU to govern the global restructuring.*

At a special meeting of the Visa LAC board held on May 29, 2006, the board reviewed the outcome of the Visa International board meeting held on May 8 and 9, 2006. The Visa LAC board expressed its interest in negotiating a mutually beneficial MOU for the creation of a global company, provided that it addressed the priorities of the LAC region, including responsibility for retrospective and prospective litigation, retention of an adequate level of regionality, appropriate valuation of Visa LAC's regional operations and specific interests, and creation and management of a global company that would result from a merger of Visa entities and not as part of an acquisition by one region. In late May of 2006, the Visa LAC board selected Credit Suisse Securities (USA) LLC, which we refer to as Credit Suisse, as its financial advisor in connection with the restructuring.

At a special meeting of the Visa International board of directors held on May 31, 2006, Mr. Hawkins provided a general update on the timeline for negotiating the MOU, the substantive open issues, and the role of regional management and directors in the drafting and negotiation process. Visa U.S.A. President, John Coghlan, and Visa Europe President, Peter Ayliffe, gave an update on principles of the proposed licensor/licensee relationship between Visa Inc. and Visa Europe. Representatives from Lehman Brothers reviewed the progress on developing an agreed-upon methodology for allocating ownership of Visa Inc. among the regions, noting that some regions provide higher growth while other regions provide economies of scale. Mr. Campbell noted Visa International management's recommendation to retain White & Case LLP, which we refer to as White & Case, to support the Visa International board as a legal advisor on activities related to the restructuring.

At telephonic meetings of the Visa U.S.A. board held on June 2, 2006 and June 14, 2006, Mr. Sheedy and Mr. Floum led the board in a discussion of the MOU. Mr. Sheedy further discussed a methodology for allocating ownership in Visa Inc., which would be presented to each of the regional boards, including that actual earnings would be the benchmark for which Visa Inc. would be valued in the public market and should serve as the basis for relative value.

In June 6, 2006, the board of directors of Visa International retained White & Case to act as its independent legal counsel in connection with the restructuring.

On June 8, 2006, the board of Visa AP retained Macquarie (Hong Kong) Limited, which we refer to as Macquarie, to provide financial and strategic advice to the board.

At the regular meeting of the Visa AP board held on June 15, 2006, Mr. Campbell, acting in his capacity as Chairman of the Visa International board, reported on the progress made on the global restructuring proposal at the Visa International board meetings, including the unanimous selection of the recommended restructuring option at the May 9, 2006 Visa International board meeting and the progress to date in drafting preliminary versions of the MOU. The Visa AP board debated the merits of the recommended restructuring option and the current draft of the MOU. The board passed a resolution supporting the recommended restructuring option. Mr. Sheedy and a representative from Greenhill joined the meeting by telephone and presented a proposal for allocating ownership in Visa Inc.

At a special telephonic meeting of the Visa Canada board held on June 16, 2006, directors and management representing Visa U.S.A. met with directors and management representing Visa Canada. The representatives of Visa U.S.A. presented their perspective on the terms on which the proposed global restructuring ought to be completed and presented a proposal for allocating ownership in Visa Inc.

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At the regular meeting of the Visa LAC board held on June 22, 2006, with the presence of representatives from the external legal and financial advisors to the Visa LAC board, Greenberg Traurig and Credit Suisse, the board reviewed the draft MOU in light of Visa LAC's requirements and received advice from Greenberg Traurig regarding the proposed MOU. On June 23, 2006, the board held a second session in which representatives of the Visa U.S.A. board provided their perspective on the terms on which the proposed global restructuring ought to be completed and presented a proposal for allocating ownership in Visa Inc. The board then considered the Visa U.S.A. presentation.

At the regular meeting of the Visa CEMEA board held on June 23, 2006, the board reviewed the draft MOU and extensively discussed areas of particular importance to Visa CEMEA. Representatives from the Visa U.S.A. board joined the meeting by telephone and provided their perspective on the terms on which the proposed global restructuring ought to be completed and presented a proposal for allocating ownership in Visa Inc. In executive session, the CEMEA board discussed the Visa U.S.A. proposal and other considerations relative to the proposed restructuring.

At a special telephonic meeting of the Visa Canada board held on June 23, 2006, the board discussed the Visa U.S.A. proposal presented on June 16, 2006, and debated specific issues related to the draft MOU.

At a regular meeting of the Visa International board of directors held on June 27, 2006, directors representing each region updated the board on key negotiation issues related to their respective region, and expressed continued willingness to support the recommended restructuring. Mr. Hawkins briefed the board on a two-part negotiation process, one part focusing on negotiations among the regions participating in Visa Inc., and the other part between the regions participating in Visa Inc. and Visa Europe. Immediately following this meeting, directors representing the regions participating in Visa Inc. submitted an offer to directors representing Visa Europe, which offer was not accepted. Key issues to be resolved included the royalty amount payable in connection with Visa Europe's license and specific monetary consideration to be paid to Visa Europe.

On June 27, 2006, Visa Canada, Visa AP, Visa CEMEA and Visa LAC jointly retained Latham & Watkins LLP, which we refer to as Latham & Watkins, as their special U.S. counsel with respect to the restructuring.

At special meetings on July 9 and 31, 2006, the Visa LAC board reviewed progress made in the negotiations concerning the MOU. On July 18, 2006, the Visa LAC Board formally retained Credit Suisse. Credit Suisse and Greenberg Traurig were present at the July 31, 2006 meeting. During this meeting, Greenberg Traurig provided legal advice to the board regarding the terms of the MOU.

On July 18, 2006, the board of Visa LAC retained Credit Suisse to provide financial advice to the Board.

At meetings held from July 19, 2006 through July 21, 2006, directors representing the regions that intended to become subsidiaries of Visa Inc. negotiated the terms of the MOU terms and reached preliminary agreement on an ownership allocation methodology among the participating regions based on projected earnings contribution to Visa Inc., subject to confirmation by the regional chief financial officers.

At a special meeting of the Visa International board of directors held on July 25, 2006, Mr. Hawkins provided an update on the substantial progress made in resolving issues among the regions participating in Visa Inc. and advised the board that future negotiations would primarily focus on Visa Inc.'s relationship with Visa Europe.

At meetings held from August 2, 2006 through August 4, 2006 and from August 15, 2006 through August 17, 2006, directors representing the regions participating in Visa Inc. negotiated terms with directors representing Visa Europe.

At a special meeting of the Visa International board of directors held on August 21, 2006, Mr. Hawkins advised the board that agreements in-principle had been reached between the regions participating in Visa Inc. and Visa Europe on financial terms and that management teams from the regions participating in Visa Inc. would finalize share ownership methodology.

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At meetings held on August 21, 2006 through August 26, 2006, the chief financial officers of Visa AP, Visa Canada, Visa CEMEA, Visa LAC, and Visa U.S.A. completed due diligence on the ownership allocation methodology agreed to at the July 21, 2006 negotiations. The chief financial officers also reached consensus on a process to rebalance, or true-up, ownership share based on regional financial performance following the formation of Visa Inc.

At a regularly scheduled telephonic meeting of the Visa U.S.A. board held on September 1, 2006, Mr. Floum advised the board regarding the legal standards applicable to its decision regarding the restructuring. Mr. Hawkins and representatives from Visa International then described the draft MOU and the proposed process for approving the MOU. The Visa International representatives then left the call, and the Visa U.S.A. directors discussed the terms of the restructuring in detail.

At meetings held on September 6, 2006, directors representing the regions participating in Visa Inc. negotiated final terms of the MOU with directors representing Visa Europe.

At a special telephonic meeting of the Visa CEMEA board held on September 7, 2006, Mr. Hawkins and Visa International Deputy General Counsel, Thomas M Guinness, gave a general update on the status of the negotiations regarding the MOU. Representatives from White & Case discussed the legal aspects of establishing Visa Inc. and Mr. M Guinness explained the most recent modifications to the MOU. A representative from Lehman Brothers then reviewed with the board the ownership and valuation methodology behind the ownership allocation reflected in the MOU, and further clarified the true-up process in response to questions. ABN AMRO Corporate Finance Limited, which was retained as Visa CEMEA's financial advisor on September 15, 2006, and which we refer to as ABN AMRO, then presented a preliminary valuation for Visa CEMEA and explained the methodology they used. Visa CEMEA General Counsel, Adrian Phillips, described the MOU, and Visa CEMEA Chairman, Vivian Bartlett, raised additional points of information for the directors, including a discussion of a minimum allocation of ownership in Visa Inc. for members of Visa CEMEA. The CEMEA board then approved a resolution endorsing the MOU, subject to satisfactorily addressing responsibility for current U.S.-based litigation and the incorporation of a transparent true-up process in the definitive agreements.

At a special telephonic board meeting of the Visa AP board held on September 7, 2006, Mr. Hawkins advised the board that the method for allocating ownership in Visa Inc. had been agreed to by the negotiating directors for each of the regions participating in Visa Inc., subject to the approval of the MOU by their respective boards, that an agreement in principle had been reached on terms with Visa Europe, and that Visa U.S.A.'s proposal on U.S.-based litigation was satisfactory.

At a regularly scheduled board meeting of the Visa Canada board held on September 8, 2006, Visa Canada's Chief Financial Officer, Tim Wilson, reviewed the process undertaken to validate the methodology underlying the ownership allocation set forth in the MOU. Mr. Wilson also explained the true-up process. The Board discussed specific negotiation points in the MOU, aided by Mr. Hawkins and Mr. M Guinness, on behalf of Visa International, representatives of Lehman Brothers, Visa International's financial advisor, who participated by telephone, and representatives of Latham & Watkins, Visa Canada's external U.S. counsel, who participated by telephone. The board then heard from Mr. Davis, Director Charles Doyle, acting in his capacity as a director of Visa U.S.A., and Mr. Floum, as representatives of Visa U.S.A., regarding the MOU.

At a regularly scheduled telephonic meeting of the Visa U.S.A. board held on September 8, 2006, management presented a summary of the negotiations of the MOU. Representatives from Visa U.S.A.'s external legal counsel reviewed with the board its fiduciary duties and appropriate process in connection with the transaction. Representatives from Greenhill reviewed for the board its financial analysis and stated that Greenhill expected to be in a position to deliver a formal opinion to the Visa U.S.A. board regarding the fairness, from a



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financial point of view, of the consideration to be received by the members of Visa U.S.A. in the proposed transaction at the time of the execution of the definitive agreements.

At a special telephonic meeting of the Visa LAC board of directors held on September 6, 2006, with the presence of representatives from Greenberg Traurig and Credit Suisse, Mr. Hawkins, assisted by Mr. M. Guinness, presented the terms and conditions of the MOU. Representatives from Lehman Brothers reviewed with the board their views on how a public offering of equity securities of a company constructed under the proposed MOU would be received by potential investors. Directors deliberated on the terms of the MOU and asked numerous questions to representatives from White & Case and Lehman Brothers on specific terms of the MOU. After additional deliberation, the directors unanimously endorsed the MOU, subject to conducting legal due diligence to confirm the viability of Visa U.S.A.'s commitments regarding certain U.S.-based litigation.

At a special meeting of the Visa International board of directors held on September 12, 2006, the board discussed the proposed MOU in detail, reviewed due diligence findings and received the advice of third-party legal counsel and financial advisors. At the conclusion of the meeting, a statement of support for the MOU was signed by all directors and regional presidents in attendance. Following this meeting, White & Case's engagement was expanded to include acting as independent counsel to the Transition Governance Committee in connection with the restructuring.

At a special meeting of the Visa Canada board held on September 28, 2006, the Visa Canada board reviewed the final draft of the MOU, including the side letter that included provisions for a transition governance committee, comprised of directors from each region and Visa International, to lead the development and implementation of definitive agreements implementing the restructuring. After additional discussion on the true-up process, the board unanimously approved the MOU and related side letter.

Over the course of a series of four meetings held between September 13, 2006 and September 29, 2006, the board of Visa U.S.A. reviewed the MOU in detail, including an evaluation of the structure contemplated by the proposed transaction as compared to a Visa U.S.A. standalone solution, a detailed financial analysis provided by Greenhill, and a presentation by Mr. Sheedy and a representative from Skadden, Arps, Slate, Meagher & Flom LLP, which firm was on retainer to Visa U.S.A., on tax considerations. On September 29, 2006, after a discussion of the board's fiduciary duties with a representative from external counsel, Holme Roberts & Owen LLP, which we refer to as Holme Roberts & Owen, the Visa U.S.A. board unanimously approved the MOU and side letters.

At a special telephonic meeting of the Visa LAC board held on October 2, 2006, Visa LAC General Counsel, Carlos Vásquez, reviewed the changes made to the MOU since the board's September 6, 2006 meeting. The board debated the modifications made to the MOU, including the side letter provisions for the Transition Governance Committee. After extensive deliberation, the board endorsed the final MOU and side letter.

At a special telephonic meeting of the Visa AP board held on October 4, 2006, Visa AP President, Rupert Keeley, discussed the terms of the MOU and noted that he considered the financial terms to be acceptable to Visa AP. Representatives of Macquarie confirmed to the board that Macquarie had worked closely with the Visa AP management in evaluating the MOU and that Macquarie viewed the overall outcome as equitable and acceptable. Mr. Hawkins explained the additional provisions added to the MOU, including the provisions in the side letter relating to the formation of a transition governance committee. A representative from Macquarie updated the directors on the process by which the regional chief financial officers had reviewed each region's financial projections. The representative from Macquarie further noted that the process of negotiation has been well-managed and equitable and overall Macquarie believes that the outcome has been positive for Visa AP. After additional discussion, the Visa AP board passed a resolution unanimously endorsing the MOU and side letter.

At the special meeting of the Visa International board of directors held on October 9, 2006, the board, after deliberation regarding the changes to the MOU and the related side letter and after noting that all six regional

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boards had approved the MOU after deliberation with their respective third-party legal and financial advisors, passed a motion approving the MOU and side letter. Following this meeting, the regions and Visa International issued a joint press release on October 11, 2006 announcing the proposed restructuring.

### ***Development of the Transaction Documents and Approval***

*This section describes the process by which director representatives from each Visa region, working closely with their respective regional boards, agreed to the detailed terms of the transaction documents.*

During the weeks of October 2, 2006 and October 23, 2006, the regional boards finalized their director representatives to the transition governance committee, including Mr. Bartlett of Visa CEMEA, Mr. Campbell of Visa International, Alberta Cefis of Visa Canada, Mr. Davis, Mr. Doyle and John Stumpf of Visa U.S.A., Mr. Hawkins of Visa AP, Segismundo Schulín-Zeuthen of Visa LAC, and Hans Van Der Velde of Visa Europe.

At four meetings that took place between January 15, 2007 and February 12, 2007, management and directors representing the regions participating in Visa Inc. and management and directors from Visa Europe negotiated financial terms of the restructuring agreement and legal and business terms of the licensor/licensee relationship between Visa Inc. and Visa Europe.

After obtaining agreement by each of the Visa regional boards during the week of February 5, 2007, at the regular meeting of the Visa International board held on February 13, 2007, the Visa International board approved the recommendation of the transition governance committee to appoint Joseph Saunders as the Executive Chairman-designee of the board of Visa Inc., once Visa Inc. was formed.

At a regular meeting of the Visa LAC board of directors on February 6, 2007, Mr. Vásquez updated the board on the status of the negotiations regarding the transaction documents.

At a meeting held on February 26, 2007 through February 28, 2007, management and directors representing the regions participating in Visa Inc. and management and directors from Visa Europe negotiated financial terms of the restructuring agreement and legal and business terms of the licensor/licensee relationship between Visa Inc. and Visa Europe.

At a regular meeting of the Visa CEMEA board of directors on March 9, 2007, a representative from White & Case reviewed the fiduciary responsibilities of the board regarding the proposed transaction. Visa International General Counsel, Thomas M. Guinness, updated the board on the status of the negotiations regarding the transaction documents. A representative from Latham & Watkins reviewed a presentation on the mechanism designed to address the current U.S.-based litigation. A representative from ABN AMRO overviewed the process pursuant to which her firm was anticipated to provide an opinion to the board regarding the fairness, from a financial point of view, of the consideration to be received in the restructuring by the Visa CEMEA members. The board then engaged in an extensive discussion about specific aspects of the proposed restructuring, including the proposed mechanism for addressing current U.S.-based litigation and regionality.

During a series of meetings and telephone calls held between March 11, 2007 through April 3, 2007, management and directors representing the regions participating in Visa Inc. and management and directors representing Visa Europe negotiated financial terms of the restructuring agreement and business terms of the licensor/licensee relationship between Visa Inc. and Visa Europe.

At a regular meeting of the Visa Canada board of directors held on April 10, 2007, the board reviewed the current status of the negotiations in respect of the transaction documents, including the latest proposal on current U.S.-based litigation, and the regional true-up process. The board then discussed items related to the restructuring that were specific to Visa Canada, including tax, legal, and regionality considerations.

At a meeting held on April 15, 2007, management and directors representing the regions participating in Visa Inc. and management and directors from Visa Europe negotiated the final financial terms of the restructuring agreement and continued to negotiate the business terms of the licensor/licensee relationship between Visa Inc. and Visa Europe.

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At a regular meeting of the Visa International board of directors held on April 17, 2007, Mr. Saunders reviewed with the board the current status of the transaction documents negotiation. The board discussed various issues related to the transaction, including the true-up process, the agreements with Visa Europe, tax considerations, and the mechanism and terms for addressing the current U.S.-based litigation. In executive session, the board approved the appointment of Mr. Saunders as Chief Executive Officer of Visa Inc., in addition to his duties as Executive Chairman of the board of directors of Visa Inc., subject to approval by each of the regional boards.

At the regular meeting of the Visa U.S.A. board of directors held on April 18, 2007, a representative from Greenhill presented its analysis of the valuation consideration to be received by members of Visa U.S.A. A representative from Holme Roberts & Owen discussed the next steps in the restructuring process.

At a special meeting of the Visa U.S.A. board of directors held on April 27, 2007, the board approved the appointment of Mr. Saunders as Chief Executive Officer of Visa Inc.

During a series of meetings and telephone calls that took place between April 30, 2007 and May 3, 2007, management representing the regions participating in Visa Inc. and management from Visa Europe negotiated detailed business terms of the licensor/licensee relationship between Visa Inc. and Visa Europe.

At a regular meeting of the Visa Canada board of directors on May 8, 2007, a representative from White & Case reviewed the current status of the transaction documents and answered questions from the board. A representative from Latham & Watkins reviewed a presentation on the mechanism designed to address the current U.S.-based litigation. The board then reviewed the current status of potential tax considerations to Visa Canada and its members as a result of the proposed restructuring. In executive session, the board approved the appointment of Mr. Saunders as Chief Executive Officer of Visa Inc.

At a series of meetings held between May 8, 2007 and May 10, 2007, management representing the regions participating in Visa Inc. and management from Visa Europe negotiated detailed business terms of the licensor/licensee relationship between Visa Inc. and Visa Europe.

At a special meeting of the Visa LAC board of directors on May 10, 2007, Mr. Saunders, reviewed the status of the development of the transaction documents. Mr. Vásquez, reviewed the role of the regional board and its fiduciary duties regarding the proposed transaction. A representative from White & Case discussed the status of the negotiations in respect to the transaction documents, and further described the mechanisms in those documents designed to address the current U.S.-based litigation. Thereafter, a representative from Latham & Watkins expressed that firm's advice on such mechanisms. After careful consideration of Latham & Watkins evaluation of the proposal, the board adopted a resolution with specific recommendations on changes designed to address Visa LAC's concerns. In executive session, the board approved the appointment of Mr. Saunders as Chief Executive Officer of Visa Inc.

At a special meeting of the Visa AP board of directors held on May 10, 2007, Mr. Hawkins reviewed the directors their fiduciary responsibilities in connection with the evaluation of the proposed restructuring, referencing the advice of White & Case on this issue. Mr. Saunders reviewed the status of the transaction documents and answered questions related to the restructuring, including U.S.-sited litigation, the agreements with Visa Europe, and regionality. A representative from Latham & Watkins presented his firm's advice on the restructuring and the mechanism for addressing current U.S.-based litigation, which was followed by extensive board discussion on these issues. A representative from Macquarie then provided an overview of the fairness opinion process, in anticipation of the delivery of its opinion regarding the fairness of the restructuring from a financial point of view, which opinion was anticipated to be delivered to the board at its June 7, 2007 meeting. In executive session, the board approved the appointment of Mr. Saunders as Chief Executive Officer of Visa Inc.

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At a special meeting of the Visa CEMEA board of directors on May 11, 2007, the board was advised of the process and timeline related to the proposed transaction. Visa CEMEA General Counsel, Adrian Phillips, with a representative from Latham & Watkins, led the board in a full review of the proposed mechanism for addressing current U.S.-based litigation contained in the transaction documents. In executive session, the board approved the appointment of Mr. Saunders as Chief Executive Officer of Visa Inc.

At a meeting held on May 14, 2007, management and directors representing the regions participating in Visa Inc. and management and directors from Visa Europe agreed to final terms regarding the business terms of the licensor/licensee relationship between Visa Inc. and Visa Europe.

At a regular meeting of the Visa International board of directors on May 15, 2007, a representative from White & Case reviewed the relevant director duties as they related to the proposed restructuring. Mr. M Guinness provided an update on the current status of the transaction documents. A representative from Lehman Brothers reviewed with the board the evaluation considerations and process by which it was anticipated that Lehman Brothers would deliver to the board an opinion as to the fairness of the restructuring from a financial point of view.

At a special telephonic meeting of the Visa LAC board held on May 29, 2007, Visa LAC General Counsel, Mr. Vásquez, reviewed the status of the recommendations developed by the board at its May 10 meeting. A White & Case representative provided the board with an overview of the presentation he would be providing at the Visa LAC June 8 board meeting, and answered questions from directors with respect to the current U.S.-based litigation. A representative from Credit Suisse described the fairness opinion that the firm was anticipated to provide at the meeting of the board scheduled for June 8, 2007.

At a regular meeting of the Visa Canada board of directors on May 31, 2007, Mr. Saunders reviewed the status of the transaction documents, noting the strong mechanism designed to address the current U.S.-based litigation and the importance of enhancing Visa's business globally while maintaining a strong regional focus. A representative from Dundee Securities Corporation, which we refer to as Dundee, and which had been retained by Visa Canada in April of 2007 for the purpose of rendering a fairness opinion in connection with the proposed restructuring, Visa Canada's financial advisor, made a presentation to the board and advised the board that, in the opinion of Dundee the consideration received is fair from a financial perspective as described under *Opinion of Visa Canada's Financial Advisor*.

At a special meeting of the Visa Canada board of directors on June 7, 2007, a representative from White & Case discussed the transaction documents and the board noted that it would reconvene within a week to approve the transaction documents pending the satisfactory resolution of four considerations, primarily related to specific language related to U.S.-sited litigation. Specifically, the Visa Canada board discussed: (i) certain language with respect to Visa Canada acting in good faith and using reasonable efforts to complete the Canada transaction documents; (ii) the definition of covered litigation as used in the transaction documents and its impact on the protection of current and former members of Visa International from any subsequent actions based on the same claims; (iii) language relating to the release of Visa U.S.A. and its members; and (iv) a required minimum total percentage of the membership proportion of Visa U.S.A. members for the execution of the judgment sharing and loss sharing agreements.

At a special meeting of the Visa U.S.A. board of directors on June 7, 2007, Mr. Saunders reviewed the transaction documents and described the final terms concerning the transaction. He also discussed modifications to the terms of the MOU in the transaction documents. Members of the Visa U.S.A. management then discussed the transaction with the board, and, with Mr. Saunders, answered questions from the board. A representative from Greenhill reviewed its valuation analysis and delivered its oral opinion, that as of that date, the consideration to be received by the members of Visa U.S.A. in the proposed transaction is fair from a financial point of view to

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such members, as described under *Opinion of Visa U.S.A.'s Financial Advisor*. The board also reviewed with a representative from Holme Roberts & Owen its fiduciary duties and reviewed the process the board had followed in initiating, structuring and negotiating the transaction. Following the presentations and board discussions, the board unanimously (with one member not present) approved the Global Restructuring Agreement, found it advisable and in the best interests of Visa U.S.A. and its members, taken as a whole and recommending that the Visa International board approve the restructuring agreement and the transactions contemplated thereby.

At a regular meeting of the Visa AP board of directors on June 7, 2007, the board discussed in detail the proposed restructuring including the terms of the related agreements, considerations surrounding the current U.S.-based litigation and the mechanism in the transaction documents to address this issue. The board received legal advice from a representative of White & Case and a representative of Latham & Watkins. Among other things, White & Case provided an overview of the board's fiduciary duties and the process followed by the board in initiating, structuring and negotiating the restructuring, and an overview of the transaction documents. A representative from Macquarie reviewed the financial analysis and consideration given to the proposed transaction, advising the board that it is the firm's opinion that the consideration received is fair from a financial perspective as described under *Opinion of Visa AP's Financial Advisor*. Following extensive additional discussion and noting the careful deliberation by the board on all aspects of the proposed transaction, the board noted its intention to approve the restructuring and recommend its approval to the board of directors of Visa International, subject to specific revisions to the Global Restructuring Agreement that were subsequently met. The meeting was subsequently recessed until June 15, 2007.

At a special meeting of the Visa CEMEA board of directors on June 8, 2007, the board discussed in detail the proposed restructuring, including the terms of the related agreements and considerations surrounding the U.S.-sited litigation and the mechanism in the transaction documents to address this issue. The board received legal advice from a representative of White & Case and a representative of Latham & Watkins. Among other things, White & Case provided an overview of the board's fiduciary duties and the process followed by the board in initiating, structuring and negotiating the restructuring, and an overview of the transaction documents. A representative from ABN AMRO reviewed its financial analysis and rendered its oral opinion, which was subsequently confirmed in writing, that as at such date and subject to the assumptions, qualifications, considerations and limitations set forth in the written opinion, the consideration to be received in the restructuring by the Visa CEMEA members was fair, from a financial point of view, to the Visa CEMEA members, as described under *Opinion of Visa CEMEA's Financial Advisor*. Following additional discussion, and noting the careful deliberation by the board on all aspects of the proposed transaction, the board, by a unanimous vote of all members participating, approved a resolution recommending that the Visa International board of directors approve the Global Restructuring Agreement and the transactions contemplated thereby, subject to specific conditions that were subsequently met in principle, and determined that the Global Restructuring Agreement and related transactions were advisable and in the best interests of Visa CEMEA and its members, taken as a whole.

At a special meeting of the Visa LAC board on June 8, 2007, a representative from White & Case provided legal advice to the board and an overview of the board's fiduciary duties and the process followed by the board in initiating, structuring and negotiating the restructuring, and an overview of the transaction documents. Mr. Vásquez updated the board on the status of the transaction documents. Director discussion followed, with the board expressing comfort with the proposed transaction documents. A representative from Credit Suisse reviewed the process and financial analysis given to the transaction and advised the board that it is the firm's opinion that the consideration received is fair from a financial perspective as described under *Opinion of Visa LAC's Financial Advisor*. At this time, Mr. Saunders joined the meeting and reviewed the objectives for Visa's restructuring and certain key terms of the transaction documents. Following additional discussion and consideration, the board by a unanimous vote of all members participating passed a resolution recommending that the Visa International board approve the Global Restructuring Agreement and the transactions contemplated

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thereby, provided there were no further changes that would cause a material adverse effect on the interests of Visa LAC, and determined that the Global Restructuring Agreement and related transactions were advisable and in the best interests of Visa LAC and its members, taken as a whole.

At a special meeting of the Visa International board of directors on June 11, 2007, the board reviewed in detail the proposed restructuring, including a detailed discussion of the terms of the agreements regarding the restructuring and considerations surrounding the current U.S.-based litigation and the mechanism in the transaction documents to address this issue. The board received legal advice from its counsel, White & Case, including an overview of the board's fiduciary duties, a review of the process followed by the board in initiating, structuring and negotiating the restructuring, and an overview of the transaction documents. A representative from Lehman Brothers reviewed the financial analysis and rendered Lehman Brothers' opinion to the board that the restructuring was fair to Visa International and its constituent members taken as a whole from a financial point of view, as described under *Opinion of Visa International's Financial Advisor*. The board then proceeded in executive session. During the executive session, the board received the recommendation of each of the regional boards. Following additional discussion, and noting the careful deliberation by the board on all aspects of the proposed transaction, the board unanimously approved a resolution approving the Global Restructuring Agreement and the transactions contemplated thereby, determining that they were advisable and in the best interests of Visa International and its members, taken as a whole, and recommending that the members of Visa International approve the Global Restructuring Agreement and the transactions contemplated thereby. The approval and recommendation of the board of Visa International was expressly made subject to the receipt of specific confirmation by the boards of directors of each of Visa Canada, Visa AP and Visa Europe that all conditions to their recommendations had been satisfied.

At a special meeting of the Executive Committee of the Visa Europe board of directors held on June 13, 2007, the executive committee confirmed that the conditions specified in its approval and recommendation were satisfied.

At a special meeting of the Visa Canada board of directors on June 13, 2007, after noting the careful deliberation given to all aspects of the restructuring transaction and the fairness opinions and advice provided by third-party legal and financial advisors, the board unanimously passed a resolution noting that the conditions specified in its approval had been satisfied and finding the Global Restructuring Agreement advisable and in the best interests of Visa Canada and its members, taken as a whole and confirming its recommendation to the board of Visa International.

On June 15, 2007, the Visa AP board reconvened and, after noting the careful consideration given to the proposed transaction and the third-party fairness opinion provided by Macquarie and the revisions to the transaction documents since June 7, 2007, to take into account the board's concerns, the board, by a unanimous vote of those participating, approved a resolution confirming its recommendation that the Visa International board of directors enter into the proposed transaction and approve the Global Restructuring Agreement and determining that the restructuring is advisable and in the best interests of Visa AP and its members, taken as a whole.

At a special meeting of the Executive Committee of the Visa Europe board of directors held on June 13, 2007, the executive committee confirmed that the conditions specified in its approval and recommendation were satisfied.

At a special meeting of the Visa Canada board of directors on June 13, 2007, after noting the careful deliberation given to all aspects of the restructuring transaction and the fairness opinions and advice provided by third-party legal and financial advisors, the board unanimously passed a resolution noting that the conditions specified in its approval had been satisfied and finding the Global Restructuring Agreement advisable and in the best interests of Visa Canada and its members, taken as a whole, and confirming its recommendation to the board of Visa International.

**Table of Contents****Visa International s, Visa U.S.A. s and Visa Canada s Reasons for the Global Restructuring**

In deciding to approve the restructuring agreement, the board of directors of each of Visa International, Visa U.S.A. and Visa Canada considered a number of factors and held discussions with senior management and certain financial, business and legal advisors of each of Visa International, Visa U.S.A. and Visa Canada, respectively, relating to strategic, business, legal, regulatory and other matters. Although the following discussion sets forth the key factors considered by the boards of directors of Visa International, Visa U.S.A. and Visa Canada in reaching their decisions, it may not include all of the factors considered. In general, in light of the number and variety of factors considered, none of the boards of Visa International, Visa U.S.A. or Visa Canada considered it practical to, and did not attempt to, quantify or otherwise assign relative weights to the specific factors that it considered in reaching its decision. Each board believes that its decision was made on the basis of all of the available information presented to it, although each individual board of directors of Visa International, Visa U.S.A. or Visa Canada, and indeed each individual board member, may have given different weight to different factors and may have made its decision primarily on the basis of a factor that did not merit the same level of consideration by other boards or members.

***Positive Factors***

The positive factors that the boards of directors considered in approving the restructuring include, but are not limited to, those set forth below. Certain statements in this section are forward-looking in nature and, therefore, should be read in light of the discussion under *Cautionary Statement Regarding Forward-Looking Statements*.

*Facilitation of Initial Public Offering.* One important purpose of the restructuring is to consolidate what are now three separate associations—Visa International, Visa U.S.A. and Visa Canada—as subsidiaries of a single stock corporation, Visa Inc., in order to facilitate the ability of the consolidated entities to raise capital by offering shares to the public as part of a single issuer in an initial public offering. In addition, the boards of directors believe that an initial public offering by a single consolidated entity would constitute a higher-value offering than if similar offerings were undertaken on an individual basis by separate entities.

*Streamlined Decision-Making.* As a result of the restructuring, the Visa regions other than Visa Europe will become either direct or indirect subsidiaries or operating divisions of Visa Inc. Visa Inc. will be governed by a single board of directors. The board of directors of Visa International believes that this change in structure will streamline Visa Inc.'s ability to make and execute strategic decisions and allow it to respond with greater agility to competitive and market developments as compared to the current structure, which has historically relied upon multiple regional board approvals for certain material corporate actions.

*Improved Strategic and Business Flexibility.* The boards of directors believe that the holding company structure will facilitate business growth by providing a more flexible structure that is better suited to a variety of strategic transactions, such as acquiring new businesses and entering into joint ventures. For example, following the restructuring, the board of directors of Visa Inc. will be able to better integrate newly acquired businesses or technologies by bringing them into the new consolidated structure or by creating new corporate entities to pursue or develop new businesses. In addition, the boards believe that the holding company structure will enhance Visa Inc.'s ability to coordinate business on a global basis, while allowing it to maintain existing competitive advantages, such as strong local market relationships, expertise and execution.

*Global Competitiveness.* The boards of directors believe that the global restructuring will enable Visa Inc. to facilitate a common, global approach, where appropriate, to the legal, regulatory and competitive issues arising in today's marketplace. Many of the legal and regulatory challenges that we face are in part directed at our current ownership and governance structure as a membership corporation in which ownership interests and voting rights are limited to our customers' member financial institutions. While we strongly dispute these challenges, we believe that certain governance and structural reforms—such as moving to a majority of independent directors at

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the closing of the restructuring and moving to a more open ownership base at the closing of an initial public offering will be seen as increasing the openness, diversity and transparency of our business and governance. As a result, we believe these proposals will place our business in a better position as we defend ourselves against the legal and regulatory challenges relating to our ownership and governance.

*Operational Efficiency and Continuity.* The boards of directors believe that the restructuring presents an opportunity to increase operational efficiency and achieve cost savings by combining certain functions within the overall Visa enterprise. In addition, the boards of directors believe that the participating entities can achieve the benefits listed above, among others, without disrupting key existing operations. For example, by retaining Visa International and Visa U.S.A. as non-stock corporate subsidiaries of Visa Inc., Visa International and Visa U.S.A. should be able to maintain in place effective customer relationships, including most licensing arrangements and membership agreements. In addition, by retaining the non-stock corporations at the subsidiary level, Visa Inc. will retain the operational flexibility of managing key aspects of its payments system through bylaws and operating regulations.

*Combination of Global Scale and European Focus.* The boards of directors believe that the post restructuring arrangement of the entire Visa organization combines the efficiencies of global scale with the recognition of Europe's unique business and economic environment. Under the new structure, the Visa enterprise expects to work seamlessly, enhancing interoperability, reliability and security for Visa members, customers, cardholders and merchants around the world.

### ***Negative Factors***

In addition to the positive factors listed above, the boards of directors of Visa International, Visa U.S.A. and Visa Canada also identified and considered a number of uncertainties and challenges relating to the proposed restructuring, including, without limitation, the risks set forth below and under *Risk Factors Risks Related to the Restructuring*:

the risk that the restructuring might not be completed in a timely manner or at all, as a result of the failure to gain the requisite member approval or meet other conditions to closing;

the risk that the loss of board seats currently held by individuals who are also officers of certain members as a result of the restructuring process could have a detrimental effect on Visa Inc.'s business relationship with such member or members;

the risk that the potential benefits and strategic goals of the global restructuring may not be realized;

the risk of missed strategic opportunities, increased costs and other negative effects arising from the diversion of management's focus and resources from operational matters while working to implement the global restructuring;

the risk that the shift of the business relationship with Visa Europe from our current membership association-based relationship to a license-based relationship will reduce our ability to effectively coordinate with Visa Europe's operations and may otherwise cause our relationship with Visa Europe to deteriorate; and

the risk that the new senior management of Visa Inc. may not be able to effectively integrate and manage the operations of Visa International, Visa U.S.A. and Visa Canada as consolidated entities under a single holding company.



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### **Visa Europe's Reasons for Remaining Independent**

Visa Europe's board believes that the decision to remain a separate entity and enter into exclusive, perpetual, irrevocable licenses with Visa Inc. in the global restructuring will provide a number of significant strategic opportunities and benefits to Visa Europe including the following:

*SEPA.* Visa Europe's board believes that being owned and governed by Europe's banks enables Visa Europe to be well positioned to deliver a borderless payment market for Europe and meet the goals of its member banks, consumers and merchants, as well as the European Commission's vision of a Single Euro Payments Area, or SEPA. Visa Europe's board also believes that the significant changes brought about by SEPA can best be managed through the current corporate structure and that Visa Europe will be very well positioned to realize the SEPA vision and create payment and processing solutions tailored to Europe's needs, such as V PAY, a new pan European debit card, based entirely on chip and PIN. Visa Europe has also developed a switching system, Visa authorization, which is designed to enable its members to meet their SEPA requirements. This switching system is expected to lower transaction costs, deliver greater scalability and flexibility and meet local market needs with locally configured payment services. In addition, a new European clearing and settlement platform is currently being developed.

*European Focus.* Visa Europe's board believes that to remain separate from Visa Inc. is a European market-driven decision that facilitates continued European governance of Visa Europe and will enable Visa Europe to dedicate its resources to the unique needs of its European customers. Delivering infrastructure investments, multi-lateral agreements and interdependent innovations requires a collaborative approach, and the membership model provides the mechanism for this collaboration.

*Innovative Solutions.* Visa Europe will be well placed to partner with its banks to deliver innovative, value-creating solutions such as European specific contactless payments, which build upon the EMV chip and PIN investment.

*Combination of Global Scale and European Focus.* Visa Europe's board believes that the post-restructuring arrangement of the entire Visa organization combines the efficiencies of global scale with the recognition of Europe's unique business and economic environment. Under the new structure, the Visa enterprise expects to work seamlessly, enhancing interoperability, reliability and security for Visa members, customers, cardholders and merchants around the world.

### **Opinions of Financial Advisors**

In connection with their consideration of the restructuring transactions, each of the boards of directors of Visa International, Visa U.S.A., Visa Canada, Visa AP, Visa LAC and Visa CEMEA retained financial advisors to provide them with an opinion with respect to the fairness, from a financial point of view, of the restructuring.

#### **Opinion of Visa International's Financial Advisor**

In February 2007, Visa International's board of directors retained Lehman Brothers to act as its financial advisor with respect to the restructuring. On June 11, 2007, Lehman Brothers rendered its oral opinion (subsequently confirmed in writing) to Visa International's board of directors that, as of such date, and, based upon and subject to the matters stated in its opinion, from a financial point of view, the restructuring was fair to Visa International and its constituent members taken as a whole, which includes Visa AP, Visa LAC, Visa CEMEA, Visa U.S.A., Visa Canada and Visa Europe, which are collectively referred to as the Visa regions, and each, a Visa region.

**The full text of Lehman Brothers' written opinion, dated June 11, 2007, is attached as Annex E to this proxy statement-prospectus. Lehman Brothers provided its opinion for the information and assistance of the board of directors of Visa International in connection with its consideration of the restructuring.**

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**Lehman Brothers has not been requested to opine as to, and Lehman Brothers' opinion does not in any manner address, Visa International's underlying business decision to proceed with or effect the restructuring or the fairness of the consideration being received by each Visa entity or its member banks on an individual or relative basis. Lehman Brothers' opinion is not a recommendation as to how any member should vote with respect to the restructuring. You are encouraged to read Lehman Brothers' opinion in its entirety for a discussion of the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Lehman Brothers in rendering its opinion. The following is a summary of Lehman Brothers' opinion and the methodology that Lehman Brothers used to render its opinion. This summary is qualified in its entirety by reference to the full text of such opinion.**

In arriving at its opinion, Lehman Brothers reviewed and analyzed:

the restructuring agreement, the related transaction documents and the specific terms of the restructuring;

the organizational and operational documents of the Visa enterprise and the financial and operating information with respect to the business, operations and prospects of Visa International and each Visa entity furnished to Lehman Brothers by Visa International, including historical financial results for fiscal 2006 and fiscal quarters ended December 31, 2006 and March 31, 2007, and financial projections through fiscal 2010 of Visa International and each Visa entity prepared by the managements of Visa International and each Visa entity, respectively;

a comparison of the historical financial results and present financial condition of Visa International with those of other companies that Lehman Brothers deemed relevant;

a comparison of the financial terms of the restructuring with the financial terms of certain other transactions that Lehman Brothers deemed relevant;

the strategic transaction alternatives available to reorganize and restructure the whole of the Visa enterprise, as well as Visa U.S.A. on a standalone basis;

the strategic benefits of the restructuring to the Visa enterprise as a whole and to each of its component entities through, among others things, managing potential antitrust and other litigation exposure, potential cost savings and operational synergies, and the potential impact on the Visa enterprise as a globally managed publicly traded entity;

the accounting treatment of the restructuring on a United States generally accepted accounting principles basis; and

the relative contributions of the parties to the restructuring to Visa Inc. as compared to the relative pro forma stock ownership in Visa Inc. received by such parties.

In addition, Lehman Brothers had discussions with the managements of Visa International, each Visa region and Inovant concerning their respective businesses, operations, assets, liabilities, financial condition and prospects, and undertook such other studies, analyses and investigations as Lehman Brothers deemed appropriate.

In arriving at its opinion, Lehman Brothers assumed and relied upon the accuracy and completeness of the financial and other information used by Lehman Brothers without assuming any responsibility for independent verification of such information. Lehman Brothers further relied upon the assurances of the managements of Visa International and each Visa region that they were not aware of any facts or circumstances that would make such information inaccurate or misleading. With respect to the financial projections of Visa International and each Visa region, upon advice of Visa International, Lehman Brothers assumed that such projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the managements of Visa International and each Visa region as to the future financial performance of the

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respective regions and that such regions would perform substantially in accordance with such projections. In arriving at its opinion, Lehman Brothers did not conduct a physical inspection of the properties and facilities of Visa International or any Visa

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entity and did not make or obtain any evaluations or appraisals of the assets or liabilities of such entities. Lehman Brothers' opinion necessarily is based upon market, economic and other conditions as they exist on, and can be evaluated as of, the date of such opinion.

In connection with rendering its opinion, Lehman Brothers performed certain financial, comparative and other analyses as described below. In arriving at its opinion, Lehman Brothers did not ascribe a specific range of value to Visa International and each Visa region, but rather made its determination as to the fairness, from a financial point of view, of the restructuring to Visa International on the basis of financial and comparative analyses. The preparation of a fairness opinion involves various determinations as to the most appropriate and relevant methods of financial and comparative analysis and the application of those methods to the particular circumstances, and therefore, such an opinion is not readily susceptible to summary description. Furthermore, in arriving at its opinion, Lehman Brothers did not attribute any particular weight to any analysis or factor considered by it, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, Lehman Brothers believes that its analyses must be considered as a whole and that considering any portion of such analyses and factors, without considering all analyses and factors as a whole, could create a misleading or incomplete view of the process underlying its opinion. In its analyses, Lehman Brothers made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Visa International and each Visa region. None of Visa International, any Visa region, Lehman Brothers or any other person assumes responsibility if future results are materially different from those discussed. Any estimates contained in these analyses were not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than as set forth therein. In addition, analyses relating to the value of businesses do not purport to be appraisals or to reflect the prices at which businesses actually may be sold. In connection with rendering its fairness opinion, Lehman Brothers considered the strategic benefits of the proposed transaction to the Visa enterprise as a whole and to each of its component entities. Specifically, Lehman Brothers assumed that Visa International and the eligible Visa International members would not have any liability with respect to covered litigation as a result of the proposed transaction.

The following is a summary of the material financial analyses used by Lehman Brothers in connection with providing its opinion to the board of directors of Visa International. Certain of the summaries of financial analyses include information presented in tabular format. In order to fully understand the financial analyses used by Lehman Brothers, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Accordingly, the analyses listed in the tables and described below must be considered as a whole. Considering any portion of such analyses and of the factors considered, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying Lehman Brothers' opinion.

### ***Transaction Structure***

For a detailed description of the terms and conditions of the restructuring, see *The Global Restructuring Agreement*. From a U.S. GAAP perspective, the restructuring will be treated as an acquisition by Visa U.S.A., the U.S. GAAP acquirer, of the portion of Visa International that it does not currently own, which includes Visa AP, Visa CEMEA, Visa LAC, Visa Canada and Visa Europe, which we refer to collectively as the U.S. GAAP acquirees.

### ***The Case for US GAAP Acquirees***

#### ***U.S. GAAP Acquirees Contribution Analysis***

In order to evaluate the aggregate contributions made by the U.S. GAAP acquirees to Visa Inc. pro forma for the restructuring relative to their aggregate pro forma equity ownership in Visa Inc., Lehman Brothers analyzed, based on management projections prepared by each of Visa International, each U.S. GAAP acquiree,

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and the Visa regions: (i) the aggregate contributions of the U.S. GAAP acquirees to estimated earnings before interest, taxes, depreciation and amortization, or EBITDA, and net income for the fiscal 2006, 2008 and 2010; and (ii) the aggregate values represented by the U.S. GAAP acquirees as determined by the comparable company analysis, precedent transaction analysis and discounted cash flow analysis, each as described below. Lehman Brothers determined the U.S. GAAP acquiree's ownership in Visa Inc. pro forma for the restructuring as being the sum of: (i) each of Visa AP's, Visa LAC's and Visa CEMEA's ownership in Visa Inc.; (ii) Visa Europe's ownership in Visa Inc., plus the non-stock consideration Visa Europe will receive as part of the restructuring, less Visa Europe's ownership in Inovant; and (iii) Visa Canada's ownership in Visa Inc., less the value of Visa Canada's operations, less Visa Canada's ownership in Inovant. Lehman Brothers calculated the likely minimum ownership held by the U.S. GAAP acquirees in Visa Inc. to be 39.9% of Visa Inc.'s outstanding capital stock.

The following table presents the results of this contribution analysis:

Metric	U.S. GAAP Acquiree Contribution	Likely U.S. GAAP Acquiree Minimum Ownership in Visa Inc.
<b>EBITDA</b>		
2006	15.3%	39.9%
2008	30.1%	39.9%
2010	32.1%	39.9%
<b>Net Income</b>		
2006	10.4%	39.9%
2008	30.5%	39.9%
2010	32.4%	39.9%

Valuation Methodology	U.S. GAAP Acquiree Contribution	Likely U.S. GAAP Acquiree Minimum Ownership in Visa Inc.
<b>Comparable Company</b>		
<b>EBITDA</b>		
1-Year Forward	23.4%	39.9%
2-Year Forward	31.1%	39.9%
<b>Net Income</b>		
1-Year Forward	23.7%	39.9%
2-Year Forward	31.1%	39.9%

**Precedent Transaction**

EBITDA	23.7%	39.9%
New Income	31.6%	39.9%
Discounted Cash Flow	30.6%	39.9%

Lehman Brothers noted that the likely U.S. GAAP acquiree minimum ownership in Visa Inc. was higher than the U.S. GAAP acquiree contribution across all methodologies summarized above. Lehman Brothers also noted that an additional source of value to the U.S. GAAP acquirees is the explicit acknowledgement by Visa U.S.A. member banks of the liability under the loss share agreement.

**Comparable Company Analysis**

In order to assess how the public market values shares of similar publicly traded companies, Lehman Brothers reviewed and compared specific financial and operating data relating to the U.S. GAAP acquirees and the Visa regions with selected companies that Lehman Brothers deemed comparable to the U.S. GAAP acquirees and the Visa regions, including MasterCard, Inc., American Express Co., Total System Services Inc., Checkfree

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Corp., VeriFone Holdings Inc., Global Payments Inc., Heartland Payment Systems Inc., Chicago Mercantile Exchange Holdings Inc., NYSE Euronext, NYMEX Holdings Inc., IntercontinentalExchange Inc. and Nasdaq Stock Market Inc. Using publicly available information, Lehman Brothers calculated and analyzed each company's current stock price to its projected earnings per share (commonly referred to as a price earnings ratio, or P/E) and each company's enterprise value to EBITDA. The enterprise value of each company was obtained by adding its short and long term debt to the sum of the market value of its common equity, and subtracting its cash and cash equivalents. As of June 8, 2007, the last trading date prior to the delivery of Lehman Brothers' opinion, the median ratio of the comparable companies' enterprise value to their respective projected calendar year 2007 EBITDA and calendar year 2008 EBITDA based upon data from I/B/E/S International, Inc., which we refer to as I/B/E/S, were 14.8x and 12.7x, respectively. Additionally, the comparable companies' calendar year 2007 and calendar year 2008 median price earnings ratio based upon data from I/B/E/S were 25.9x and 21.2x, respectively.

Using these multiples and an implied reference range, Lehman Brothers calculated the implied ownership percentages in Visa Inc. to be held by the U.S. GAAP acquirees, as utilized in the contribution analysis described above, based upon 1-year and 2-year forward EBITDA and 1-year and 2-year forward net income values of 23.4%, 31.3%, 23.7% and 31.1%, respectively. Lehman Brothers noted that for the likely U.S. GAAP acquirees, minimum ownership in Visa Inc. was above all these implied ownership percentages.

Lehman Brothers selected the comparable companies above because their business and operating profiles are reasonably similar to those of the U.S. GAAP acquirees and the Visa regions. In addition, Lehman Brothers deemed financial exchanges, such as NYSE Euronext and IntercontinentalExchange Inc., to be relevant comparables to Visa Inc. because, among other characteristics, they have a similar business model (e.g., facilitate the electronic exchange of value between parties and earn revenue based on high volume and a small per-transaction fee) and a similar financial profile (e.g., size, growth and margins). However, because of the inherent differences between the business, operations and prospects of the U.S. GAAP acquirees and the business, operations and prospects of the companies included in the comparable companies, Lehman Brothers believed that it was inappropriate to, and therefore did not, rely solely on the quantitative results of the comparable company analysis and accordingly also made qualitative judgments concerning differences between the financial and operating characteristics and prospects of the U.S. GAAP acquirees and the companies included in the comparable company analysis that would affect the public trading values of each. These qualitative judgments related primarily to the differing sizes, growth prospects, profitability levels and degrees of operational risk between the U.S. GAAP acquirees and the comparable companies.

**Table of Contents***Comparable Transaction Analysis*

Using publicly available information, Lehman Brothers reviewed and analyzed the multiples of enterprise value to last twelve months, or LTM, EBITDA and to earnings per share in selected transactions for financial and payment processing, financial exchange and credit card companies. Lehman Brothers reviewed the following transactions:

<b>Date Announced</b>	<b>Acquirer</b>	<b>Target</b>
5/17/07	The Blackstone Group LP	Alliance Data Systems Corp.
4/30/07	Deutsche Borse AG / SWX Group	International Securities Exchange Holdings, Inc.
4/2/07	Kohlberg Kravis Roberts & Co.	First Data Corp.
11/30/06	Intuit	Digital Insight Corp.
10/27/06	Chicago Mercantile Exchange Holdings Inc.	Chicago Board of Trade
6/1/06	NYSE Group Inc.	Euronext NV
5/31/06	Thomas H. Lee Partners	West Corp
4/21/06	ICAP Plc	EBS Group Ltd.
4/10/06	VeriFone Holdings Inc.	Lipman Electronic
3/27/06	Australian Stock Exchange	SFE Corp. Ltd.
12/27/05	iPayment Inc.	iPayment Holdings Inc.
9/15/05	Fidelity National Information Services Inc.	Certegy Inc.
8/4/05	HSBC Finance Corp.	Metris Companies Inc.
7/28/05	The Carlyle Group	SS&C Technologies Inc.
6/30/05	Bank of America Corp.	MBNA Corp.
6/6/05	Washington Mutual	Providian Financial Corp.
4/22/05	The NASDAQ Stock Market Inc., Silver Lake Partners, Bank of New York Co. Inc.	Instinet Group, Inc.
4/20/05	NYSE Group Inc.	Archipelago Holdings Inc.
3/28/05	Private Equity Consortium	SunGard Data Systems Inc.
7/13/04	Bank of America Corp.	National Processing Inc.
6/8/04	Thomas H. Lee Partners LP	Refco Group Ltd. LLC
4/6/04	Morgan Stanley	Barra Inc.
4/2/03	First Data Corp.	Concord EFS Inc.
1/23/03	Collins Stewart Holding PLC	Tullett PLC
1/8/03	Bank of New York Co. Inc.	Pershing LLC
11/14/02	HSBC Holdings PLC	Household International Inc.
5/7/01	U.S. Bancorp	Nova Corp.
9/6/00	Citigroup Inc.	Associates First Capital Corp.
3/22/99	First Data Corp.	Paymentech Inc.
11/23/98	Concord EFS Inc.	Electronic Payment Services
6/18/98	Nova Corp.	PMT Services, Inc.
10/27/97	Fleet Financial Group Inc.	Advanta Corp.
1/19/97	Bank One Corp.	First U.S.A Inc.





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As of June 8, 2007, the last trading date prior to the delivery of Lehman Brothers' opinion, the comparable transaction analysis resulted in a median ratio of enterprise value to LTM EBITDA of 10.8x and a median price earnings ratio of 30.1x.

Using these multiples and an implied reference range, Lehman Brothers calculated the implied ownership percentages in Visa Inc. to be held by the U.S. GAAP acquirers, as utilized in the contribution analysis described above, of 30.6% and 31.6%, respectively. Lehman Brothers noted that for the likely U.S. GAAP acquirers, minimum ownership in Visa Inc. was above all of these implied ownership percentages.

### *Discounted Cash Flow Analysis*

As part of its analysis, Lehman Brothers prepared a discounted after-tax cash flow model that was based upon financial projections prepared by the management teams of each U.S. GAAP acquirer. A discounted cash flow analysis is a traditional valuation methodology used to derive a valuation of an asset by calculating the present value of estimated future cash flows of the asset. Present value refers to the current value of future cash flows or amounts and is obtained by discounting those future cash flows or amounts by a selected discount rate. Lehman Brothers performed a discounted cash flow analysis for the U.S. GAAP acquirers as of June 8, 2007 by adding: (i) the present value of the U.S. GAAP acquirers' after tax unlevered free cash flows for the third quarter of fiscal 2007 through fiscal 2011 to (ii) the present value of the terminal value of the U.S. GAAP acquirers. Terminal value refers to the value of all future cash flows from an asset at a particular point in time. Lehman Brothers estimated a range of terminal values based on multiples of estimated 1-year forward EBITDA of 12.0x to 16.0x. Lehman Brothers then discounted the after tax unlevered free cash flows and the estimated terminal value to a present value at discount rates ranging from 10% to 14% which were chosen based on a weighted average cost of capital analysis.

Based on the projections and assumptions described above (including the midpoint of the terminal value range), Lehman Brothers calculated the implied ownership percentages in Visa Inc. to be held by the U.S. GAAP acquirers, as utilized in the contribution analysis described above, of 32.9%. Lehman Brothers noted that for the likely U.S. GAAP acquirers, minimum ownership in Visa Inc. was above this implied ownership percentage.

### *The Case for U.S. GAAP Acquirer*

#### *VISA U.S.A. Comparative Valuation*

Lehman Brothers analyzed the comparative valuations of the strategic alternatives for the U.S. GAAP acquirer, Visa U.S.A., of either (i) becoming a standalone public entity or (ii) entering into the restructuring. For a relative valuation comparison, Lehman Brothers valued Visa U.S.A.'s alternatives based upon MasterCard's current stock price to its projected calendar year 2008 earnings per share. As of June 8, 2007, the last trading date prior to the delivery of Lehman Brothers' opinion, MasterCard's current stock price to its projected calendar year 2008 earnings per share based upon data from I/B/E/S was 25.0x. To appropriately reflect Visa U.S.A.'s standalone financials, Lehman Brothers devised two cases: in the first case, Visa U.S.A.'s standalone net income was adjusted for public company costs and in a second case, Visa U.S.A.'s standalone net income was adjusted for both public company costs and brand/IP royalty license fees to be paid to Visa International. Lehman Brothers used public company costs of \$50 million for Visa U.S.A., two-thirds of the value provided by Visa International for Visa Inc.'s pro forma for the restructuring and an initial public offering; and a brand/IP royalty license fee of \$143 million, based on Visa Inc./Visa Europe agreements. Lehman Brothers noted that it was uncertain that a standalone Visa U.S.A. could be achieved; but to the extent it could be achieved, a brand/IP royalty license fee would likely be greater than \$143 million. The analysis resulted in the following standalone valuations for Visa U.S.A.:

<b>Methodology</b>	<b>Visa U.S.A. Standalone Valuation (in billions)</b>	
Case 1	\$	21.0
Case 2	\$	18.9
Average	\$	20.0

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Additionally, as part of this analysis, Lehman Brothers estimated Visa U.S.A.'s share in the value of Visa Inc. based upon two scenarios. Visa U.S.A.'s share of value in Visa Inc. was determined by applying Visa U.S.A.'s percentage ownership to the overall Visa Inc. value, and not giving effect to the true-up. In the base case, a valuation multiple of 25.0x (the same used in Visa U.S.A.'s standalone public valuation) was applied to Visa Inc.'s GAAP and cash net income (excluding amortization of intangibles and restructuring costs created as a direct result from the restructuring). In the upside case, Lehman Brothers estimated Visa U.S.A.'s share in the value of Visa Inc. at a premium to the standalone valuation of Visa U.S.A. due to its larger scale, growth profile and geographic footprint.

Lehman Brothers applied a price earnings ratio range of 25.0x – 28.0x 2008 GAAP and Cash Net Income. The analysis resulted in a range of values for Visa Inc. of \$33.9 billion to \$42.3 billion. The Visa U.S.A. share in the value of Visa Inc. resulted in a range of values of \$19.4 billion to \$24.1 billion. Lehman Brothers noted that Visa U.S.A.'s share in the value of Visa Inc. was higher than the Visa U.S.A. standalone valuation in all but one methodology.

### ***Other***

The underlying analyses of Lehman Brothers' opinion must be considered as a whole. Each component, the case for the U.S. GAAP acquirers and the case for the U.S. GAAP acquirer, indicates the restructuring is fair from a financial point of view. Taken as a sum of the parts, the restructuring is fair to Visa International and its constituent members taken as a whole.

### ***Engagement of Lehman Brothers***

Lehman Brothers is an internationally recognized investment banking firm and, as part of its investment banking activities, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. The board of directors of Visa International selected Lehman Brothers because of its expertise, reputation and familiarity with Visa International and the technology services industry generally and because its investment banking professionals have substantial experience in transactions comparable to the restructuring.

As compensation for its services in connection with the restructuring, Visa International paid Lehman Brothers \$5.5 million upon the delivery of Lehman Brothers' opinion. In addition, Visa International paid Lehman Brothers a quarterly retainer fee, which began effective as of April 2006, the date upon which Lehman Brothers initiated work with Visa International. Additional compensation may be paid to Lehman Brothers by Visa International in its sole discretion based on Visa International's evaluation of the services provided by Lehman Brothers. In addition, Visa International has agreed to reimburse Lehman Brothers for reasonable out-of-pocket expenses incurred in connection with the restructuring and to indemnify Lehman Brothers for certain liabilities that may arise out of its engagement by Visa International and the rendering of Lehman Brothers' opinion. Lehman Brothers has performed investment banking services for Visa International in the past, and expects to continue to provide such services in the future to Visa International and its affiliates, and has received, and expects to receive, customary compensation for such services.

### ***Opinion of Visa U.S.A.'s Financial Advisor***

In December 2005, Greenhill & Co., LLC was retained for the benefit of Visa U.S.A. to provide financial advisory services and to render an opinion to Visa U.S.A.'s regional board of directors as to the fairness, from a financial point of view, of the shares of class USA common stock of Visa Inc. to be received by the members of Visa U.S.A. in connection with the restructuring (which shares, for the purposes of this description of Greenhill's opinion, are referred to as the Visa U.S.A. consideration). Pursuant to the restructuring agreement, Visa U.S.A.'s ownership in Visa Inc. following the restructuring will be 57.1% (not including certain shares issued to Visa Europe that will be redeemed for \$1.146 billion), subject to adjustment as provided in the restructuring

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agreement. On June 7, 2007, Greenhill rendered its oral opinion (subsequently confirmed in writing), to Visa U.S.A.'s regional board of directors, that, as of that date and based upon and subject to the limitations and assumptions stated in its opinion, the Visa U.S.A. consideration was fair, from a financial point of view, to the members of Visa U.S.A.

Greenhill's opinion was directed to, and provided for the use and benefit of, Visa U.S.A.'s regional board of directors in connection with its consideration of the restructuring. Greenhill did not recommend to Visa U.S.A. any specific amount or form of consideration or advise Visa U.S.A. that the amount or form of consideration provided in the restructuring agreement constituted the only appropriate amount or form of consideration for the proposed restructuring.

**The full text of Greenhill's written opinion, dated June 7, 2007, is attached as Annex F to this proxy statement-prospectus. Greenhill's opinion relates only to the fairness, as of the date of the opinion and from a financial point of view, to the members of Visa U.S.A. of the Visa U.S.A. consideration, does not address any other aspect of the restructuring or any related transaction, and does not constitute a recommendation to Visa U.S.A.'s regional board of directors or to any member of Visa U.S.A. whether such board of directors or the members should approve the restructuring or any other transaction. Greenhill was not requested to and did not solicit any expressions of interest from any other parties with respect to the restructuring or any other alternative transaction. Greenhill was not requested to opine to, and Greenhill's opinion did not in any manner address, the underlying business decision by Visa U.S.A. to proceed with or effect the restructuring or any other transaction. The summary of Greenhill's opinion that follows is qualified in its entirety by reference to the full text of the opinion. You are urged to read the opinion carefully and in its entirety to learn about the assumptions made, general procedures followed, matters considered and limits on the scope of the review undertaken by Greenhill in rendering its opinion.**

In arriving at its opinion, Greenhill, among other things:

reviewed the draft restructuring agreement as of June 2, 2007 and certain related documents;

reviewed certain information, including financial forecasts and other financial and operating data concerning Visa International, Inovant and the Visa regions, prepared for each of Visa International, Inovant and such Visa regions by the management of each;

analyzed certain information, including financial forecasts and other financial and operating data concerning the pro forma combined company resulting from the restructuring, prepared by the managements of Visa International, Inovant and the Visa regions (for purposes of this description of Greenhill's opinion, such information is referred to as the pro forma information);

reviewed information regarding the strategic, financial and operational benefits anticipated from the restructuring, prepared by the managements of Visa International, Inovant and Visa regions (for purposes of this description of Greenhill's opinion, such information is referred to as the synergies);

discussed the past and present operations and financial condition and the prospects with senior executives of each of Visa International, Inovant and the Visa regions;

compared the value of the Visa U.S.A. consideration with the relative contribution of Visa U.S.A. to Visa Inc. based on a number of metrics that Greenhill deemed relevant;

compared the value of the Visa U.S.A. consideration with that received in certain publicly available transactions that Greenhill deemed relevant;

performed discounted cash flow analyses for Visa U.S.A. and Visa Inc.;

considered the trading valuations of certain publicly traded companies that Greenhill deemed relevant; and

performed such other analyses and considered such other factors as Greenhill deemed appropriate.

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Greenhill also held discussions with Visa U.S.A.'s board of directors and Visa U.S.A.'s legal counsel to discuss the restructuring and the results of Greenhill's analysis and examination, and considered such other matters that it deemed relevant to its inquiry.

In conducting its review and analysis and rendering its opinion, Greenhill assumed and relied upon, without independent verification, the accuracy and completeness of the information publicly available or supplied or otherwise made available to it by representatives and managements of the Visa regions for the purposes of its opinion and further relied upon the assurances of the representatives and managements of Visa International, Inovant and the Visa regions that they were not aware of any facts or circumstances that would make such information inaccurate or misleading. With respect to the financial forecasts and projections of the Visa regions, the pro forma information, the synergies and other data with respect to Visa International, Inovant and the Visa regions that have been furnished or otherwise provided to it, Greenhill assumed that they were reasonably prepared on a basis reflecting the best then available estimates and good faith judgments of the managements of the Visa regions as to those matters, and relied upon such forecasts, projections, pro forma information, synergies and other data in arriving at its opinion. Greenhill also assumed that, following the restructuring, Visa Inc. will fully realize the anticipated benefits of the synergies. Greenhill expressed no opinion with respect to such forecasts, projections, pro forma information, synergies and other data or the assumptions upon which they are based. Greenhill assumed that the restructuring will be consummated in accordance with the terms set forth in the final, executed restructuring agreement, which Greenhill further assumed will be identical in all material respects to the latest draft thereof Greenhill reviewed, and without waiver of any material terms or conditions set forth in the restructuring agreement. With respect to the covered litigation, Greenhill assumed that pursuant to the retrospective responsibility plan, liability would remain with the Visa U.S.A. members and would not be borne by either Visa U.S.A. or Visa Inc. Greenhill further assumed that all material governmental, regulatory and other consents and approvals necessary for the consummation of the restructuring will be obtained without any effect on the Visa regions, Visa Inc. or the restructuring meaningful to Greenhill's analysis.

Greenhill did not make any independent valuation or appraisal of the assets or liabilities of the Visa regions, nor was Greenhill furnished with any such valuations or appraisals. Greenhill's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Greenhill as of, the date of its opinion. Greenhill's opinion noted that subsequent developments may affect its opinion and Greenhill does not have any obligation to update, revise, or reaffirm its opinion. With respect to the quantitative information, to the extent that it is based on market data, such information is based on market data as it existed on or before June 7, 2007, and is not necessarily indicative of current market conditions.

In connection with its review and analysis and rendering its opinion, Greenhill performed a number of analyses. Set forth below is a summary of the material financial analyses performed and material factors considered by Greenhill to arrive at its opinion. Greenhill performed certain procedures, including each of the financial analyses described below, and reviewed with Visa U.S.A.'s regional board of directors and the senior management of Visa U.S.A. the assumptions upon which these analyses were based, as well as other factors. Although this summary describes the material analyses made by Greenhill in arriving at its opinion, it does not purport to describe all of the analyses performed or factors considered by Greenhill in this regard.

In connection with certain of the analyses discussed below, Greenhill selected a group of payment processing companies that engage in businesses reasonably comparable to those of Visa U.S.A. and Visa Inc. None of the selected companies is identical to Visa U.S.A. or Visa Inc. Accordingly, Greenhill's analysis of the selected payment processing companies necessarily involved complex considerations and judgments concerning the differences in financial and operating characteristics and other factors that would necessarily affect the analysis of the operating statistics, trading multiples and other financial ratios and valuations of the selected payment processing companies.

The preparation of an opinion regarding fairness is a complex analytic process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances, and, therefore, a fairness opinion is not readily susceptible to partial

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analysis or summary description. The preparation of an opinion regarding fairness does not involve a mathematical evaluation or weighing of the results of the individual analyses performed, but requires Greenhill to exercise its professional judgment, based on its experience and expertise, in considering a wide variety of analyses taken as a whole. Each of the analyses conducted by Greenhill was carried out in order to provide a different perspective on the financial terms of the proposed restructuring and add to the total mix of information available. Greenhill did not form a conclusion as to whether any individual analysis, considered in isolation, supported or failed to support an opinion about the fairness of the Visa U.S.A. consideration. Rather, in reaching its conclusion, Greenhill considered the results of the analyses in light of each other and ultimately reached its opinion based on the results of all analyses taken as a whole. Greenhill did not place particular reliance or weight on any particular analysis (and the order of analyses described below does not represent their relative importance or weight), but instead concluded that its analyses, taken as a whole, provided the basis for its determination. Accordingly, notwithstanding the separate factors summarized below, Greenhill believes that its analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all analyses and factors, would create an incomplete view of the evaluation process underlying its opinion. No company used in the below analyses as a comparison is directly comparable to Visa U.S.A. or Visa Inc. In performing its analyses, Greenhill made numerous assumptions with respect to industry performance, business and economic conditions and other matters. Because the analyses performed by Greenhill are inherently subject to uncertainty, and are based upon numerous factors or events beyond the control of the parties or their respective advisors, these analyses are not necessarily indicative of future actual values or results, which may be significantly more or less favorable than suggested by these analyses. Consequently, none of Visa U.S.A., Greenhill or any other person assumes responsibility if future results are materially different from those suggested by these analyses.

Greenhill analyzed certain financial data on a pro forma basis for Visa Inc. as a combined company following an assumed initial public offering of shares of Visa Inc. For the purposes of this pro forma analysis Greenhill assumed, among other things, the realization of the benefit of 50% of the projected synergies by 2008 and 100% by 2009.

**Comparable Company Analyses.** Greenhill reviewed the price to earnings ratios, or trading multiples, principally focusing on the following payment processing companies:

MasterCard	First Data
Global Payments	eFunds
Total Systems	MoneyGram
Alliance Data Systems	Euronet

All multiples were based on closing stock prices on May 25, 2007, except for First Data (for which it was April 3, 2007) and Alliance Data Systems (for which it was May 15, 2007), in each case one day prior to the announcement of their proposed acquisition, and estimated earnings for the years 2007 and 2008. Estimated financial data for the payment processing companies were based on consensus estimates compiled by I/B/E/S. Estimated financial data for Visa U.S.A. were based on internal estimates of Visa U.S.A.'s management, and estimated financial data for Visa Inc. were based on internal estimates of Visa International, Inovant and the Visa regions' managements, in each case as provided to Greenhill.

Based on the assumption that 2008 would be the first year in which each business will operate on the model of an independent publicly traded company, Greenhill reviewed certain statistics of selected companies primarily for 2008. Greenhill reviewed the trading multiples for the selected companies, which ranged from 16.0x to 27.8x, with a median of 21.4x. However, Greenhill determined in its professional judgment that the company most comparable to Visa U.S.A. is MasterCard, which has a trading multiple of 27.8x (adjusted to reflect certain assumptions regarding its litigation liabilities), and therefore concluded it would be appropriate to apply a range of multiples from 26.0x to 28.0x to corresponding financial data of Visa U.S.A. Greenhill also determined in its

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professional judgment that the company most comparable to Visa Inc. is also MasterCard, and that Visa Inc. should trade at a premium to MasterCard based, among other things, on a review of medium-term growth rates, profit margins and competitive market position. Greenhill therefore concluded it would be appropriate to apply a range of multiples from 29.0x to 31.0x to corresponding financial data of Visa Inc. This analysis indicated a value for Visa U.S.A. that would equate to a range of percentage ownership of Visa Inc. for Visa U.S.A. of 52.8% to 53.1%.

Greenhill also analyzed 2008 ratios of enterprise value to 2008 estimated EBITDA for the selected companies, which ranged from 8.9x to 15.5x. Based on its professional judgment that the company most comparable to Visa U.S.A. and Visa Inc. is MasterCard, which has a ratio of 15.5x (as adjusted), Greenhill then applied a range of ratios from 14.5x to 15.5x to corresponding financial data of Visa U.S.A. and a range of ratios from 15.0x to 16.0x to corresponding financial data of Visa Inc. This analysis indicated a value for Visa U.S.A. that would equate to a range of percentage ownership of Visa Inc. for Visa U.S.A. of 54.7% to 54.9%.

***Discounted Cash Flow Analyses***

Using discounted cash flow methodology, Greenhill calculated the present values of the estimated future operating free cash flows for Visa U.S.A., using the estimates prepared by Visa U.S.A.'s management, and the present values of the estimated future operating free cash flows for Visa Inc., using the estimates prepared by the managements of Visa International, Inovant and the Visa regions. In this analysis, Greenhill assumed discount rates ranging from 10.4% to 11.4% for Visa U.S.A. and from 10.4% to 11.4% for Visa Inc., and terminal trading multiples ranging from 12.0x to 14.0x for Visa U.S.A. and from 13.0x to 15.0x for Visa Inc. (in each case for terminal year earnings in 2010), which imply nominal terminal growth rates of 5.3% to 7.0% for Visa U.S.A. and 6.8% to 8.3% for Visa Inc. Greenhill determined the appropriate discount rate ranges based upon an analysis of the average cost of capital for selected payment processing companies. Greenhill selected the terminal trading multiples for Visa U.S.A. and Visa Inc. that it deemed appropriate based on its expertise and judgment. The discounted cash flow analyses indicated a value for Visa U.S.A. that would equate to a range of percentage ownership of Visa Inc. for Visa U.S.A. of 52.0% to 52.2%.

***Contribution Analysis***

Pursuant to the restructuring agreement, Visa U.S.A.'s net ownership in Visa Inc. following the restructuring will be 57.1% (not including certain shares issued to Visa Europe that will be redeemed for \$1.146 billion), subject to certain adjustments as provided in the global restructuring agreement.

Greenhill also performed an analysis of the relative contribution of Visa U.S.A. to 2008 estimated net income of Visa Inc. compared to the contributions of the other Visa regions being combined in the restructuring to 2008 estimated net income of Visa Inc. The net income figures used in this analysis incorporated the licensing fee paid or payable by Visa Europe to Visa Inc. and excluded the realization of any benefit of the synergies. This analysis was based on financial projections provided by the management of Visa U.S.A. and such other Visa regions. Based on this analysis, Visa U.S.A.'s projected 2008 estimated net income contribution was 61.9%.

Compared to the 57.1% ownership interest for Visa U.S.A. set forth in the restructuring agreement, the 61.9% projected contribution to 2008 estimated net income represents an implied premium of 12.6% to be received in the restructuring by the Visa regions other than Visa U.S.A. Greenhill analyzed the value of the potential synergies for Visa Inc. and considered the potential for higher trading multiples for Visa Inc. and determined, in its judgment, that the cost of the implied premium should be more than offset by the value of the synergies and potential for higher trading multiples at Visa Inc.

Greenhill also performed an analysis of global merger-of-equals transactions from January 1, 2002 through 2007 and found that the average premium paid based on trading prices one day, one week, and one month prior to announcement ranged from 10.2% to 10.7% (all industries) and from 13.7% to 15.8% (financial services industry). Greenhill determined that the merger of Visa U.S.A. with the other Visa entities to create Visa Inc. had many characteristics comparable to precedent global merger-of-equals transactions.

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***Engagement of Greenhill***

Visa U.S.A. hired Greenhill based on its qualifications and expertise in providing financial advice to companies and on its reputation as a nationally recognized investment banking firm. Greenhill had no prior material relationship with Visa U.S.A. Pursuant to its engagement letter, Greenhill will receive a fee from Visa U.S.A., a portion of which is contingent on the consummation of the restructuring or another comparable transaction. In addition, Visa U.S.A. has agreed to reimburse Greenhill for certain out-of-pocket expenses incurred by it in connection with its engagement and will indemnify Greenhill against certain liabilities that may arise out of its engagement, including certain liabilities under federal securities laws.

Greenhill also provided financial and modeling support to Visa International during 2006, for which Greenhill was separately compensated by Visa International. Greenhill is also providing advisory services to Visa International in relation to a future public offering of Visa Inc. Amounts payable for those advisory services will be paid by Visa Inc. following completion of the restructuring.

**Opinion of Visa Canada's Financial Advisor**

In April 2007, Visa Canada's board of directors retained Dundee Securities Corporation, which we refer to as Dundee, to provide financial advisory services and a financial fairness opinion in connection with Visa Canada's participation in the restructuring and the potential subsequent initial public offering by Visa Inc. At the meeting of Visa Canada's board of directors on May 31, 2007, Dundee rendered its written opinion that, as of such date and based upon and subject to the various conditions set forth in such opinion, the consideration to be received by the Visa Canada members pursuant to the restructuring agreement was fair, from a financial point of view, to such members.

**The full text of Dundee's written opinion, dated May 31, 2007, is attached as Annex G to this proxy statement-prospectus. Dundee's opinion is directed to Visa Canada's board of directors and addresses only the fairness, from a financial point of view, of the consideration to be received by Visa Canada members under the restructuring, as of the date of the opinion. Dundee has not been asked to render an updated fairness opinion. Such opinion does not address any other aspect of the restructuring and does not constitute a recommendation to any shareholder or member of Visa Canada as to whether such members or shareholders should approve the restructuring or any other transaction. The summary of Dundee's opinion set forth in this proxy statement-prospectus is qualified in its entirety by reference to the full text of such opinion, which sets forth, among other things, the assumptions made, general procedures followed, matters considered and limitations on the scope of the review undertaken by Dundee in rendering its opinion. We encourage you to read Dundee's entire opinion carefully and in full.**

In arriving at its opinion, Dundee, among other things:

reviewed certain historical financial statements and other business and financial information of Visa Canada and Visa Inc.;

reviewed certain forecasted financial information and other financial and operating data concerning Visa Canada and Visa Inc. that were prepared by our management and management of Visa Inc. and the various Visa regions;

discussed the past and current operations and financial condition and the prospects of Visa Canada with members of Visa Canada's management and that of Visa Inc.;

compared the financial performance and forecasts of each of Visa Canada and Visa Inc. with those of certain comparable publicly traded companies;

reviewed the financial terms, to the extent publicly available, of certain comparable acquisition transactions;



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reviewed the restructuring agreement and various commercial agreements to be entered into by Visa Canada, Visa Inc. and various other parties in connection with the restructuring;

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relied upon the views of Visa Canada's and Visa Inc.'s management concerning the business, operational and strategic benefits and implications of the restructuring and potential initial public offering, including financial forecasts provided to Dundee relating to the synergistic values and operating cost savings expected to be achieved through the restructuring and potential initial public offering; and

performed such other analyses and considered such other factors as Dundee deemed appropriate.

In rendering its opinion, Dundee assumed and relied upon, without independent verification, the accuracy and completeness of the information reviewed by it for the purposes of its opinion. With respect to the financial forecasts, Dundee assumed that they were reasonably prepared on bases reflecting the best then-currently available estimates and judgments of future financial performance.

Dundee did not make, and does not assume any responsibility for making, any independent valuation or appraisal of the assets or liabilities of Visa Canada, nor was it furnished with any such appraisals. Dundee assumed, with the consent of Visa Canada's board of directors, that the restructuring would be consummated in accordance with its terms, without waiver, modification, or amendment of any material term, condition, or agreement, and in the course of obtaining the necessary governmental or third party approvals, consents, and releases for the restructuring, no delay, limitation, restriction, or condition will be imposed that would have a material adverse effect on Visa Canada or Visa Inc. or materially reduce the contemplated benefits of the restructuring. Representatives of Visa Canada advised Dundee, and Dundee further assumed that the final terms of the restructuring agreement would not vary materially from those set forth in the drafts reviewed by Dundee. With respect to the covered litigation, Dundee assumed that Visa Canada and the Visa Canada members would not have any liability. In addition, Visa Canada instructed Dundee not to, and, accordingly, for purposes of rendering its opinion, Dundee did not, analyze the tax treatment and resulting implications of the consideration to be received by Visa Canada members.

Dundee's opinion was necessarily based on financial, economic, market and other conditions in effect on, and the information made available to it as of, May 31, 2007.

Dundee did not express any formal opinion as to the actual value of Visa Inc. common stock following the completion of the restructuring or the prices at which Visa Inc. common stock would trade at any time. Dundee did however apply an indicative range of values for the equity value of Visa Inc. upon an initial public offering, with guidance from Visa Canada's management, as this value in combination with Visa Canada's estimated 2.8% ownership position in Visa Inc. was used to infer an indicative range of values for the consideration offered to Visa Canada members in the restructuring.

***Financial Analyses***

The following is a summary of the material financial analyses performed by Dundee in evaluating the fairness, from a financial point of view, of the consideration offered to Visa Canada members by Visa Inc. in the restructuring. This summary does not purport to be a complete description of the financial analyses performed by Dundee, nor does the order of analyses described represent relative importance or weight given to those analyses by Dundee.

Some of the summaries of financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of the financial analyses performed by Dundee. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before May 31, 2007, and is not necessarily indicative of current or future market conditions. In conducting its financial analysis and evaluation of the financial merits of the restructuring and proposed initial public offering, Dundee noted the expected change in structure of Visa Canada to a for-profit entity, and gave particular emphasis to the estimated financial information for fiscal 2008 of Visa Canada and Visa Inc.

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For the purposes of evaluating the fairness of the consideration offered to Visa Canada members in the restructuring, Dundee considered a range of various valuation multiples and implied values for the consideration offered to Visa Canada members in the restructuring, as adjusted under the true-up provisions of the restructuring agreement, and Visa Canada as a standalone, for-profit entity. For the purposes of this description of Dundee's opinion, such standalone, for-profit entity is referred to as Visa Canada standalone. These calculations were primarily based on various forecasts for Visa Canada and Visa Inc., certain financial analyses and a corresponding estimate of applicable ranges of valuation multiples, as well as the draft terms of the restructuring agreement.

Dundee made a number of assumptions, in consultation with Visa Canada's management, on Visa Canada standalone's projected financial performance and its ability to operate in the future as if it had participated in the restructuring and not the subsequent merger or amalgamation with Visa Inc.

### *Transaction Overview and Indicated Transaction Percentage Ownership*

Dundee reviewed with Visa Canada's board of directors the basic terms of the restructuring, including the pro forma percentage ownership by current Visa Canada members of 2.9% of the outstanding common stock of Visa Inc. under the restructuring agreement and Dundee's current estimate, based on year-to-date results, that such percentage will be adjusted to approximately 2.8% under certain provisions of the restructuring agreement following completion of the restructuring and prior to the proposed initial public offering of securities of Visa Inc.

Furthermore, in evaluating the value of Visa Canada standalone, Dundee ascribed value to Visa Canada's ownership interest in Inovant and Visa Worldwide Services, derived by applying a net income multiple to the net income attributable to such ownership interest, and the synergies attributable to Visa Canada from such two entities following the restructuring.

### *Selected Companies Analysis*

Dundee reviewed and compared certain financial information for each of Visa Canada and Visa Inc. to corresponding financial information, ratios and public market multiples for selected publicly traded companies that Dundee considered appropriate. The financial information used by Dundee for all companies in the course of this analysis was based on publicly available information as of May 31, 2007 and analyst estimates calculated by Thomson First Call Consensus Estimates, Thomson I/B/E/S Global Detail Estimates, Reuters Estimates, and public filings. The multiples and ratios for each of the selected companies were based on the most recent publicly available information.

For Dundee's analysis of Visa Canada standalone and Visa Inc., the selected companies forming the comparison group were Fiserv Inc., Automatic Data Processing Inc., Global Payments Inc., Total System Services Inc., Alliance Data Systems Corp., Moneygram International Inc., eFunds Corp., Emergis Inc. and Mastercard Inc. For comparison, Dundee calculated for each member of such group as at May 31, 2007 the ratio of closing stock price to trailing 12-month and calendar year 2007 and 2008 earnings estimates and the ratios of enterprise value (calculated as equity value plus debt, less cash and cash equivalents) to the trailing 12-month and calendar year 2007 and 2008 estimated EBITDA. Dundee then estimated a range of applicable valuation ratios for each of Visa Canada standalone and Visa Inc. and applied such multiples to management's projections to determine an estimated indicative range of equity values.

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The analysis showed the following median ratios for the companies in such comparison group:

	<b>Selected Company Mean Share Price</b>
	<b>/ Earnings per Share</b>
Last twelve months earnings per share	25.0x
2007 estimated earnings per share	23.4x
2008 estimated earnings per share	20.3x

	<b>Selected Company Mean Share</b>
	<b>Enterprise Value / EBITDA</b>
Last twelve months EBITDA	12.3x
2007 estimated EBITDA	11.7x
2008 estimated EBITDA	10.5x

Dundee derived an indicative range of applicable valuation multiples and of equity values for Visa Canada standalone based on Dundee's knowledge and understanding of the trading characteristics for the individual companies within the comparison group and based upon fiscal 2008 estimates for net income and EBITDA of Visa Canada provided by management, as well as characteristics of Visa Canada standalone including, but not limited to, market position, quality of earnings, growth potential, non-cash charges related to intangibles, geographic limitations, product offerings, margins, scale, customer concentration, the market for public securities, market capitalization and such other items as Dundee deemed relevant. This indicative range of values was based upon a ratio of 15.6x to 24.0x for equity value / 2008E fiscal earnings, and 9.9x to 15.2x enterprise value / estimated fiscal 2008 EBITDA.

For comparison, using parameters similar to those outlined above, Dundee also derived an indicative range of applicable valuation multiples and equity values for the consideration offered to Visa Canada members. Dundee used the same group of comparable companies, and based its conclusions in part upon forecasts for 2008 net income and EBITDA for Visa Inc. provided by management, as well as characteristics of Visa Inc., including, but not limited to, market position, quality of earnings, growth potential, non-cash charges related to intangibles, geographic limitations, product offerings, margins, scale, customer concentration, the market for public securities in the United States and globally, market capitalization and such other items as Dundee deemed relevant. Such indicative range of equity values for the consideration offered to Visa Canada members in the restructuring, as adjusted under the true-up provisions of the restructuring agreement, was further derived based upon Visa Canada's proposed percentage ownership of Visa Inc. and ranges of multiples for Visa Inc. of 24.0x to 32.0x for equity value / estimated fiscal 2008 earnings, and 12.0x to 16.0x enterprise value / estimated fiscal 2008 EBITDA.

Dundee derived an indicative range of equity values of the consideration offered to Visa Canada members in the restructuring, as adjusted under the true-up provisions of the restructuring agreement, which range of equity values implied a ratio of 23.2x to 33.6x for equity value / estimated fiscal 2008 earnings, and 14.0x to 20.2x enterprise value / estimated fiscal 2008 EBITDA based upon management's forecasts for Visa Canada standalone.

None of the companies included in the comparison group are identical to Visa Canada standalone or Visa Inc. Accordingly, Dundee believes the analysis of publicly traded companies is not simply mathematical. Rather, it involves complex considerations and qualitative judgments, reflected in Dundee's opinion, concerning differences in financial and operating characteristics of the selected companies and other factors that could affect the public trading value of such companies.

*Selected Precedent Transactions Analysis*

Dundee analyzed certain information relating to selected transactions in the transaction processing and services industry since January 1, 2003. The precedent transactions analyzed were:

Kohlberg Kravis Roberts & Co. / First Data Corporation, in progress

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Equifax Inc. / TALX Corporation, May 2007

Checkfree Corporation / Carreker Corporation, December 2006

Palamon Capital Partners / Retail Decisions PLC, September 2006

Fidelity National Financial / Certegy Inc., February 2006

Bank of America Corporation / National Processing, Inc., July 2004

Metavante Corporation / NYCE Corporation, May 2004

First Data Corporation / Concord EFS Inc., April 2003

With respect to the financial information for the targets involved in such precedent transactions, Dundee relied on information from public filings, company press releases and investor presentations, as well as financial forecasts published by research analysts at the time of the transactions.

For each such selected transaction since January 1, 2003 to the extent applicable, Dundee calculated and compared:

the transaction value as a multiple of trailing 12-month, forward calendar year and calendar year +1 estimates of EBITDA, with the mean multiples in the selected precedent transactions being 12.6x, 11.7x, and 11.2x, respectively; and

the purchase price per share paid for the target entity as a multiple of trailing twelve months earnings per share, forward calendar year and calendar year +1 earnings per share, with the mean multiples in the selected precedent transactions being 24.9x, 23.2x and 21.5x, respectively.

Based on such analysis as well as characteristics of Visa Canada standalone including, but not limited to, market position, quality of earnings, growth potential, non-cash charges related to intangibles, geographic limitations, product offerings, margins, scale, customer concentration, the market for public securities, market capitalization and such other items as Dundee deemed relevant, Dundee determined an indicative range of applicable valuation multiples and equity values for Visa Canada. The valuation range was based on a ratio of 17.9x to 26.1x for equity value / estimated fiscal 2008 earnings, and 11.3x to 16.5x enterprise value / estimated fiscal 2008 EBITDA.

For comparison and in order to determine fairness of the consideration offered to Visa Canada members in the restructuring, as adjusted under the true-up provisions of the restructuring agreement, and using similar parameters as those outlined above, Dundee also derived an indicative range of applicable valuation multiples and equity values for such consideration offered to Visa Canada members, using the same group of precedent transactions; forecasts for 2008 net income; EBITDA for Visa Inc. provided by management; and characteristics of Visa Inc., including, but not limited to, market position, quality of earnings, growth potential, non-cash charges related to intangibles, geographic limitations, product offerings, margins, scale, customer concentration, the market for public securities in the United States, market capitalization and such other items as Dundee deemed relevant. Such indicative range of equity values for such consideration was also derived based upon the Visa Canada members' proposed percentage ownership of Visa Inc. and ranges of multiples for Visa Inc. of 27.0x to 31.0x for equity value / estimated fiscal 2008 earnings, and 13.0x to 17.0x for enterprise value / estimated fiscal 2008 EBITDA.

Dundee also derived an indicative range of equity values of the consideration offered to Visa Canada members in the restructuring, as adjusted under the true-up provisions of the restructuring agreement, that implied a ratio of 25.3x to 33.4x for equity value / 2008E fiscal year earnings, and 15.2x to 20.1x for enterprise value / estimated fiscal 2008 EBITDA, based upon management's forecasts for Visa Canada standalone.

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Because the reasons for, and circumstances surrounding, each of the selected precedent transactions analyzed were so diverse, and due to the inherent differences between the operations and financial conditions of the companies involved in such transactions, Dundee believes that a comparable transaction analysis is not

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simply mathematical. Rather, it involves complex considerations and qualitative judgments, reflected in Dundee's opinion, concerning differences between the characteristics of these transactions and the restructuring that could affect the values of the subject companies, Visa Canada standalone and Visa Inc.

### *Discounted Cash Flow Analysis*

Dundee performed a discounted cash flow analysis of Visa Canada to determine an indicative range of equity values for Visa Canada standalone prior to the restructuring. Dundee calculated the present value of unlevered free cash flow for fiscal 2007 through fiscal 2010 based upon forecasts provided by management, and added to this amount the present value of Visa Canada's terminal value at the end of fiscal 2010. Present values were calculated using discount rates ranging from 8.0% to 13.0%, with particular emphasis at 11.0%, which Dundee viewed as appropriate based on a weighted average cost of capital analysis for Visa Canada.

For the Visa Canada standalone analysis, Dundee calculated terminal values using a range of terminal year EBITDA exit multiples of 11.0x to 13.0x; the Visa Canada estimated financial data through 2010 upon which the analysis was based was provided by management of Visa Canada. This analysis showed ranges in implied equity valuations for Visa Canada at a discount rate of 11.0%, 19.6x to 22.2x implied price to earnings range for estimated 2008 net income and 12.4x to 14.1x implied enterprise value to EBITDA Range for estimated 2008 EBITDA.

For comparative purposes, Dundee also calculated terminal values using a perpetual growth in free cash flow method. Terminal growth rates of 3.0% to 5.0% indicated ranges in implied equity valuations for Visa Canada, at a discount rate of 11.0%, 16.7x to 20.9x implied price to earnings range for estimated 2008 net income and 10.6x to 13.3x implied enterprise value to EBITDA range for estimated 2008 EBITDA.

For comparative purposes, Dundee compared the indicative range of applicable valuation multiples and equity values estimated under the discounted cash flow analysis to those estimated for the consideration offered to Visa Canada members in the restructuring, as adjusted under the true-up provisions of the restructuring agreement, under the various other financial analyses.

### ***General***

The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate methods of financial analysis and the application of those methods to the particular facts and circumstances, and therefore is not necessarily susceptible to partial analysis or summary description.

Dundee made no attempt to assign specific weights to particular analyses or factors considered, but rather made its own qualitative judgments as to the significance and relevance of all the analyses and factors considered, and determined to give its fairness opinion as described above. Selecting portions of the analyses or of the summary set forth herein, without considering the analyses as a whole, could create a misleading or incomplete view of the processes underlying the opinion of Dundee.

In arriving at its fairness determination, Dundee considered the results of all of its analyses and did not form any conclusion as to whether any individual analysis, considered in isolation, supported or failed to support an opinion as to fairness from a financial point of view. Rather, Dundee made its determination as to fairness on the basis of its experience and professional judgment after assessing the results of all of its analyses as a whole.

No company or transaction referenced in the above analyses is directly comparable to Visa Canada or the restructuring. Such comparative analyses necessarily involve complex considerations and judgments concerning financial and operating characteristics, market conditions, and other factors that could affect the public trading of the selected companies or terms of the selected transactions.

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Dundee prepared the analyses described herein for purposes of providing its opinion to the Visa Canada board of directors as to the fairness, from a financial point of view, of the consideration offered to Visa Canada members in the restructuring.

Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Visa Canada, Visa Inc., Dundee, or any other person assumes responsibility if future results are materially different from those forecast.

As described above, the opinion of Dundee to Visa Canada's board of directors was only one of many factors taken into consideration by such board in making its determination to approve the restructuring.

Dundee was not asked to, and did not, recommend the specific consideration payable in the restructuring, which consideration was determined through negotiations among Visa Canada and other entities participating in the restructuring. The summary contained herein does not purport to be a complete description of the analyses performed by Dundee in connection with its fairness opinion and is qualified in its entirety by reference to the written opinion of Dundee attached as Annex G. In addition, Visa Canada's board of directors did not ask Dundee to prepare, nor has Dundee prepared, a valuation of Visa Canada, Visa Inc. or any other entity involved in the restructuring. Dundee's fairness opinion should not be construed as such.

### ***Engagement of Dundee***

Dundee is a recognized Canadian investment banking firm engaged in, among other things, the valuation of businesses and their securities in connection with mergers and acquisitions, restructurings, leveraged buyouts, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, and private placements. Visa Canada's board of directors selected Dundee as one of its financial advisors in connection with the restructuring and potential initial public offering on the basis of Dundee's reputation, experience, and familiarity with Visa Canada and the industry.

Dundee in the past has provided services to Visa Canada, for which services Dundee and its affiliates have received customary compensation, including, without limitation, since January 27, 2006, having acted as financial advisor to Visa Canada in its evaluation of strategic alternatives. In return for undertaking the financial analysis of the restructuring and initial public offering and providing a fairness opinion to the board of directors of Visa Canada, Dundee received a fee that is not dependent on the conclusions reached by Dundee in this fairness opinion. Dundee has contracted to be paid a fee for its services as financial advisor to Visa Canada and may be entitled to an additional fee which is contingent upon, amongst other things, consummation of the restructuring and would, if received, represent a substantial portion of the fees received. In addition, Dundee and its affiliates may maintain relationships with Visa Canada, Visa Inc., and their respective affiliates and members.

### **Opinion of Visa AP's Financial Advisor**

Visa AP's regional board of directors retained Macquarie (Hong Kong) Limited to provide financial advisory services and a financial fairness opinion to the members of Visa AP and the Visa AP regional board of directors in connection with Visa AP's participation in the restructuring. On June 7, 2007, Macquarie rendered its fairness opinion to the regional board of directors of Visa AP, that, as of such date, the commercial terms set out in the definitive agreements, in relation to the restructuring agreement, were fair, from a financial point of view, to the Visa AP members.

**The full text of Macquarie's written opinion, dated June 7, 2007, is attached as Annex H to this proxy statement-prospectus. Macquarie's opinion is directed to Visa AP's regional board of directors and addresses only the fairness, from a financial point of view, of the consideration to Visa AP's members for their participation in the proposed restructuring agreement, as of the date of Macquarie's opinion. Macquarie's opinion does not address any other aspect of the restructuring and does not constitute a recommendation to any shareholder or member of Visa AP. The summary of Macquarie's opinion set**



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**forth in this proxy statement-prospectus is qualified in its entirety by reference to the full text of such opinion, which sets forth, among other things, the assumptions made, general procedures followed, matters considered and limitations on the scope of the review undertaken by Macquarie in rendering its opinion. Macquarie assumes that all regulatory, governmental or other consents or approvals necessary for the consummation of the restructuring will be obtained without any adverse affect on the restructuring agreement. We encourage you to read Macquarie's entire opinion carefully and in full.**

In arriving at its opinion, Macquarie, among other things:

reviewed the commercial aspects and terms of the restructuring;

reviewed certain financial and operating information provided by the parties to the restructuring agreement, or consultants or advisors engaged thereby, including, but not limited to, financial projections and anticipated capital requirements;

reviewed the restructuring documentation known amongst the parties to the restructuring agreement as Project Atlas-Definition Agreement Supporting Materials ;

reviewed publicly-available financial data concerning certain other entities in lines of business as it deemed relevant to its analyses; and

conducted such other financial studies, analyses, and investigations, and considered such other information, as it deemed necessary or appropriate in the course of rendering its opinion.

In rendering its opinion, Macquarie relied upon, among other things, the assurances from the providers of the foregoing information, including Visa AP, that the information was prepared in good faith and on a reasonable basis based on assumptions reflecting the best currently-available estimates and judgments. Actual results that may be achieved by Visa AP may vary materially from the information used in Macquarie's analyses. In connection with its review, Macquarie has not assumed any responsibility for independent verification of any of the information it reviewed for the purpose of its fairness opinion and has relied on such information being complete and accurate in all material respects. For the purpose of its fairness opinion, Macquarie has not made any independent evaluation or appraisal of any of the assets or liabilities, contingent or otherwise, of Visa AP or the other participating regions. Further, Macquarie has not verified the accuracy of any of the representations and warranties made by Visa AP or the other participating regions pursuant to the restructuring agreement.

In rendering its opinion, Macquarie assumed that the restructuring agreement and related agreements, will not be amended, changed or modified in any material aspect and that all parties will comply with their terms. With respect to the covered litigation, Macquarie assumed that the eligible members of Visa International associated with the Visa AP region would not have any liability. Macquarie's fairness opinion further assumes that all regulatory, governmental or other consents or approvals necessary for the consummation of the restructuring will be obtained without adverse affect on the restructuring.

Macquarie's fairness opinion is necessarily based on economic, monetary, market, and other conditions as in effect on, and the information made available to it, as of June 7, 2007. Developments subsequent to June 7, 2007 may affect the fairness opinion, and Macquarie is not under any obligation to update, revise or reaffirm its fairness opinion. Any such subsequent developments may or may not support the assumptions relied upon in forming the fairness opinion, though they will not affect the validity of the fairness opinion, which speaks only as of its date.

The following is an abridged summary of select material analyses, and associated elements, performed in connection with the rendering of the Macquarie fairness opinion, and therefore does not reflect the full analyses

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and the underlying assumptions, qualifications, limitations and other factors and characteristics undertaken by Macquarie in relation to its fairness opinion. The preparation of a fairness opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analyses and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to summary description. The underlying aspects of the restructuring agreement are complex and in many instances based on subjective aspects formulated and accepted by the Visa AP and the parties to the restructuring agreement throughout the course of extensive diligence and negotiation. The analyses Macquarie performed are therefore necessarily intricate and draw on a number of subjective or otherwise intuitive elements that are unique to the restructuring.

Macquarie has considered all of its unabridged analyses both jointly and severally in rendering its fairness opinion, and reliance on the summary analyses alone may give rise to an incomplete or misleading view of the fairness opinion and complete supporting analyses. Macquarie has summarized the more material aspects of its analyses and assumptions and the pertinent resulting outcomes. The financial analyses summarized below include information presented in tabular format. In order to fully understand Macquarie's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Macquarie's financial analyses.

### ***Financial Analyses***

Visa AP is an unincorporated region of Visa International. Although Visa AP is not a legal entity, it has enjoyed significant management and board autonomy and functions largely as an independent unit within Visa International. Macquarie's analysis treats Visa AP as being beneficially owned by its members and quantified as part of the restructuring.

The restructuring agreement proposes that Visa International undergo a 100% change of ownership, with ownership and control shifting to Visa Inc. and consideration being paid to Visa AP members, in the form of Visa Inc. shares and cash at the time of an initial public offering of Visa Inc. Although current Visa AP members will be required to retain shares in Visa Inc., they will not retain only non-equity membership interests in Visa International.

The relative ownership percentages assigned to each of Visa AP and the other regions have been calculated based on an adjusted net income equivalent metric, or NIE, for fiscal 2008. The NIE adjustments flow from a number of elements agreed between the parties that are detailed elsewhere in this proxy statement-prospectus. This also includes the true-up mechanism designed to adjust the fiscal 2008 net income projections for each of the integrated regions to reflect actual performance as closely, and up to a date as near to the actual initial public offering date, as practicable.

For the purposes of its fairness opinion, Macquarie has considered the restructuring as a sale of Visa AP to Visa Inc. constituting two key and related elements:

*The agreement between participating regions.* The participating regions' members are proposed to exchange their respective membership interests for shares in Visa Inc. on a region-by-region basis in proportion to the negotiated value of each region.

*The agreements with Visa Europe.* The participating regions have collectively negotiated certain agreements with Visa Europe. The agreements with Visa Europe have an effect on each of the integrated regions, although the relative impact of the agreement with Visa Europe varies by region.

Macquarie has considered the aggregate effect of these two elements on the financial aspects of the restructuring in formulating its fairness opinion.

**Table of Contents***The Agreement between the Integrated Regions: Contribution Analysis.*

In assessing the fairness of the restructuring agreement to the members of Visa AP, and in particular, the fairness of the restructuring agreement between the integrated regions, Macquarie relied on a contribution analysis of the integrated regions. Two measures of relative contribution were used:

Fiscal 2008 net income contribution; and

Discounted cash flow, or DCF, contribution.

The table below shows the base, unadjusted 2008 net income contribution of Visa AP at 13.7% and its value contribution, as indicated by DCF analysis, at 14.1%. This is in contrast to the 15.9% stake that Visa AP members will receive in Visa Inc. before any adjustments are made for the true-up, if any.

	Net income contribution (% equity allocation (including Visa Europe))	DCF relative value contribution (%)	Equity allocation (pre-true-up)
U.S.A.	61.4%	61.5%	57.1%
Canada	2.5%	1.9%	2.9%
CEMEA	4.0%	4.8%	4.9%
<b>AP</b>	<b>13.7%</b>	<b>14.1%</b>	<b>15.9%</b>
LAC	10.0%	9.2%	10.7%
<b>Total</b>	<b>91.6%</b>	<b>91.5%</b>	<b>91.5%</b>

Source: The participating regions.

The assumptions utilized in Macquarie's DCF analysis are as follows:

Metric	Regions				
	U.S.	Canada	CEMEA	AP	LAC
Valuation date	31-Mar-07	31-Mar-07	31-Mar-07	31-Mar-07	31-Mar-07
Explicit forecast period	3.5 yrs	3.5 yrs	3.5 yrs	3.5 yrs	3.5 yrs
TV valuation date	30-Sep-10	30-Sep-10	30-Sep-10	30-Sep-10	30-Sep-10
Cost of capital	10%	10%	12%	10%	11%
Terminal EBITDA multiple	13x	13x	13x	13x	13x

Macquarie has assumed for the purposes of indicative ownership, valuation and contribution analyses that Visa Inc. will realize a 21x price to earnings valuation, or P/E valuation, in an initial public offering. However the contribution mechanism agreed between the participating regions results in differential implied P/E valuation for each region. These are set out below assuming a range of different P/E that Visa Inc. may actually realize at an initial public offering.

	Ownership and Implied P/E (pre-true-up)			
	Final ownership	Implied PE at 21x for Visa Inc.	Implied PE at 25x for Visa Inc.	Implied PE at 30x for Visa Inc.
U.S.A.	57.1%	19.5x	23.2x	27.9x

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Canada	2.9%	22.5x	26.8x	32.1x
CEMEA	4.9%	22.2x	26.5x	31.8x
AP	15.9%	22.3x	26.5x	31.8x
LAC	10.7%	22.4x	26.7x	32.0x
<b>Total</b>	<b>91.5%</b>			

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### *Agreements with Visa Europe.*

Visa Europe will not become a subsidiary of Visa Inc. and elected to remain a separate entity from Visa Inc.; however, it has had a significant influence on many aspects of the restructuring.

Macquarie believes that, from a financial perspective, the main elements of the agreement with Visa Europe are:

1. the financial terms of the agreements between the participating regions and Visa Europe, other than the put-call option agreement, which result in a flow of value to Visa Europe, which we refer to as the incremental global solution value, or IGSV;
2. the proportionality of the IGSV burden on each of the integrated regions; and
3. the put-call option agreement.

Item 1 above effectively constitutes a net value transfer from the participating regions, including Visa AP, to Visa Europe, and item 2 determines each integrated region's burden of the IGSV.

Macquarie has calculated the IGSV as the value to Visa Inc. of the brand royalties and share of value arising from net income and synergies of Inovant and Visa Worldwide Services, foregone by Visa Europe, less the value to Visa Europe of the class C (series II) redeemable shares (\$1.146 billion) and 8.4% of Visa Inc.

Based on price to earning multiples of 21x and 30x for Visa Inc. fiscal 2008 net earnings, Macquarie estimates that for Visa AP, the financial impact of the value transfer from Visa Inc. to Visa Europe is likely to be between 3.8% and 5.0% of Visa AP's pre-true-up notional value.

Macquarie is of the view that the value transfer to Visa Europe is offset by the benefits accruing to Visa AP through the restructuring. As such, the proportion in which the value transfer is borne by Visa AP as among the other participating regions, viewed in terms of Visa AP's burden of the IGSV as a percentage of its valuation, is fair.

Macquarie is of the opinion that the put-call option agreement is fair to the Visa AP members when considering the mechanism in its entirety and the likelihood of its exercise, as well as the myriad potential prevailing market conditions at the time of such an exercise. Furthermore, should the call option be exercised, the exercise price will be structured such that there should be no EPS dilution to Visa Inc.

### ***Engagement of Macquarie***

Visa AP's board of directors selected Macquarie based on its qualifications and expertise in providing financial advice to companies and its reputation as an internationally recognized investment banking firm with a strong focus in the Asia-Pacific region. Macquarie had no prior material relationship with Visa AP. As part of the engagement, Macquarie will receive a fee of \$4 million from Visa AP, which was contingent on the execution of the restructuring agreement; this fee can be amended by plus/minus \$1 million based on an evaluation of the performance of Macquarie. The final fee payable to Macquarie will be determined at a meeting of the Visa AP board of directors in July 2007. In addition, Visa AP agreed to reimburse Macquarie for certain out-of-pocket expenses incurred in connection with the assignment.

### **Opinion of Visa LAC's Financial Advisor**

On June 8, 2007, Credit Suisse rendered its oral opinion (subsequently confirmed in writing) to Visa LAC's regional board of directors that, as of such date, the aggregate consideration to be received by the eligible Visa LAC affiliated members pursuant to the restructuring agreement was fair, from a financial point of view, to the eligible Visa LAC affiliated members.

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The full text of Credit Suisse's written opinion, dated June 8, 2007, is attached as Annex I to this proxy statement-prospectus. Credit Suisse's opinion is directed to Visa LAC's regional board of directors and addresses only the fairness, from a financial point of view, of the aggregate consideration to be received by the eligible Visa LAC affiliated members pursuant to the restructuring agreement and did not address any other aspect or implication of the restructuring. Neither Credit Suisse's opinion nor the summary of its opinion and the related analyses set forth in this proxy statement-prospectus is intended to be, nor does either constitute, advice or a recommendation to any stockholder as to how such stockholder should vote or act with respect to any matter relating to the restructuring. The summary of Credit Suisse's opinion in this proxy statement-prospectus is qualified in its entirety by reference to the full text of Credit Suisse's written opinion, which sets forth, among other things, the assumptions made, general procedures followed, qualifications and limitations on the review undertaken and other matters considered by Credit Suisse in preparing its opinion. We encourage you to read Credit Suisse's entire opinion carefully and in full.

In arriving at its opinion, Credit Suisse, among other things:

reviewed a draft, dated June 6, 2007, of the restructuring agreement, including drafts of certain documents referenced therein;

reviewed certain business and financial information relating to Visa Inc., Visa International (including, without limitation, Visa Asia Pacific, Visa LAC and Visa CEMEA), Visa U.S.A, Visa Europe, Visa Canada, Inovant and VESI (which collectively are referred to, for purposes of this description of Credit Suisse's opinion, as the Visa entities);

reviewed certain other information relating to the Visa entities, including financial forecasts relating to the Visa entities provided to Credit Suisse by the Visa entities;

had discussions with the managements of Visa International, Visa U.S.A, Visa LAC and certain other Visa entities to discuss the business and prospects of the Visa entities;

considered certain financial data of the Visa entities, with and without giving effect to the proposed restructuring, and compared that data with similar data for publicly held companies in businesses Credit Suisse deemed similar to the Visa entities;

considered data with respect to the financial contributions of the Visa entities to the pro forma combined entity resulting from the restructuring; and

considered such other information, financial studies, analyses and investigations and financial, economic and market criteria which Credit Suisse deemed relevant.

In connection with its review, Credit Suisse did not assume any responsibility for the independent verification of any of the foregoing information and relied on it being complete and accurate in all material respects. With respect to the financial forecasts for the Visa entities that Credit Suisse reviewed (with and without giving effect to the proposed restructuring), Credit Suisse was advised, and assumed, that such forecasts for the Visa entities had been reasonably prepared on bases reflecting the best available estimates and judgments of the managements of the Visa entities as to the future financial performance of the Visa entities with and without giving effect to the proposed restructuring.

Credit Suisse also assumed, with Visa LAC's consent, that, in the course of obtaining any regulatory or third party consents, approvals or agreements in connection with the restructuring, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on the Visa entities or the contemplated benefits of the restructurings, that the restructuring would be consummated in accordance with the terms of the restructuring agreement without waiver, modification or amendment of any term, condition or agreement thereof, and that the restructuring agreement, when executed, would conform to the draft reviewed by Credit Suisse in all respects material to its analyses. In addition, Credit Suisse was not requested to make, and did not make, an



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independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of any of the Visa entities, nor was Credit Suisse furnished with any such evaluations or appraisals. Credit Suisse's opinion addressed only the fairness, from a financial point of view, to the eligible Visa LAC affiliated members of the aggregate consideration to be received by the eligible Visa LAC affiliated members pursuant to the restructuring agreement and did not address the allocation of equity interests in Visa Inc. pursuant to the restructuring as among the members of the Visa entities generally or as among eligible Visa LAC affiliated members in particular, any subsequent adjustments to the aggregate consideration based on the future financial performance of the Visa entities or their successors or otherwise or any other aspect or implication of the restructuring or any other agreement, arrangement or understanding entered into in connection with the restructuring or otherwise, or any subsequent securities offerings or other transactions in which Visa Inc. or its affiliates might engage. Credit Suisse's opinion did not constitute legal, regulatory, accounting, insurance, tax or other similar professional advice and did not address the tax or legal consequences of the restructuring to the eligible Visa LAC affiliated members, Visa LAC, the Visa entities or any other person. With respect to all legal matters, including the covered litigation, Credit Suisse assumed that Visa LAC and the eligible Visa LAC affiliated members would not have any liability with respect to the covered litigation.

For purposes of its analyses and opinion, Credit Suisse, with Visa LAC's consent, evaluated the fairness from a financial point of view to the eligible Visa LAC affiliated members of the aggregate consideration to be received by the eligible Visa LAC affiliated members pursuant to the restructuring agreement solely on the basis of a comparison of the implied values of Visa LAC and the percentage equity interest in Visa Inc. represented by the aggregate consideration as indicated by Credit Suisse's financial analyses without application of any minority, illiquidity or other discount or deduction and a comparison of the estimated financial contributions of Visa LAC to Visa Inc. and the percentage equity interest in Visa Inc. represented by the aggregate consideration. Credit Suisse also assumed that all shares of common stock of Visa Inc., regardless of class, have equivalent value. Credit Suisse was advised that upon the completion of the restructuring, Visa Europe will hold 8.4% of the outstanding shares of Visa Inc. common stock and certain additional shares, which (with any additional related shares that may be issued in the future to Visa Europe) are redeemable for \$1.146 billion (less any dividends or distribution declared upon such shares) upon the later of one year after the closing of the restructuring or the completion of Visa Inc.'s initial public offering. In performing its analyses Credit Suisse, at Visa LAC's instruction, gave effect to that redemption. Credit Suisse's opinion was necessarily based upon information made available to it as of the date of the opinion and financial, economic, market and other conditions as they existed and could be evaluated on the date of the opinion. Credit Suisse did not express any opinion as to what the value of shares in Visa Inc., regardless of class, will be when issued to the members of the Visa entities, including eligible Visa LAC affiliated members, pursuant to the restructuring or the prices at which such securities may be purchased or sold at any time. Credit Suisse's opinion did not address the relative merits of the restructuring as compared to alternative transactions or strategies that might be available to the Visa entities generally or Visa LAC in particular, nor did it address the underlying business decision of the Visa entities generally or Visa LAC in particular, to proceed with the restructuring.

In preparing its opinion to Visa LAC's regional board of directors, Credit Suisse performed a variety of analyses, including those described below. The summary of Credit Suisse's valuation analyses provided below is not a complete description of the analyses underlying Credit Suisse's fairness opinion. The preparation of a fairness opinion is a complex process involving various quantitative and qualitative judgments and determinations with respect to the financial, comparative and other analytic methods employed and the adaptation and application of these methods to the unique facts and circumstances presented. As a consequence, neither a fairness opinion nor its underlying analyses is readily susceptible to partial analysis or summary description. Credit Suisse arrived at its opinion based on the results of all analyses undertaken by it and assessed as a whole and did not draw, in isolation, conclusions from or with regard to any individual analysis, analytic method or factor. Accordingly, Credit Suisse believes that its analyses must be considered as a whole and that selecting portions of its analyses, analytic methods and factors, without considering all analyses, analytic methods and factors, could create a misleading or incomplete view of the processes underlying its analyses and opinion.



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In performing its analyses, Credit Suisse considered business, economic, industry and market conditions, financial and otherwise as they existed on, and could be evaluated as of, the date of its opinion. No company or business used in Credit Suisse's analyses for comparative purposes is identical to Visa LAC or Visa Inc. The implied reference range values indicated by Credit Suisse's analyses are illustrative and not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. In addition, any analyses relating to the value of assets, businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold, which may depend on a variety of factors, many of which are beyond Visa LAC's control and the control of Credit Suisse. Much of the information used in, and accordingly the results of, Credit Suisse's analyses are inherently subject to substantial uncertainty.

Credit Suisse's opinion and analyses were provided to Visa LAC's regional board of directors in connection with Visa LAC's regional board's consideration of the proposed restructuring and were among many factors considered by Visa LAC's regional board of directors in evaluating the proposed restructuring. Neither Credit Suisse's opinion nor its analyses were determinative of the aggregate consideration to be received by the eligible Visa LAC affiliated members pursuant to the restructuring agreement or of the views of Visa LAC's regional board of directors or management with respect to the restructuring.

### ***Financial Analyses***

The following is a summary of the material valuation analyses prepared in connection with Credit Suisse's opinion rendered on June 8, 2007. The analyses summarized below include information presented in tabular format. The tables alone do not constitute a complete description of the analyses. Considering data in tables without considering the full narrative description of the analyses, as well as the methodologies underlying and the assumptions, qualifications and limitations affecting each analysis, could create a misleading or incomplete view of Credit Suisse's analyses.

For purposes of its analyses, Credit Suisse reviewed a number of financial metrics including:

*Enterprise Value* generally the value as of a specified date of the relevant company's outstanding equity securities (taking into account its outstanding options, warrants and convertible securities) plus the value of its net debt (the value of its outstanding indebtedness and capital lease obligations less the amount of cash on its balance sheet), preferred stock and minority interests as of a specified date; and

*EBITDA* generally the amount of the relevant company's earnings before interest, taxes, depreciation, and amortization for a specified time period.

Unless the context indicates otherwise, enterprise and per share equity values for MasterCard used in the selected companies analysis described below were calculated using the closing price of MasterCard common stock on May 22, 2007 and financial data for MasterCard as of March 31, 2007. Estimates of 2007 through 2010 revenue, EBITDA and net income for Visa LAC and Visa Inc. were based on estimates provided by the Visa entities. Estimates of 2007 and 2008 EBITDA and net income for MasterCard were based on publicly available research analyst estimates. For purposes of the analysis described below, the multiples implied by the selected companies analysis were adjusted to reflect differences in political risk and growth rates between MasterCard, Visa LAC and Visa Inc.

*Selected Companies Analysis.* Credit Suisse calculated selected implied multiples of EBITDA and net income for MasterCard and applied an implied range of those multiples to corresponding projected financial data for Visa LAC and Visa Inc.

The calculated multiples included:

enterprise value as a multiple of estimated 2007 EBITDA;

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enterprise value as a multiple of estimated 2008 EBITDA;

equity value as a multiple of estimated 2007 net income; and

equity value as a multiple of estimated 2008 net income.

The selected companies analysis indicated an implied reference range aggregate percentage ownerships of Visa Inc. for the eligible Visa LAC affiliated members of 6.7% to 9.3% as compared to the proposed aggregate percentage ownership resulting from the restructuring of 10.7%.

*Discounted Cash Flow Analysis.* Credit Suisse also calculated the net present value of Visa LAC's and Visa Inc.'s unlevered, after-tax free cash flows through 2010 based on estimates provided by the Visa entities. In performing its analysis, Credit Suisse used discount rates ranging from 11.5% to 13.5% for Visa LAC and 10.0% to 12.0% for Visa Inc. based on their respective estimated weighted average cost of capital and terminal value multiples ranging from 11.5x to 12.5x for both Visa LAC and Visa Inc. based on the selected companies analysis. The discounted cash flow analyses indicated an implied reference range aggregate percentage ownerships of Visa Inc. for the eligible Visa LAC affiliated members of 8.4% to 10.7% as compared to the proposed aggregate percentage ownership resulting from the restructuring of 10.7%.

*Contribution Analysis.* Credit Suisse also reviewed the projected contributions of Visa LAC to Visa Inc.'s projected revenue, EBITDA and net income estimated 2006 and 2007 EBITDA, Net Income. This analysis indicated the following contributions, as compared to the proposed aggregate percentage ownership resulting from the restructuring of 10.7%:

<b>Visa LAC's Projected Contribution to Visa Inc. 2007 to 2010</b>		
	<b>Low</b>	<b>High</b>
Revenue	9.0%	10.0%
EBITDA	7.8%	9.6%
Net Income	8.2%	10.0%

**Engagement of Credit Suisse**

Credit Suisse is an internationally recognized investment banking and financial advisory firm. Credit Suisse, as part of its investment banking business, is regularly engaged in the valuation of businesses and securities in connection with restructuring and acquisitions, leveraged buyouts, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. Visa LAC's board of directors selected Credit Suisse based on Credit Suisse's qualifications, experience and reputation. Under the terms of Credit Suisse's engagement, Visa LAC is obligated to pay Credit Suisse fees for its services, portions of which are contingent upon the delivery of Credit Suisse's opinion and the execution of the restructuring agreement. No portion of Credit Suisse's fees is contingent upon the consummation of the restructuring. In addition, Visa LAC has agreed to reimburse Credit Suisse for certain expenses and to indemnify Credit Suisse and certain related parties for certain liabilities, including liabilities arising under the federal securities laws, arising out of Credit Suisse's engagement.

Credit Suisse and its affiliates have in the past provided, and may in the future provide, investment banking and other financial services to Visa entities for which they have received, and would expect to receive, compensation. Credit Suisse is a full service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, Credit Suisse and its affiliates may acquire, hold or sell, for its and its affiliates own accounts and the accounts of customers, securities and financial instruments (including loans and other obligations) of the Visa entities, as well as provide investment banking and other financial services to such companies. One or more affiliates of Credit Suisse Securities (USA) LLC are members of Visa Europe and Visa International.

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**Opinion of Visa CEMEA's Financial Advisor**

Visa CEMEA's regional board of directors retained ABN AMRO Corporate Finance Limited, which we refer to as ABN AMRO, to provide financial advisory services and a fairness opinion in connection with the proposal by Visa Inc. to invite the members of Visa CEMEA to exchange their ownership interests in Visa International, ultimately for shares in the capital of Visa Inc., as part of the restructuring under the restructuring agreement. As part of the restructuring, Visa CEMEA and the other participating regions will become wholly owned operating subsidiaries or divisions of Visa Inc. On June 8, 2007, ABN AMRO rendered its oral opinion, which opinion was subsequently confirmed in writing, to Visa CEMEA's regional board of directors that, as at that date, and subject to the assumptions, qualifications, considerations and limitations set forth in the written opinion, the consideration to be received in the restructuring by the Visa CEMEA members was fair, from a financial point of view, to the Visa CEMEA members.

Pursuant to the terms of the restructuring as set out in a draft of the restructuring agreement dated June 2, 2007, ABN AMRO understood at the date of issuing its fairness opinion that Visa Inc. proposed that members of Visa CEMEA would receive, in the aggregate, an initial allocation of shares representing 4.83% of the share capital of Visa Inc. in exchange for their current aggregate ownership interests in Visa International, which, for purposes of this description of ABN AMRO's opinion is referred to as the Visa CEMEA consideration.

**The full text of ABN AMRO's written opinion, dated as at June 8, 2007, is attached as Annex J to this proxy statement-prospectus. ABN AMRO's opinion is directed to Visa CEMEA's regional board of directors and addresses only the fairness, from a financial point of view, of the Visa CEMEA consideration to the members of Visa CEMEA and does not address any other issues such as the underlying business decision to effect the restructuring agreement or its commercial merits. ABN AMRO's opinion does not constitute a recommendation to any Visa CEMEA member or any other person as to whether such members or persons should approve Visa International's entering into the restructuring agreement in connection with the restructuring. The summary of ABN AMRO's opinion in this proxy statement-prospectus is qualified in its entirety by reference to the full text of ABN AMRO's written opinion, which sets forth, among other things, the assumptions made, general procedures followed, matters considered and limitations on the scope of the review undertaken by ABN AMRO in rendering its opinion. We encourage you to read ABN AMRO's entire opinion carefully and in full.**

In arriving at its opinion, ABN AMRO, among other things:

reviewed certain business and financial information relating to Visa CEMEA, including the internal management accounts for the three consecutive fiscal 2004, 2005 and 2006 and reviewed certain unaudited business and financial information for Visa CEMEA for the quarters ending December 31, 2006 and March 31, 2007;

reviewed certain business and financial information relating to the participating regions, including summaries derived from each participating region's internal management accounts for the three consecutive fiscal 2004, 2005 and 2006 and reviewed certain unaudited business and financial information of the participating regions for the quarters ending December 31, 2006 and March 31, 2007;

reviewed certain internal financial forecasts in respect of the fiscal 2007, and fiscal 2008 to 2010, relating to Visa CEMEA, as prepared by senior management of Visa CEMEA, and discussed them with senior management of Visa CEMEA;

reviewed certain internal financial forecasts in respect of fiscal 2007, and fiscal 2008 to 2010, relating to the participating regions other than Visa CEMEA, as prepared by senior management of the respective participating regions, and discussed these forecasts with the senior management of the participating regions;

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reviewed internal (historic and projected) pro forma consolidated financial statements of Visa Inc., prepared on the basis of the materials described in the immediately preceding three bullets above, and discussed with Visa CEMEA and Visa Inc. the principal consolidation adjustments and assumed integration synergy benefits intrinsic in their preparation;

participated in certain discussions with, and reviewed information provided by, the senior management of Visa CEMEA and the other participating regions with respect to the businesses and prospects of Visa CEMEA and the other participating regions;

reviewed the financial terms of certain transactions that ABN AMRO believed to be comparable to the restructuring;

reviewed public information with respect to certain other companies it believed to be comparable to Visa CEMEA and Visa Inc.;

reviewed certain documentation prepared by certain of Visa Inc.'s other professional advisors in connection with the restructuring, which ABN AMRO deemed relevant for the purposes of providing its opinion; and

reviewed those parts of the restructuring agreement and certain other related documents, which ABN AMRO deemed relevant for the purposes of providing its opinion.

ABN AMRO assumed and relied upon the truth, accuracy and completeness of the information, forecasts, data and financial terms provided to it or used by it, assumed that the same were not misleading and did not assume or accept any liability or responsibility for any independent verification or checking of such information or any independent valuation or appraisal of any of the assets, operations or liabilities (contingent or otherwise) of Visa CEMEA, the other participating regions or Visa Inc. With respect to the financial forecasts provided to or otherwise reviewed by ABN AMRO, it assumed, with Visa CEMEA's consent, that they were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Visa CEMEA and the other participating regions, as the case may be, as to the future financial performance of Visa CEMEA, or the other participating regions, as the case may be, at that time, and that no event subsequent to such time and undisclosed to ABN AMRO had a material effect on them. ABN AMRO does not assume or accept liability or responsibility for (and expressed no view as to) such forecasts or the assumptions on which they were based. In preparing its opinion, ABN AMRO received specific confirmation from senior management of Visa CEMEA that the assumptions specified above were appropriate. With respect to all legal matters, including the covered litigation, ABN AMRO assumed that the eligible members of Visa International associated with the Visa CEMEA region would not have any liability with respect to the covered litigation.

ABN AMRO assumed, with Visa CEMEA's consent, that: (i) the restructuring will be consummated on the terms and conditions set out in the restructuring agreement without any material changes to, or waiver of, its terms or conditions; and (ii) the final terms of the restructuring agreement would not vary materially from those set forth in the draft reviewed by ABN AMRO.

ABN AMRO's opinion was necessarily based upon financial, economic, monetary, market and other conditions as in effect on, and the information made available to it or used by it up to, the date of its opinion. Subsequent developments in the conditions described above may affect its opinion and the assumptions made in preparing it and ABN AMRO is not obliged to update, revise or reaffirm its opinion if conditions change. Further, but without limitation to the generality of any of the assumptions and qualifications set forth in ABN AMRO's opinion, and as agreed with Visa CEMEA, ABN AMRO's opinion did not focus on or otherwise take account of any impact that any adjustment to, or alteration of, the Visa CEMEA consideration after the date of its opinion may have.

ABN AMRO's opinion dated as at June 8, 2007 was only one of the many factors taken into consideration by the Visa CEMEA regional board of directors in making its determination to approve the restructuring. The terms of the restructuring were determined through negotiations between Visa CEMEA, the other participating

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regions and Visa Europe, and were approved by the Visa CEMEA regional board of directors. The decision to approve the terms of the restructuring, including the Visa CEMEA consideration, was solely that of the Visa CEMEA regional board of directors and not that of ABN AMRO or any of its affiliates.

The summary of ABN AMRO's analyses described below that were performed in connection with its opinion should not be taken as a complete description of the analyses underlying the opinion. The preparation of a fairness opinion is a complex analytic process involving various determinations as to the most appropriate and relevant methods of financial analyses and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to summary description. In arriving at its opinion, ABN AMRO made qualitative judgments as to the significance and relevance of each analysis and factor considered by it. Accordingly, ABN AMRO believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors, without considering all analyses and factors, could create a misleading or incomplete view of the processes underlying its analyses and the ABN AMRO opinion. In addition, ABN AMRO did not derive any value solely from or draw any conclusion with respect to fairness based solely upon any particular analysis. Moreover, an evaluation of the results of these analyses is not entirely formulaic; rather, these analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the transaction and values of the companies, business segments or transactions being analyzed.

**Financial Analyses**

The following is a brief summary of the material financial analyses performed by ABN AMRO and reviewed with the Visa CEMEA regional board of directors in connection with its opinion. The financial analyses summarized below include information presented in tabular format. In order to fully understand ABN AMRO's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of ABN AMRO's financial analyses.

*Overview of methodologies.* ABN AMRO assessed the relative valuation of Visa CEMEA and Visa Inc. through a combination of discounted cash flow analysis and comparable listed companies analysis. From these methodologies, a combined valuation range was assessed for each of Visa CEMEA and Visa Inc., the comparison of which indicated the implied level of Visa CEMEA's shareholding in Visa Inc. The implied shareholdings in Visa Inc. from the relative valuation analysis were in turn compared to the percentages resulting from a contribution analysis comparing certain financial metrics of Visa CEMEA and Visa Inc. The following table summarizes the aggregate implied Visa Inc. shareholdings of the Visa CEMEA members resulting from the relative valuation analysis:

**Implied Aggregate Visa CEMEA shareholding in Visa Inc.**

	Visa CEMEA valuation range			
	Lower end	Mid point	Upper end	
<b>Visa Inc. Valuation Range</b>	<b>Lower end</b>	3.55%	3.87%	4.19%
	<b>Mid point</b>	3.33%	3.64%	3.94%
	<b>Upper end</b>	3.14%	3.43%	3.71%

*Discounted Cash Flow Analysis*

ABN AMRO performed a DCF analysis for each of Visa CEMEA and Visa Inc. to determine the aggregate level of ownership in Visa Inc. attributable to Visa CEMEA members implied by the discounted cash flow valuation of Visa CEMEA relative to the discounted cash flow valuation of Visa Inc.

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Financial projections for the period 2007 – 2010 provided by Visa CEMEA formed the basis of the base case scenario for Visa CEMEA. In the case of Visa Inc., financial projections were developed on the basis of forecasts provided by the management of the participating regions for the period 2007 – 2010 by each of the participating regions and the pro forma consolidated financial projections, reflecting consolidation adjustments and cost synergies forecast by the participating regions' management to arise from the integration. In the case of Visa CEMEA, expected trends in financial performance subsequent to fiscal year 2010 were projected on the basis of discussions with and data provided by Visa CEMEA management and finance personnel, having regard to historic trends and anticipated developments in the markets in which Visa CEMEA operates. In the case of Visa Inc., longer term financial projections were based on an analysis of potential trends for each participating region on the basis of discussions of expected developments in each participating region during the period 2007 – 2010 and potential developments in the payments processing marketplace generally. ABN AMRO assumed a valuation date of June 8, 2007 for both DCF valuations.

From comparison of the base case DCF valuations of Visa CEMEA and Visa Inc. developed from the above forecasts, an ownership level of Visa CEMEA members in Visa Inc. of 4.0% was implied.

For Visa CEMEA, a DCF valuation range 7.5% above and below the base case scenario was established as an indication of a range of potential outcomes should Visa CEMEA's revenue performance exceed, or fall short of, the financial projections described above. This range was determined on the basis of the net present value impact of extrapolating into subsequent years the level of revenue over or under performance (relative to the original budget) presently regarded by Visa CEMEA management as realistically possible for fiscal 2008. For Visa Inc., a narrower DCF valuation range of 6.0% above and below the base case scenario was assumed on the basis of the consolidated entity's greater geographic diversification and greater ability to offset revenue variances via the management of discretionary expenditures. The range of DCF valuations for each of Visa CEMEA and Visa Inc., on the basis of these scenarios, implied ownership levels of Visa CEMEA members in Visa Inc. of between 3.5% and 4.6%.

*Comparable Companies Analysis*

ABN AMRO considered the potential valuation of each of Visa CEMEA and Visa Inc. on the basis of market valuations observed for companies with a comparable business model, financial profile and geographic coverage to Visa. These companies comprise two principal groupings: companies engaged in payments processing activities (with MasterCard treated as a distinct sub-group) and stock exchanges.

The comparable companies included the following:

*Payment Processors*

Alliance Data Systems Corporation

CheckFree Corporation

eFunds Corporation

Euronet Worldwide, Inc.

Global Cash Access Holdings, Inc.

*Stock Exchanges*

CBOT Holdings Inc.

Chicago Mercantile Exchange Holdings Inc.

Deutsche Börse AG

London Stock Exchange Group

The Nasdaq Stock Market, Inc.

Global Payments, Inc.

NYSE Euronext

Total System Services, Inc.

OMX AB

Moneygram International Inc.

American Express Company

MasterCard Incorporated

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Although, with the exception of MasterCard, the selected companies are not directly comparable to Visa Inc. or Visa CEMEA, the companies indicated were chosen because they represent a group of publicly traded companies with operations that, for purposes of analysis, may be considered broadly similar to certain operations of Visa Inc. and Visa CEMEA. In determining valuation ranges on the basis of comparable companies, lower emphasis was placed on valuations implied by listed stock exchanges. While these companies share certain common features with Visa Inc. (being in essence technology platforms previously owned by user organizations), many of the fundamental business drivers are distinct from those impacting payments processor companies.

For the comparable companies selected, ABN AMRO reviewed:

estimated enterprise value as a multiple of estimated EBITDA; and

stock price as a multiple of estimated earnings per share.

EBITDA and earnings per share multiples were reviewed with reference to forecast performance for fiscal 2008 for Visa CEMEA and Visa Inc., provided to ABN AMRO as described above. In each case, comparable company stock price performance was reviewed up to and including June 5, 2007.

	Selected Payment Processor Companies (excluding MasterCard)		Selected Stock Exchange Companies		MasterCard
	Range	Median	Range	Median	
Enterprise value as a multiple of Forecast 2008 EBITDA	8.2x-12.5x	10.0x	6.6x-17.9x	14.2x	15.3x
Stock price as a multiple of Forecast 2008 EPS	16.6x-22.9x	18.5x	19.3x-34.5x	24.1x	26.5x

On the basis of this comparable company analysis, ABN AMRO inferred a range of ownership for Visa CEMEA's members in Visa Inc. of 3.7% to 4.3%.

*Contribution Analysis.* ABN AMRO performed a relative contribution analysis to determine the percentage of Visa CEMEA's contribution to pro forma consolidated revenues, EBITDA and net income on the basis of pro forma consolidated results for fiscal 2006 and on the basis of consolidated pro forma projections for fiscal year 2008 for Visa Inc. provided to ABN AMRO as described above. The results of this analysis are summarized in the table below:

**Contribution analysis: Visa CEMEA versus pro forma Visa Inc.**

<i>Metric</i>	2006	2008
Revenue	5.15%	5.59%
EBITDA	2.68%	3.95%
Net Income	2.52%	4.28%

*Engagement of ABN AMRO*

ABN AMRO is an internationally recognized investment banking firm that is regularly engaged in the valuation of businesses and their securities. Visa CEMEA's regional board of directors selected ABN AMRO based on these qualifications. ABN AMRO, in the ordinary course of business has provided, and in the future may provide, investment banking and financial advisory services to Visa CEMEA or Visa Inc. for which it has received or expects to receive fees.

Under the terms of ABN AMRO's engagement letter for its financial advisory services in connection with the restructuring, ABN AMRO is entitled to receive fees, including fixed and discretionary components, in relation to the rendering of general financial advisory services in connection with the restructuring and a further separate fixed fee upon the rendering of its fairness opinion to the Visa CEMEA regional board



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of directors. Visa CEMEA has also agreed to indemnify ABN AMRO and related persons and entities against various liabilities, including liabilities under the federal securities laws, arising out of ABN AMRO's engagement and to reimburse ABN AMRO for its reasonable out of pocket expenses, including reasonable fees and expenses of its legal counsel, incurred by ABN AMRO in connection with its engagement.

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### **Board Recommendations**

#### ***Recommendation of the Board of Visa International***

Visa International's board of directors has determined that the restructuring transactions, taken as a whole, are fair to and in the best interests of Visa International and the members of Visa International. **The board of directors of Visa International has unanimously approved the restructuring agreement and the equity incentive plan and recommends that its members CONSENT to the restructuring proposal and the equity incentive plan proposal.** If the restructuring is not consummated for any reason, the board of directors presently intends to continue to operate Visa International in its current form.

#### ***Recommendation of the Visa AP Regional Board***

The members of the Visa AP regional board of directors in attendance unanimously recommended that the Visa International board of directors adopt the restructuring proposal and the equity incentive plan proposal.

#### ***Recommendation of the Visa LAC Regional Board***

The members of the Visa LAC regional board of directors in attendance unanimously recommended that the Visa International board of directors adopt the restructuring proposal and the equity incentive plan proposal.

#### ***Recommendation of the Visa CEMEA Regional Board***

The members of the Visa CEMEA regional board of directors in attendance unanimously recommended that the Visa International board of directors adopt the restructuring proposal and the equity incentive plan proposal.

#### ***Recommendation of the Board of Visa U.S.A.***

Visa U.S.A.'s board of directors determined that the restructuring transactions, taken as a whole, are fair to and in the best interests of Visa U.S.A. and the members of Visa U.S.A. **The members of the board of directors of Visa U.S.A. in attendance unanimously approved the restructuring agreement and the equity incentive plan and recommends that its members CONSENT to the adoption of the restructuring agreement and the equity incentive plan proposal.** If the restructuring is not consummated for any reason, the board of directors presently intends to continue to operate Visa U.S.A. in its current form.

#### ***Recommendation of the Board of Visa Canada***

Visa Canada's board of directors determined that the restructuring transactions, taken as a whole, are fair to and in the best interests of Visa Canada and the members of Visa Canada. **The members of the board of directors of Visa Canada in attendance unanimously approved the restructuring agreement and recommend that its members vote FOR the adoption of the restructuring agreement and the equity incentive plan proposal.** If the restructuring is not consummated for any reason, the board of directors presently intends to continue to operate Visa Canada in its current form.

### **Interests of Directors and Officers of Visa International, Visa U.S.A. and Visa Canada, and the Regional Directors of Visa International in the Restructuring Proposal and the Equity Incentive Plan Proposal**

No director or officer of Visa International, Visa U.S.A. or Visa Canada or any of their affiliates has a substantial interest, direct or indirect, in the restructuring proposal or equity incentive plan proposal. No regional director of Visa International or any of their affiliates has a substantial interest, direct or indirect, in the restructuring proposal or equity incentive plan proposal.

### **Restrictions on Sales of Shares by Affiliates of Visa International, Visa U.S.A. and Visa Canada**

All shares, whether held by affiliated or non-affiliated persons, will be subject to certain transfer restrictions under Visa Inc.'s amended and restated certificate of incorporation. For a description of these restrictions, see



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*Description of Capital Stock of Visa Inc. Our Common Stock Transfer Restrictions.* In addition, shares that are issued to any person that is deemed to be an affiliate of Visa International, Visa U.S.A. or Visa Canada are subject to restrictions on resale under the Securities Act. In the case of Visa Canada, affiliated person status will be determined as of the time of its general meeting. Persons deemed to be affiliates include individuals or entities that control, are controlled by, or are under common control with, either Visa International, Visa U.S.A. or Visa Canada and may include our executive officers and directors as well as our significant stockholders. Persons who are deemed to be affiliates may not sell their shares of Visa Inc. common stock that were acquired in connection with the mergers except pursuant to:

an effective registration statement under the Securities Act covering the resale of those shares;

an exemption under paragraph (d) of Rule 145 under the Securities Act; or

any other applicable exemption under the Securities Act.

Resales of shares of Visa Inc. common stock by affiliates of Visa International, Visa U.S.A., Visa Canada or Visa Inc. are not being registered pursuant to the registration statement of which this proxy statement-prospectus forms a part.

### **Dissenters Rights of Appraisal**

#### *Visa International and Visa U.S.A.*

Pursuant to Delaware law, neither members of Visa International nor Visa U.S.A. are entitled to dissenters rights of appraisal.

#### *Visa Canada*

A registered member/shareholder of Visa Canada is, upon Visa Canada becoming subject to the OBCA as contemplated in the restructuring agreement, entitled to dissent from the amalgamation resolution in the manner provided in Section 185 of the OBCA if we determine that the adoption of such resolution is necessary or desirable. The following summary is qualified in its entirety by the provisions of Section 185 of the OBCA. A member/shareholder of Visa Canada that intends to exercise its right of dissent should carefully consider and comply with the provisions of Section 185 of the OBCA. Failure to comply with the provisions of that section and adhere to the procedures established therein may result in the loss of all rights thereunder.

A dissenting shareholder will be entitled, in the event the amalgamation becomes effective, to dissent and be paid by Visa Canada the fair value of the shares of Visa Canada held by such dissenting shareholder determined as at the close of business on the day before the meeting at which the amalgamation resolution was approved. A dissenting shareholder may receive consideration for its shares that is of less value than the consideration that such dissenting shareholder would have received upon completion of the amalgamation.

A member/shareholder of Visa Canada that wishes to exercise dissent rights must provide a dissent notice to Visa Canada at or before the meeting. The filing of a dissent notice does not deprive a member/shareholder of Visa Canada of the right to vote in respect of the amalgamation resolution; however, the OBCA provides, in effect, that a member/shareholder of Visa Canada that has submitted a dissent notice and votes for the amalgamation resolution will no longer be considered a dissenting shareholder. The OBCA does not provide, and Visa Canada will not assume, that a vote against the amalgamation resolution constitutes a dissent notice.

Under the OBCA, there is no right of partial dissent. Accordingly, a member/shareholder of Visa Canada may exercise its dissent right only with respect to all Visa Canada shares held by it or on behalf of any one beneficial owner.

Visa Canada is required within ten days after the approval of the amalgamation resolution to notify each dissenting shareholder that the amalgamation resolution has been approved, but such notice is not required to be sent to any member/shareholder of Visa Canada that voted for the amalgamation resolution or that has withdrawn its dissent notice.

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A dissenting shareholder must, within 20 days after the dissenting shareholder receives notice that the amalgamation resolution has been approved or, if the dissenting shareholder does not receive such notice, within 20 days after the dissenting shareholder learns that the amalgamation resolution has been adopted, send to Visa Canada a written notice, containing its name and address, the number and class of Visa Canada shares in respect of which the dissenting shareholder dissented, and a demand for payment of the fair value of such shares. Visa Canada will place a notice on share certificates representing a dissenting shareholder's shares to the effect that the holder is a dissenting shareholder and will deliver the share certificates to a dissenting shareholder.

On filing a dissent notice that is not withdrawn as contemplated in Section 185 of the OBCA, a dissenting shareholder ceases to have any rights as a member/shareholder of Visa Canada, other than the right to be paid the fair value of its Visa Canada shares as determined under Section 185 of the OBCA, except if the directors of Visa Canada terminate the amalgamation agreement under Subsection 176(5) of the OBCA, in which case Visa Canada will be required to reinstate the dissenting shareholder's rights as a member/shareholder of Visa Canada.

Visa Canada is required, not later than seven days after the later of the effective date of the amalgamation or the date on which Visa Canada received the payment demand of a dissenting shareholder, to send to each dissenting shareholder that has sent a payment demand to it a written offer to pay on behalf of Visa Canada, for its Visa Canada shares in an amount considered by the Visa Canada board to be fair value thereof, accompanied by a statement showing the manner in which the fair value was determined. Every offer to pay, as between shares of the same class, must be on the same terms. The amount specified in the offer to pay lapses if Visa Canada does not receive an acceptance thereof within 30 days after the offer to pay has been made.

If Visa Canada fails to make an offer to pay or if a dissenting shareholder fails to accept an offer that has been made, Visa Canada may, within 50 days after the effective date of the amalgamation or within such further period as a court may allow, apply to a court to fix a fair value for the Visa Canada shares of dissenting shareholders. If Visa Canada fails to apply to a court, a dissenting shareholder may apply to a court for the same purpose within a further period of 20 days or within such further period as a court may allow. A dissenting shareholder is not required to give security for costs in such application.

Upon an application to a court, all dissenting shareholders whose Visa Canada shares have not been purchased by Visa Canada will be joined as parties and bound by the decision of the court, and Visa Canada will be required to notify each affected dissenting shareholder of the date, place and consequences of the application and of its right to appear and be heard in person or by counsel. Upon any such application to a court, the court may determine whether any person is a dissenting shareholder that should be joined as a party, and the court will then fix a fair value for the Visa Canada shares of all dissenting shareholders. The final order of a court will be rendered against Visa Canada in favor of each dissenting shareholder and for the amount of the fair value of its Visa Canada shares as fixed by the court. The court may, in its discretion, allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the effective date of the amalgamation until the date of payment.

As part of the amalgamation, the Visa Canada shares held by a dissenting shareholder will be cancelled upon the amalgamation becoming effective and each dissenting shareholder will cease to have any rights as a member/shareholder of Visa Canada or as a shareholder of Visa Inc. as a result of the amalgamation other than the right to be paid the fair value of such Visa Canada shares in the amount agreed to between Visa Canada and the dissenting shareholder or in the amount of the judgment of the court, as the case may be. Until one of these events occurs, the dissenting shareholder may withdraw its dissent notice or Visa Canada may terminate the amalgamation agreement under Subsection 176(5) of the OBCA and, in either event, the dissent and appraisal proceedings in respect of that dissenting shareholder will be discontinued.

Visa Canada cannot make a payment to a dissenting shareholder under Section 185 of the OBCA if there are reasonable grounds for believing it is, or would after the payment be, unable to pay its liabilities as they become due or that the realizable value of Visa Canada's assets would thereby be less than the aggregate of its liabilities.

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In such event, Visa Canada must notify each dissenting shareholder that it is lawfully unable to pay dissenting shareholders for their Visa Canada shares, in which case the dissenting shareholder may, by written notice to Visa Canada within 30 days after receipt of such notice, withdraw its dissent notice; in which case, such dissenting shareholder will be deemed to have participated in the amalgamation as a non-dissenting shareholder. If the dissenting shareholder does not withdraw its dissent notice, it retains its status as a claimant against Visa Canada, to be paid as soon as Visa Canada is lawfully entitled to do so or, in a liquidation, to be ranked subordinate to creditors but prior to the then Visa Canada shareholders.

All Visa Canada shares held by dissenting shareholders will, if such holders are ultimately entitled to be paid the fair value thereof, be deemed to be transferred to Visa Canada as of the effective date of the amalgamation in exchange for such fair value. If such dissenting shareholders ultimately are not so entitled to be paid the fair value therefore, such dissenting shareholders will acquire shares of Visa Inc. on the same basis as all other members/shareholders of Visa Canada pursuant to the amalgamation.

The above is only a summary of the dissenting shareholder provisions of the OBCA, which are technical and complex. It is suggested that any member/shareholder of Visa Canada wishing to avail itself of its rights under these provisions seeks its own legal advice as failure to comply strictly with the provisions of the OBCA may prejudice its dissent rights.

## **Regulatory Approvals**

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and related rules, commonly referred to as the HSR Act, certain transactions, including the restructuring, may not be completed unless certain notification and waiting period requirements have been satisfied. Visa International, Visa U.S.A. and Visa Canada filed the required notification and report forms pursuant to the HSR Act describing the restructuring on May 10, 2007. Early termination of the HSR Act waiting period was granted on May 22, 2007.

Members acquiring voting securities in Visa Inc. may be separately subject to the notification and waiting period requirements of the HSR Act.

The restructuring may also be subject to review by other governmental authorities under the antitrust laws, competition laws or similar laws of other jurisdictions where Visa U.S.A., Visa Canada, and Visa International conduct business. Any required approvals may not be obtained in a timely manner or at all.

At any time, either the Antitrust Division of the United States Department of Justice, the Federal Trade Commission, or state or foreign governmental authorities could challenge or seek to block the restructuring under the antitrust laws, competition laws or similar laws. Moreover, in some jurisdictions, a competitor, customer or other third party could initiate a private action under antitrust or other laws challenging or seeking to enjoin the restructuring, before or after it is completed.

In addition, it is a condition to the closing of the restructuring that:

Visa Europe and VESI shall have received from HM Revenue and Customs a tax clearance satisfactory to them in their reasonable discretion with respect to the treatment of the restructuring under English law; and

Visa Canada and its members shall have received an advance income tax ruling from Canada Revenue Agency with respect to the income tax consequences to Visa Canada and its members of the restructuring, in form and substance acceptable to Visa Canada, in its reasonable discretion.

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**THE GLOBAL RESTRUCTURING AGREEMENT**

The following is a summary of the material terms of the Global Restructuring Agreement, dated as of June 15, 2007, among Visa Inc., Visa International Service Association, Visa U.S.A. Inc., Visa Europe Limited, Visa Canada Association, Inovant, Inovant, Inc., Visa Europe Services, Inc., Visa International Transition LLC, VI merger sub, Visa U.S.A. merger sub and Visa Canada merger sub. You should read the full text of the restructuring agreement, which is attached as Annex A and is incorporated herein by reference.

**The Restructuring**

*Actions Prior to Restructuring Closing Date*

On or before the business day prior to the closing date of the restructuring, the parties to the restructuring agreement will cause all of the following to occur:

Visa Canada will apply to the Ministry of Consumer and Business Services, Province of Ontario, for supplementary letters patent to permit membership interests to be transferable and the bylaws of Visa Canada will be amended to accommodate the vesting of the commercial and other rights and obligations regarding participation in the Visa payments system by members of Visa Canada in service agreements. Visa Canada will also surrender its entire membership interest in Visa International and enter into a services agreement to continue the existing commercial rights of Visa Canada with respect to its participation in the Visa payments system.

The bylaws of Visa International will be amended and restated so that members of Visa International (other than Visa Europe) will have an equity membership interest, which will represent the voting and economic rights of the member, and a non-equity membership interest, which will represent the member's commercial and other rights and obligations in connection with participation in the Visa payments system. In addition, this amendment will segregate the entire membership interests of Visa Europe in Visa International into a distinct class of membership interest (representing the economic and voting rights of Visa Europe, as well as its commercial rights and obligations in connection with participation in the Visa payments system). In the restructuring, the entire membership interest of Visa Europe will be canceled, and Visa Europe will be issued Visa Inc. common stock. Thereafter, Visa Europe's commercial rights and obligations with regard to the Visa payments system will be governed by the agreements that we are entering into with Visa Europe and not by their former membership interests in Visa International. In addition, Visa Canada will have surrendered its entire membership interest in Visa International and entered into the service agreement referred to above, which will establish Visa Canada's commercial rights and obligations with regard to the Visa payments system. For a description of the agreements we are entering into with Visa Europe and Visa Canada, see *Material Contracts The Framework Agreement, The Put-Call Option Agreement* and *Canadian Services Agreement and Other Agreements*.

The bylaws and certificate of incorporation of Visa U.S.A. will be amended and restated so that each member of Visa U.S.A. having a membership proportion that entitles the member to vote on matters submitted for a member vote and to receive dividends and distributions will hold an equity membership interest, which will represent the voting and economic rights of that member with respect to Visa U.S.A., and a non-equity membership interest, which will represent the member's commercial and other rights and obligations in connection with participation in the Visa payments system. Members of Visa U.S.A. that do not currently have a membership proportion will continue to have rights and obligations in connection with participation in the Visa payments system, but, as is currently the case, will not have voting rights or the right to participate in the equity distribution of Visa U.S.A.

*Visa International Merger*

Visa International established two transitory entities in order to accomplish the Visa International merger. Visa International Transition LLC, which we refer to as VI LLC, is a Delaware limited liability company and

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wholly owned subsidiary of Visa International. VI Merger Sub Inc., which we refer to as VI merger sub, is a Delaware non-stock corporation and a wholly owned subsidiary of VI LLC. In the Visa International merger, VI merger sub will be merged with and into Visa International, and Visa International will continue as the surviving corporation after the closing. Upon the effectiveness of the Visa International merger, each of the outstanding equity membership interests held by members of Visa International (other than Visa Europe and Visa Canada) will be canceled in consideration of the issuance of limited liability company interests in VI LLC, which are substantially similar to the equity membership interests in Visa International formerly held by such members and which we refer to as LLC shares. These LLC shares will be issued ratably in accordance with members' respective equity membership interests in Visa International. Each of the non-equity membership interests held by members of Visa International will continue to be issued and outstanding after this merger and the closing of the restructuring. These non-equity membership interests will represent the rights and obligations of members with regard to participation in the Visa payments system.

Visa Europe's entire membership interest in Visa International will be canceled in this merger, and Visa Europe will be issued LLC shares. In addition, Visa Canada will have ceased, prior to the Visa International merger, to be a member of Visa International, at the same time as its commercial and other rights and obligations regarding participation in the Visa payments system will be embodied in a service agreement. Thus, Visa Europe and Visa Canada will not retain any membership interests in Visa International following this merger and the restructuring. Instead, the rights and obligations of Visa Europe and Visa Canada with regard to participation in the Visa payments system will be governed by, in the case of Visa Europe, the framework agreement between Visa Inc. and Visa Europe, and, in the case of Visa Canada, the services agreement, trademark agreements and support agreement among Visa Inc., Visa International and Visa Canada. For a description of the agreements relating to Visa Europe, see *Material Contracts*.

Each of the membership interests in VI merger sub outstanding prior to this merger that are held by Visa Inc. will be converted into the entire equity membership interest in Visa International. All of the LLC shares held by Visa International immediately prior to this merger will be canceled for no consideration.

Upon the effectiveness of the Visa International merger: (i) the certificate of incorporation of Visa International will be amended in the form of the restated certificate of incorporation of Visa International as provided in the certificate of merger; (ii) the first restated bylaws of Visa International will be amended in the form of the second restated bylaws of Visa International attached to the restructuring agreement; (iii) the directors of VI merger sub immediately prior to the merger will become the directors of Visa International following the merger; and (iv) the officers of Visa International immediately prior to the merger will remain the officers of Visa International following the merger.

### *Reallocation of LLC Shares*

Promptly after the effectiveness of the Visa International merger, the board of directors of VI LLC will cause the existing limited liability company agreement of VI LLC to be amended and restated in order to reorganize and reclassify the LLC shares, such that members of VI LLC will hold LLC shares in an amount, and of a class and series, that corresponds to the parties' intended initial allocation of shares of Visa Inc. as follows: (i) in the case of Visa U.S.A., 127,800,553 class USA LLC shares; (ii) in the case of Visa Europe, 62,213,201 class EU (series I) LLC shares and 27,904,464 class EU (series II) LLC shares; (iii) in the case of each eligible member of Visa International associated with the Visa AP region, a number of class AP LLC shares equal to 119,100,481 multiplied by such member's initial ownership percentage; (iv) in the case of each eligible member of Visa International associated with the Visa LAC region, a number of class LAC LLC shares equal to 80,137,915 multiplied by such member's initial ownership percentage; and (v) in the case of each eligible member of Visa International associated with the Visa CEMEA region, a number of class CEMEA LLC shares equal to 36,749,698 multiplied by such member's initial ownership percentage.



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*VI LLC Merger*

Promptly after the reallocation described above, VI LLC will be merged with and into Visa Inc., which we refer to as the VI LLC merger, and Visa Inc. will continue as the surviving corporation after the effectiveness of this merger.

Upon the effectiveness of the VI LLC merger, the regional classes of LLC shares will be canceled and, in consideration for such cancellation, Visa Inc. will issue to the former holders thereof, on a one-to-one basis, shares of common stock of Visa Inc. corresponding to the same five geographic regions: (i) each class USA LLC share will be canceled in consideration for the issuance to the holder thereof of one share of our class USA common stock; (ii) each class EU (series I) LLC share will be canceled in consideration for the issuance to the holder thereof of one share of our class EU (series I) common stock; (iii) each class EU (series II) LLC share will be canceled in consideration for the issuance to the holder thereof of one share of our class EU (series II) common stock; (iv) each class AP LLC share will be canceled in consideration for the issuance to the holder thereof of one share of our class AP common stock; (v) each class LAC LLC share will be canceled in consideration for the issuance to the holder thereof of one share of our class LAC common stock; (vi) each class CEMEA LLC share will be canceled in consideration for the issuance to the holder thereof of one share of our class CEMEA common stock; and (vii) each share of Visa Inc. common stock issued and outstanding immediately prior to the VI LLC merger will be canceled for no consideration.

Upon the effectiveness of the VI LLC merger: (i) the amended and restated certificate of incorporation of Visa Inc., as then in effect and as attached as Annex C, will be the certificate of incorporation of Visa Inc.; (ii) the bylaws of Visa Inc. will be amended and restated in their entirety to read substantially in the form attached as Annex D; and (iii) the directors and officers of Visa Inc. will remain the directors and officers of Visa Inc. as the surviving entity in the VI LLC merger.

*Visa U.S.A. Merger*

Visa U.S.A. merger sub is a newly formed Delaware non-stock corporation and wholly owned subsidiary of Visa Inc. On the business day immediately following the date on which the VI LLC merger occurs, Visa U.S.A. merger sub will be merged with and into Visa U.S.A., which we refer to as the Visa U.S.A. merger, and Visa U.S.A. will continue as the surviving non-stock corporation.

Upon the effectiveness of the Visa U.S.A. merger: (i) each of the outstanding equity membership interests in Visa U.S.A. issued in the actions described under *The Global Restructuring Agreement The Restructuring Actions Prior to Restructuring Closing Date* will be canceled in consideration for the issuance to the holder thereof of a number of shares of our class USA common stock equal to 426,390,481 multiplied by such holder's initial Visa Inc. ownership percentage, which will be equal to its membership proportion (as defined in the Visa U.S.A. certificate of incorporation); (ii) each of the non-equity membership interests in Visa U.S.A. will continue to be issued and outstanding after the effectiveness of the Visa U.S.A. merger and the restructuring; and (iii) each of the outstanding membership interests in Visa U.S.A. merger sub will be canceled in consideration of the issuance to Visa Inc. of the entire equity membership interest in Visa U.S.A.

Upon the effectiveness of the Visa U.S.A. merger: (i) the first restated certificate of incorporation of Visa U.S.A. will be amended in the form of the second restated certificate of incorporation of Visa U.S.A. as provided in the certificate of merger; (ii) the first restated bylaws of Visa U.S.A. will be amended and restated in the form of the second restated Visa U.S.A. bylaws attached to the restructuring agreement; (iii) the directors of Visa U.S.A. merger sub immediately prior to the merger will become the directors of Visa U.S.A. following the merger; and (iv) and officers of Visa U.S.A. immediately prior to the merger will remain the officers of Visa U.S.A. following the merger.

*Visa Canada Restructuring*

Prior to the Visa International merger, the charter of Visa Canada will be amended to permit Visa Canada membership interests to be transferable, and the bylaws of Visa Canada will be amended to accommodate the

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vesting of the commercial and other rights and obligations regarding participation in the Visa payments system of members of Visa Canada in service agreements. Prior to the Visa International merger, Visa Canada will surrender to Visa International its entire membership in Visa International and Visa International and Visa Inc. will enter into a services agreement with Visa Canada to continue Visa Canada's existing commercial rights with respect to the Visa payments system. At the closing of the restructuring, Visa Canada will offer to its members the opportunity to enter into separate services agreements with Visa Canada; Visa Canada and Visa International will offer to members of Visa Canada the opportunity to enter into separate trademark agreements with Visa International; and Visa Inc. will offer members of Visa Canada the opportunity to enter into a support agreement with Visa Inc., all of which agreements are designed to enable members of Visa Canada to continue their existing commercial rights with respect to the Visa payments system.

On the business day after the date on which the VI LLC merger occurs, each eligible member of Visa Canada that has elected to do so will be entitled to exchange its membership interest in Visa Canada with Visa Inc. for a number of shares of Visa Inc. class Canada common stock equal to 22,034,685 multiplied by such member's initial ownership percentage, which shall be such member's card sales volume (as defined in the bylaws of Visa Canada) during the period from October 1, 1990, through the September 30 immediately preceding the closing of the restructuring, expressed as a percentage of the aggregate card sales volume of all eligible members of Visa Canada during such period. This will result in Visa Inc. becoming a member of Visa Canada and those members that have elected to exchange their membership interests becoming stockholders of Visa Inc. Whether a member chooses to exchange its membership interest will be dependent upon the member's individual tax and business considerations. Immediately following such exchanges, Visa Canada will be converted from a non-share capital corporation to a for profit share capital corporation governed by the OBCA, with Visa Inc. receiving, as a member of Visa Canada, common shares of the converted Visa Canada, and eligible members of Visa Canada that did not previously elect to exchange their membership interests as described above also receiving common shares of the converted Visa Canada. Visa Inc. will then transfer its common shares of Visa Canada to Visa Canada merger sub in exchange for common shares of Visa Canada merger sub.

As soon as practicable after the conversion of Visa Canada described above, Visa Canada, Visa Canada merger sub, which is a wholly owned subsidiary of Visa Inc., and Visa Inc. will, if we determine that it is necessary or desirable, enter into an amalgamation agreement pursuant to which Visa Canada and Visa Canada merger sub will be amalgamated and, upon completion of the redemption referred to below, Visa Canada will become a wholly owned subsidiary of Visa Inc. Upon the effectiveness of the Visa Canada amalgamation, all of the outstanding share capital of Visa Canada (other than the common shares held by Visa Canada merger sub) will be converted into redeemable preferred shares of the combined entity in the Visa Canada amalgamation, which shall be immediately redeemed for (and Visa Inc. will issue to each eligible Visa Canada member then a shareholder of Visa Canada) a number of shares of our class Canada common stock equal to 22,034,685 multiplied by each eligible Visa Canada member's initial Visa Inc. ownership percentage, all of the outstanding share capital of Visa Canada merger sub will be converted into 100 common shares of the combined entity formed in the Visa Canada amalgamation, and the common shares of Visa Canada held by Visa Canada merger sub will be canceled without payment. For those members of Visa Canada that did not elect to exchange their membership interests, the completion of these steps will result in such members becoming stockholders in Visa Inc. and Visa Canada becoming a wholly-owned subsidiary of Visa Inc. Upon the effectiveness of the Visa Canada amalgamation, the bylaws of Visa Canada will be the Visa Canada merger sub bylaws, and the directors and officers of Visa Canada merger sub will become the directors and officers of Visa Canada. The purpose of the Visa Canada amalgamation is to ensure that all eligible members of Visa Canada receive our class Canada common stock in exchange for their membership interests in Visa Canada.

*Inovant U.S. Holdco Merger; Share for Share Exchange*

On the business day after the later to occur of the Visa U.S.A. merger and the Visa Canada amalgamation, Inovant, Inc., will be merged with and into Visa Inc., which we refer to as the Inovant U.S. holdco merger, and

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Visa Inc. will continue as the surviving corporation after the closing of the Inovant U.S. holdco merger. Upon the effectiveness of the Inovant U.S. holdco merger, all of the outstanding capital stock of Inovant, Inc. will be canceled in consideration for the issuance to Visa U.S.A., which is the sole stockholder of Inovant, Inc., of 3,791,455 shares of our class USA common stock. Upon the effectiveness of the Inovant U.S. holdco merger, the certificate of incorporation and bylaws of Visa Inc., as in effect immediately prior to the Inovant U.S. holdco merger, will remain in effect as the certificate of incorporation and bylaws of Visa Inc. following the Inovant U.S. holdco merger, and the directors and officers of Visa Inc. will remain the directors and officers of Visa Inc. (as the surviving corporation in the Inovant U.S. holdco merger).

On the business day immediately after the date of the effectiveness of the Inovant U.S. holdco merger, VESI will deliver to Visa Inc. all of the limited liability company interests in Inovant then owned by VESI, in exchange for 549,587 shares of class EU (series III) common stock.

### *True-Up of Merger Consideration*

The initial allocation of shares of Visa Inc. common stock among the regions other than Visa Europe, which we refer to as the participating regions, was determined under a methodology that was agreed upon among the participating regions. The same methodology was applied to the unincorporated regions of Visa AP, Visa LAC and Visa CEMEA as was applied to Visa Canada and Visa U.S.A. It was based upon the net income projected to be contributed by each participating region in fiscal 2008. In addition, there were some negotiated adjustments that were made to the allocations to reflect, among other things, potential operating synergies and one-time adjustments to financial projections. We refer to this initial allocation of shares as the baseline amount. The consideration to be received by Visa Europe was the result of a negotiation between the regions participating in Visa Inc., on the one hand, and Visa Europe, on the other hand. For more information about the shares being issued to Visa Europe, see *The Global Restructuring Agreement The Restructuring Shares Issued to Visa Europe*.

The shares of common stock that will be issued at the restructuring closing will initially be allocated on a regional basis as follows:

<b>Region</b>	<b>Shares issued and outstanding after restructuring closing (not giving effect to the true-up)</b>	<b>Percentage ownership (not including VES shares redeemable shares)</b>	<b>Percentage ownership (including VES redeemable shares)</b>
Visa U.S.A. <sup>(1)</sup>	426,390,481	57.06%	55.01%
Visa AP	119,100,481	15.94%	15.37%
Visa LAC	80,137,915	10.73%	10.34%
Visa CEMEA	36,749,698	4.92%	4.74%
Visa Canada	22,034,685	2.95%	2.84%
Visa Europe <sup>(2)</sup>	62,762,788	8.40%	8.10%
Visa Europe <sup>(3)</sup>	27,904,464		3.60%
<b>Total</b>	<b>775,080,512</b>	<b>100.00%</b>	<b>100.00%</b>

(1) Excluding shares of class USA common stock held by Visa U.S.A.

(2) Excluding class EU (series II) common stock but including 549,587 shares of class EU (series III) common stock issued to VESI, a subsidiary of Visa Europe.

(3) Class EU (series II) common stock.

In order to reflect relative actual performance, as compared with projections, there will be a subsequent conversion and reallocation of shares, which we refer to as the true-up, based on each participating region's relative under- or over-achievement (beyond certain percentage limits which we refer to as tolerance bands) of its net revenue targets for the relevant four quarter period, which we refer to as the measurement period. As a result



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of the true-up, each of the regional classes of common stock will be converted into class C common stock or, in the case of the class USA common stock, class B common stock prior to the initial public offering of our common stock.

If a participating region's actual net revenue during the measurement period is not greater than 104% of its estimated net revenue for such period and not less than 98% of its estimated net revenue for such period, then that region's applicable multiplier will be 1.0, and no adjustment will be made to that region's baseline amount. If a region exceeds or falls short of its net revenue targets by an amount in excess of these tolerance band percentages, then the region's applicable multiplier will equal the percentage difference between the actual and projected net revenues for the measurement period multiplied by 1.5. The upper tolerance band percentage will be increased from 104% to 108% if a region exceeds its marketing budget by more than 30% during the measurement period. The lower tolerance band percentage will be adjusted from 98% to 96% if the participating region's actual marketing expense is less than 70% of the participating region's projected marketing expense during the measurement period. The region's adjusted amount equals the baseline amount multiplied by the applicable multiplier, plus an additional, negotiated amount for, among other things, a negotiated portion of the overall expected cost savings relating to the restructuring. Each participating region's adjusted ownership percentage after the true-up will equal this adjusted amount as a percentage of the aggregate adjusted amounts of all the participating regions, multiplied by 0.916 (to exclude Visa Europe's 8.4% interest represented by the class EU (series I) and class EU (series III) in Visa Inc. from the true-up calculation). Finally, the applicable conversion rate for each regional class of shares will be calculated as the quotient of (1) the number of shares of Visa Inc. common stock outstanding (except for the Class EU (series II) shares of common stock and except for any shares of common stock owned by any subsidiary of Visa Inc.) immediately prior to the true-up calculation, multiplied by the applicable region's adjusted ownership percentage, divided by (2) the number of shares of such regional class of common stock outstanding immediately prior to the true-up calculation.

Following the closing of the restructuring, each of the participating regions will deliver to us quarterly financial statements, including a calculation of the net revenue of each Visa region and of each Visa region's marketing expenses.

Because the true-up calculation is based on relative financial performance among the regions, it is possible that a region could meet or exceed its net revenue goals and be allocated fewer shares as a result of the true-up if other regions were to outperform their revenue targets by a greater percentage.

The measurement period will be the four quarters ending September 30, 2008; provided, however, that if Visa Inc. files a registration statement on Form S-1 for an initial public offering prior to the end of fiscal 2008, then the measurement period will be the four quarter period ending with (and including) the latest quarter for which financial statements are included in the registration statement on Form S-1 on the date it is declared effective by the SEC. In no event, however, will the measurement period be any earlier than the four quarters ending September 30, 2007. The conversion of shares under the true-up will occur promptly before the closing of an initial public offering of Visa Inc.'s common stock or, if earlier, ten business days after the delivery of a true-up notice related to the four quarters ending September 30, 2008.

On the true-up conversion date:

each outstanding share of class USA common stock will automatically convert into a number of shares of class B common stock based on the applicable conversion rate for the class USA common stock;

each outstanding share of class Canada common stock will automatically convert into a number of shares of class C (series I) common stock based on the applicable conversion rate for the class Canada common stock;

each outstanding share of class AP common stock will automatically convert into a number of shares of class C (series I) common stock based on the applicable conversion rate for the class AP common stock;

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each outstanding share of class LAC common stock will automatically convert into a number of shares of class C (series I) common stock based on the applicable conversion rate for the class LAC common stock; and

each outstanding share of class CEMEA common stock will automatically convert into a number of shares of class C (series I) common stock based on the applicable conversion rate for the class CEMEA common stock.

The shares held by Visa Europe and VESI are not subject to the true-up, but are subject to a conversion ratio that has the effect of a conversion on a one-to-one basis as follows:

each outstanding share of class EU (series I) common stock will automatically convert into one share of class C (series III) common stock;

each outstanding share of class EU (series II) common stock will automatically convert into one share of class C (series II) common stock; and

each outstanding share of class EU (series III) common stock will automatically convert into one share of class EU (series IV) common stock.

*Equity Allocation to Members of Visa International in the Unincorporated Regions and Subsequent Adjustment*

The initial allocation of shares of Visa Inc. among members of Visa International that are associated with Visa's unincorporated regions will be made only to eligible members of Visa International in the unincorporated regions. To be eligible to receive Visa Inc. common stock of the applicable regional class, such members must:

be a member of Visa International that is not sponsored by any other member of Visa International, Visa U.S.A., Visa Europe or Visa Canada in one of the following categories of membership: Principal member, Visa Cash Program Participant member, Plus Program Participant member, Cheque Issuer member, Merchant Acquirer member, Travel Money Issuer member, Interlink Program Participant member or Cash Disbursement member;

have an initial ownership percentage (based upon its historical net fees and total volumes as more fully described below) that is a positive number; and

except in the case of cheque issuer members or travel money issuer members, be identified in the books and records of Visa International as being affiliated with the applicable unincorporated region.

Prior to the signing of the global restructuring agreement, the board of directors of Visa International admitted non-member special licensees of Visa International, as well as certain foreign branch licensees of Visa International, as principal members of Visa International, entitled to all the rights of a principal member under the bylaws and certificate of incorporation of Visa International, including the right to receive Visa Inc. common stock.

At the restructuring closing, eligible members of Visa International that are affiliated with each unincorporated region will initially be allocated a number of shares of the applicable regional class of common stock (e.g., class AP common stock, class LAC common stock or class CEMEA common stock) based on the net fees and total volume of such member as a proportion of the aggregate net fees and total volumes of all eligible members associated with the applicable unincorporated region during the period beginning on October 2001 and ending on June 30, 2007. This initial allocation will be subject to subsequent adjustment based on the same net fees/total volume formula, but taking into account a longer measurement period, from October 2001 to the last day of the quarter end used in the measurement period for the true-up (or the preceding quarter end, if necessary, in order to accommodate the availability of the information needed to perform the calculations). This adjustment for member level share allocations within the unincorporated regions will be combined with that of the inter-regional true-up adjustment described

above to produce a single conversion ratio for each eligible member within

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the unincorporated regions. This conversion ratio will be applied to the initial allocation of shares of each regional class of common stock in order to convert such shares into shares of class C common stock, the number of which may be more, less or the same, as the number of regional class shares initially allocated.

For Visa International members associated with the unincorporated regions, the formula for both the initial and final share allocation is based on a weighted combination of the net fees paid by such members and the total volume reported by such members (with the net fees and total volume components being weighted equally for such purposes), as a proportion of the aggregate net fees and total volume of all eligible members affiliated with the applicable unincorporated region during the applicable measuring period. Net fees is defined as the sum of card service fees, merchant volume service fees, account/card fees, travelers cheque fees, data processing fees, multicurrency conversion fees, international service assessment and international acquiring fees/international outgoing interchange fees, less any member incentives and rebates. Total volume, as defined in the restructuring agreement and for purposes of these calculations only, is the sum of retail sales volume, merchant sales volume, travelers cheque volume, Visa travel money volume and international cash volume (whether issuing or acquiring). For purposes of these calculations:

an eligible member will receive credit for the historical net fees and total volume of its sponsored members, so long as such sponsored members are associated with the applicable unincorporated region;

an eligible member will receive credit for the historical net fees and total volume of other eligible members that have been acquired by such eligible member during the applicable measuring period (but excluding portfolio transfers), if the acquiree's membership in Visa International has subsequently been terminated;

with respect to portfolio transfers that occur during the measuring period, the net fees and total volume attributable to the period prior to the transfer will be allocated to the transferor, and the net fees and total volume attributable to the period after the transfer will be allocated to the transferee;

an eligible member that has upgraded its category of membership during the measuring period from the category of foreign branch licensee to the category of a principal member will receive credit for its historical net fees and total volume attributable to its former category of membership;

an eligible member that has upgraded its category of membership during the measuring period from the category of sponsored member to the category of an eligible member will not receive credit for its historical net fees and total volume prior to such upgrade, which will instead be allocated to its sponsoring member; and

a member that has downgraded its membership during the measuring period from the category of principal member to a sponsored member category will not receive credit for its historical net fees and total volume, which will instead be allocated to its sponsoring member following the downgrade.

Prior to the signing of the global restructuring agreement, the board of directors of Visa International admitted non-member special licensees of Visa International, as well as certain foreign branch licensees of Visa International, as principal members of Visa International, entitled to all the rights of a principal member under the bylaws and certificate of incorporation of Visa International, including the right to receive Visa Inc. common stock. A foreign branch licensee will receive credit for its historical net fees paid and total volume reported directly to the unincorporated Visa region in which it is situated, unless the parent of such foreign branch licensee is situated within the same region, in which case such historical net fees and total volume will be allocated to its parent entity.

*Retrospective Responsibility Plan*

Our retrospective responsibility plan addresses potential liabilities arising from the litigation described under the heading *Business of Visa Inc. Legal and Regulatory Proceedings Covered Litigation*.





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Upon the completion of the initial public offering of Visa Inc. common stock, we will deposit a portion of the proceeds of the offering in an amount determined by the litigation committee (as described below) in an escrow account from which settlements of, or judgments in, the covered litigation would be paid. The funds available in the escrow may be used to satisfy the obligations of Visa U.S.A., Visa International and, in certain instances as described below, Visa Inc., whether those obligations result from a final judgment, a settlement that has been approved as required by the Visa U.S.A. bylaws, or obligations under a judgment sharing agreement.

In addition, upon completion of the initial public offering, the Visa Inc. board will determine what portion, if any, of the net proceeds of the offering will be retained for general working capital purposes. The net initial public offering proceeds less the sum of: (i) the initial escrow amount, (ii) any funds retained for general working capital purposes and (iii) the \$1.146 billion that is designated to redeem the Visa Europe class C (series II) shares, will be used to redeem a portion of the shares of class B common stock and the shares of class C common stock other than the Visa Europe class C (series II) shares.

For the purpose of the redemption calculation below, the phrase net proceeds means the initial public offering proceeds net of underwriting discounts and commissions less the \$1.146 billion that is designated to redeem the Visa Europe class C (series II) shares and less any funds retained by Visa Inc. for general working capital purposes. The net proceeds used to redeem the shares of class B common stock will equal: (i) their pro rata share of the net proceeds based on the total number of shares of class B and class C common stock issued and outstanding immediately after the closing of the initial public offering (excluding the shares of class C (series II) common stock and any shares held by a subsidiary of Visa Inc.) minus (ii) the initial amount of the escrow amount. The net proceeds used to redeem the shares of class C common stock will equal their pro rata share of the net proceeds (based on the total number of shares of class B and class C common stock issued and outstanding immediately after the closing of the initial public offering (excluding the shares of class C (series II) common stock and any shares held by a subsidiary of Visa Inc.)). The redemption price of these shares will equal the net initial public offering price per share. For a description of the redemption of the Visa Europe class C (series II) shares, see *The Global Restructuring Agreement The Restructuring Shares Issued to Visa Europe*.

The shares of class B common stock that are retained by Visa U.S.A. members and that are not redeemed out of the proceeds of the initial public offering will be subject to dilution to the extent of the initial amount of the escrow account. This dilution of the shares of class B common stock will be accomplished through an adjustment to the conversion ratio of the shares of class B common stock. These shares will not be able to be converted into shares of class A common stock or, subject to limited exceptions, transferred until the later of the third anniversary of our initial public offering or the final resolution of the covered litigation. The shares of class C common stock held by members other than the Visa U.S.A. members will not be subject to this dilutive adjustment.

After the completion of our initial public offering and at the request of the litigation committee, we expect to conduct follow-on offerings of our shares of class A common stock, which we refer to as loss shares, if the litigation committee deems it desirable to increase the escrow account. The proceeds from the sale of loss shares would then be deposited in the escrow account, and the shares of class B common stock would be subject to additional dilution to the extent of the loss shares through a concurrent adjustment to the conversion ratio of the class B shares. The litigation committee may not request that we sell loss shares in an underwritten offering more than twice in any 12-month period, and the proceeds from the requested offering must reasonably be expected to be at least \$100,000,000. We will not offer loss shares in an amount that exceeds the number of shares of our class A common stock into which our issued and outstanding class B common stock is then convertible immediately prior to the offering.

Any amounts remaining in the escrow account on the date on which all of the covered litigation has been resolved will be released back to us, and the conversion ratio of the shares of class B common stock then outstanding will be adjusted in the holders favor through a formula based on the released escrow amount and the market price of our stock. For a description of the specific conversion ratio mechanism of the shares of class B common stock, see *Description of Capital Stock*.

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The litigation committee will be established through a litigation management agreement among Visa Inc., Visa International, Visa U.S.A. and Robert R. Hackney, Bruce L. Hammonds, Peter E. Raskind, Charles W. Scharf and John G. Stumpf, all of whom are affiliated with, or acting for, certain Visa U.S.A. members. The litigation committee: (i) will determine the percent of initial public offering proceeds to be deposited in the escrow account; (ii) may request the sale of loss shares, subject to Visa Inc.'s right to delay the filing or effectiveness of a registration statement under certain circumstances; and (iii) may recommend or refer the cash payment portion of a proposed settlement of any covered litigation to the Visa U.S.A. board of directors.

The board of directors of Visa U.S.A. will not be permitted to authorize any portion of any settlement of any of the covered litigation that would or might require payments out of the escrow account, the sale of loss shares, or the payment of cash by principal, acquirer, administrative, cheque issuer, administrative, group, or associate members of Visa U.S.A., which we refer to collectively as specified settlement members, unless such settlement has been approved by or is subject to the approval of specified settlement members. We refer to such settlements as specified settlements. Approval of a specified settlement requires either:

the affirmative vote of specified settlement members representing two-thirds of the votes entitled to be cast, which can be provided by written consent; or

two-thirds of the votes of the specified settlement members cast, in person or by proxy, at a meeting of specified settlement members at which a majority of the outstanding votes of the specified settlement members is represented, in person or by proxy.

Visa U.S.A., Visa International and Visa Inc. have entered into a loss sharing agreement with some of the Visa U.S.A. members, which will become effective upon the restructuring closing. The loss sharing agreement provides that the Visa U.S.A. members that are parties to the agreement will be responsible for a proportionate share of the liabilities associated with the covered litigation that might otherwise be borne by Visa U.S.A. or Visa International. The signatories will also be responsible for a proportionate share of the liabilities that might otherwise be borne by Visa Inc. if it is named as a defendant in the covered litigation unless a claim relates to the conduct of Visa Inc. after the restructuring (other than the restructuring itself or the initial public offering) or conduct of Visa Inc. that is not the mere continuation of conduct that is being challenged in the interchange litigation as of the closing of the restructuring. This proportionate share of each Visa U.S.A. member will be equal to such member's membership proportion, as calculated in accordance with Visa U.S.A.'s certificate of incorporation.

The loss sharing agreement provides that, if we do not complete the initial public offering within 240 days after the completion of the restructuring, the members' obligations under the agreement may be suspended until we have completed our initial public offering, at which point the members' obligations under the agreements will be reinstated in full as if they had never been suspended. However, this 240-day period may be extended under certain circumstances.

In addition, Visa U.S.A. has entered into a judgment sharing agreement in connection with the claims brought by American Express, which we refer to as the Amex judgment sharing agreement, and Visa U.S.A. and Visa International have entered into a judgment sharing agreement in connection with the merchant interchange litigation, which we refer to as the interchange judgment sharing agreement. Under these judgment sharing agreements, the bank signatories, which are defendants in the American Express and/or merchant interchange litigation, will share in a judgment enforced against Visa U.S.A., and Visa U.S.A. will share in a judgment enforced against the other signatories. The bank signatories to the interchange judgment sharing agreement will also share in a judgment enforced against Visa International.

Under the judgment sharing agreements, each signatory other than Visa U.S.A. (and in the case of the interchange judgment sharing agreement, Visa International) will pay its membership proportion of the amount of any final judgment executed against a signatory that is not allocated to the conduct of MasterCard under the terms of the agreements. Visa U.S.A. will pay the amount of such final judgment executed against a signatory

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that is not allocated to the conduct of MasterCard and that is not accounted for by the other signatories, although it will obtain reimbursement for such payments out of the escrow account. Visa International is not a party to the Amex judgment sharing agreement and has no obligation to share in a judgment enforced against another signatory under the interchange judgment sharing agreement. The Amex judgment sharing agreement does not address the sharing of the portion of any final judgment allocated to the conduct of MasterCard. Under the interchange judgment sharing agreement, Visa U.S.A. and Visa International will be reimbursed by the bank signatories for the full amount of any final judgment allocated to the conduct of MasterCard, but have no obligation to the other signatories with respect to the MasterCard portion of a final judgment.

In order to avoid a double payment as a result of the dilutive adjustment in the conversion ratio of the class B shares upon the establishment of the escrow account, Visa U.S.A. members that have made certain payments pursuant to a judgment sharing agreement or the loss sharing agreement prior to the completion of our initial public offering will be reimbursed from the initial escrow amount. The loss sharing agreement provides for the reimbursement of certain judgment sharing or loss sharing payments by Visa U.S.A. members. Pursuant to the loss sharing agreement, we will reimburse signatories that are also parties to a judgment sharing agreement and have paid their share of the Visa portion of a final judgment or settlement (i.e., not the portion allocated as a result of MasterCard's conduct) pursuant to such judgment sharing agreement.

The members of Visa U.S.A. have indemnification obligations pursuant to Visa U.S.A.'s certificate of incorporation and bylaws and in accordance with their membership agreements. After the closing of the restructuring, these indemnification obligations will continue with respect to the covered litigation, although we currently expect that, after the completion of our initial public offering, the initial escrow account and any additional proceeds from the sale of loss shares, which will subsequently be deposited into the escrow account, will be used first to resolve the covered litigation.

To the extent that the amount of the initial escrow and any additional sale of loss shares is insufficient to fully resolve the covered litigation and reimburse judgment sharing and loss sharing payments by Visa U.S.A.'s members, we will use commercially reasonable efforts to enforce the indemnification obligations of Visa U.S.A.'s members for such excess amount, including but not limited to enforcing indemnification obligations pursuant to the loss sharing agreement, Visa U.S.A.'s certificate of incorporation and bylaws and in accordance with their membership agreements.

### *Shares Issued to Visa Europe*

The consideration to be received by Visa Europe was the result of a negotiation between the regions participating in Visa Inc., on the one hand, and Visa Europe, on the other hand. Upon the completion of the restructuring, Visa Europe will receive 11.7% of the shares of Visa Inc. common stock, of which approximately 3.6% (plus any additional class EU (series II) or class C (series II) shares that may be issued in the future to Visa Europe), is redeemable for \$1.146 billion (less any dividends or distributions paid on such shares and less the amount of any imputed interest on such dividends and distributions). This redemption may be effected at Visa Inc.'s election at any time after the later of the date that is 369 days after the effective date of the Inovant U.S. holdco merger and the completion of our initial public offering, or at Visa Europe's election at any time after the later of the date that is 429 days after the effective date of the Inovant U.S. holdco merger and the date that is 60 days after the completion of our initial public offering.

### *Transaction Documents*

In addition to the restructuring agreement, the parties have executed, or will execute, the following transaction documents in connection with the restructuring:

Visa Inc. and Visa Europe will enter into a framework agreement and a put-call option agreement, as described herein. These agreements will be entered into contemporaneously with, and as a condition to, the closing of the restructuring. For a more detailed description of these agreements, see *Material Contracts The Framework Agreement* and *The Put-Call Option Agreement*;

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(i) Visa Inc., Visa International and Visa Canada will enter into a regional services agreement; (ii) Visa Canada and each member of Visa Canada will enter into a services agreement; (iii) Visa Canada, Visa International and the members of Visa Canada will enter into a trademark agreement; and (iv) Visa Inc. and the members of Visa Canada will enter into a support agreement, each described herein. Except for the services agreement among Visa Inc., Visa International and Visa Canada (which will be entered into prior to the closing of the restructuring), these agreements will be entered into contemporaneously with, and as a condition to, the closing of the restructuring; and

(i) Visa International, Visa U.S.A., Visa Inc. and certain members of Visa U.S.A. have entered into a loss sharing agreement, as described herein; (ii) Visa U.S.A., Visa International and certain bank parties named as a defendant in any of the covered litigation have entered into a judgment sharing agreement; and (iii) Visa Inc., Visa International, Visa U.S.A. and the members of the litigation committee will enter into a litigation management agreement. For a more detailed description of these agreements, see *Material Contracts The Loss Sharing Agreement*.

*Representations and Warranties*

Each party to the restructuring agreement represented and warranted, severally (as to itself only) and not jointly, to each of the other parties, except as set forth in separate disclosure letters delivered by each such party to each other party with regard to the following matters: (i) due organization, good standing and corporate power; (ii) authorization and validity of the agreement; (iii) consents and approvals; (iv) no violations; (v) membership; (vi) litigation; (vii) disclosure; (viii) opinions of financial advisors; (ix) broker's or finder's fees; and (x) exclusivity of representations.

*Covenants*

Prior to the closing of the restructuring, each party to the restructuring agreement agrees to: (i) conduct its operations only in the ordinary course of business consistent with past practice; (ii) use commercially reasonable efforts to obtain requisite consents; (iii) make required filings under competition laws; (iv) cooperate to assist Visa Inc. in the preparation and filing with the SEC of a registration statement on Form S-4 covering the securities to be issued in the restructuring; (v) use its commercially reasonable efforts to obtain the requisite member and shareholder approval required in order to consummate the transactions contemplated by the restructuring agreement; (vi) bear taxes incurred by such party in connection with the restructuring, except as expressly contemplated in the transaction documents; and (vii) develop internal Visa regional operating guidelines based on agreed principles.

*Release; Indemnity*

The restructuring agreement provides that, effective upon the restructuring closing, Visa Inc., Visa International and Visa U.S.A. irrevocably release each of: (i) Visa Europe, Visa Canada and each other current or former member of Visa International (including Visa U.S.A., subject only to such obligations as Visa U.S.A. may have by reason of any judgment sharing agreement or loss sharing agreement it has entered into with respect to any covered litigation); (ii) each current or former member, member of a member, stockholder or other holder of any equity interest in any of the foregoing persons (subject only to such obligations as any members of Visa U.S.A. may have with respect to any covered litigation by reason of any provisions of the transaction documents, including the restated Visa Inc. certificate of incorporation or the certificate of incorporation or bylaws of Visa U.S.A.); (iii) each predecessor, successor, subsidiary, division, department, affiliate, officer, director, employee and assignee of the foregoing persons; and (iv) each non-member special licensee approved for participation in the Visa system by the board of directors of Visa International, from any liability in respect of any claim that could be asserted against such released persons by Visa Inc. or Visa International in connection with the covered litigation, including any such claim pursuant to Section 2.11 or Section 15.06 of the bylaws of Visa International, Section 1.11 of the operating regulations of Visa International or Section 1.7 of the operating regulations of Visa Canada. The restructuring agreement also provides that the these released claims do not include any liabilities

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arising from the covered litigation that are the subject of obligations of Visa U.S.A. or its members under the interchange judgment sharing agreement or the Amex judgment sharing agreement or the other transaction documents, including the restated Visa Inc. certificate of incorporation, the restated bylaws of Visa Inc. or the certificate of incorporation or bylaws of Visa U.S.A. or Visa International.

In addition, Visa Inc. has agreed in the restructuring agreement to indemnify each current and former member of Visa International, Visa Europe and Visa Canada, from and after the closing of the restructuring, against any liabilities incurred by such persons with respect to any claim asserted in a U.S. court by a U.S. merchant or current plaintiff in the covered litigation against such person that is based on the same or substantially similar factual allegations or claims for relief asserted in the covered litigation.

### *Termination of Regional Group Member*

The restructuring agreement provides that, upon the closing of the restructuring, Visa Europe's membership in Visa International will terminate, Visa Europe will cease to be a member of Visa International, and Visa Europe shall cease to have any liability or obligation under its regional group member agreement with Visa International or any other documents, other than as provided in the transaction documents relating to the restructuring.

### *Regional Directors*

The restructuring agreement provides that, after the restructuring, each of the regional directors of Visa Inc. will be a Class I director as provided in our restated certificate of incorporation, serving an initial term that expires on the first anniversary of the closing of the restructuring. Upon the expiration of the initial term of the regional directors, the parties to the restructuring agreement have agreed to take any actions necessary to cause the regional directors to be re-nominated to a second term as a director of Visa Inc. (which will expire on the fourth anniversary of the closing of the restructuring) provided that he or she continues to satisfy the eligibility requirements for our regional directors described in our certificate of incorporation.

### *Canada Transaction Documents*

In accordance with the restructuring agreement, each of Visa Inc., Visa International and Visa Canada cooperated in good faith and used its respective commercially reasonable efforts to negotiate, as soon as practicable after the date of the restructuring agreement, mutually acceptable forms of the following documents (which we refer to as the Canada transaction documents), which will be entered into prior to or upon the closing of the restructuring:

a services agreement to be entered into before the restructuring closing among Visa Inc., Visa International and Visa Canada, granting to Visa Canada the necessary rights to allow Visa Canada to enter into a Canadian services agreement with each member of Visa Canada;

a services agreement to be entered into at the restructuring closing between Visa Canada and each of the members of Visa Canada to evidence, consolidate and restate the continuation of the existing commercial rights of Visa Canada members from and after the restructuring closing;

a trademark agreement to be entered into at the restructuring closing among Visa International, Visa Canada and each member of Visa Canada regarding the existing trademark rights of Visa Canada members; and

a support agreement among Visa Inc., and members of Visa Canada, supporting the obligations of Visa Canada pursuant to each services agreement between Visa Canada and its members.

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*Conditions to Restructuring Closing*

The respective obligations of each party to effect the restructuring are subject to the satisfaction of each of the following conditions, any of which (other than the member or stockholder consents described below) may be waived by the party or parties entitled to the benefit of the condition:

the restructuring, and the specific actions to be taken by the applicable parties to the restructuring agreement, will have been approved by the members of Visa International, Visa U.S.A., Visa Canada and Visa Europe, and by the sole stockholders or members (as applicable) of Visa Inc., Inovant U.S. holdco, VI merger sub and Visa U.S.A. merger sub;

any waiting periods under applicable competition laws will have expired or been terminated;

all consents and approvals of any governmental authority necessary to permit the parties to consummate the restructuring will have been duly obtained, made or given;

no temporary restraining order, preliminary or permanent injunction or other order will have been issued by any governmental authority;

no law or governmental order that prohibits or enjoins the restructuring will have been enacted or entered by any governmental authority;

each other transaction document, including the Canada transaction documents, will have been executed and delivered by each of the parties thereto, and each of the covenants to be performed prior to the closing of the restructuring will have been performed;

the registration statement on Form S-4 will have become effective under the Securities Act;

certain amendments to the articles of association of Visa Europe in connection with the restructuring will have been approved and adopted by the members of Visa Europe, and Visa Europe will have delivered to Visa Inc. a legal opinion regarding the effectiveness of such amendments;

the certificate of incorporation of Visa Inc. will have been amended and restated in its entirety in the form attached as Annex C and the board of directors of Visa Inc. will have adopted the charters of the audit committee, nominating/corporate governance committee and the compensation committee of the Visa Inc. board of directors;

the board of directors of Visa Inc. will be comprised of not less than 17 directors, at least 10 of whom will be independent directors;

the assets of Visa U.S.A. owned indirectly by Visa Inc. in connection with the restructuring will represent at least 60% of the capital and surplus of Visa Inc. on a consolidated *pro forma* basis after giving effect to the closing of the restructuring;

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section 1.11 of the operating regulations of Visa International will have been amended in order to eliminate the right of Visa International to obtain indemnification from any member of Visa International, except for indemnifications with respect to the actions or omissions of such member or its affiliates after the closing of the restructuring; and

certain other specified consents, approvals, permits, legal opinions, certificates and other requirements will have been obtained prior to the restructuring closing date.

In addition to the closing conditions above:

Visa Europe's obligation to effect the restructuring is subject to: (i) the amendment of a certain Tax Deed and Tax Indemnification Agreement dated July 1, 2004, among Visa International, Visa Europe and VESI in the form attached to the restructuring agreement and certain provisions of other agreements entered into in connection with the 2004 spin-off of Visa Europe; and (ii) Visa Europe and VESI shall have received from HM Revenue and Customs a tax clearance satisfactory to them in their reasonable discretion with respect to the treatment of the restructuring under English law; and



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Visa Canada's obligation to effect the restructuring is subject to the receipt by Visa Canada and its members of an advance income tax ruling from the Canada Revenue Agency with respect to the income tax consequences to Visa Canada and its members of the restructuring, in form and substance acceptable to Visa Canada in its reasonable discretion.

*Closing*

Unless the restructuring agreement is terminated as described below under *Grounds for Termination*, and subject to the satisfaction or waiver of each of the conditions described above under *Conditions to Restructuring Closing* the restructuring will commence at 10:00 a.m. as soon as practicable after the last of such conditions is satisfied or waived.

*Grounds for Termination*

The restructuring agreement may be terminated by a party to the restructuring at any time before the closing of the restructuring only:

by mutual written consent of all of the parties to the restructuring agreement;

by any of the parties to the restructuring agreement in the event of an injunction prohibiting the restructuring;

by any party to the restructuring agreement, in the event that applicable member approval with respect to any other party to the agreement has not been obtained;

by any party to the restructuring agreement, if the closing of the restructuring has not occurred on or before June 30, 2008; or

by the mutual written consent of Visa Inc., Visa International, Visa U.S.A. and Visa Europe, if the definitive form of each of the Canada transaction documents has not been mutually agreed prior to October 1, 2007.

*Effect of Termination*

In the event of any termination of the restructuring agreement, it will become void and have no effect, and there will be no liability thereunder on the part of any party to the other party or parties.

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**THE VISA INC. 2007 EQUITY INCENTIVE COMPENSATION PLAN**

The equity incentive plan is intended to promote our long-term success and increase stockholder value by attracting, motivating, and retaining our non-employee directors, officers, employees and consultants and those of our subsidiaries and affiliates. To achieve this purpose, the equity incentive plan allows the flexibility to grant or award stock options, stock appreciation rights or SARs, restricted stock awards, restricted stock units, performance unit awards, performance share awards, cash-based awards and other stock-based awards to eligible persons.

The equity incentive plan would allow us to grant these stock-based incentive awards to employees, non-employee directors and consultants covering a total of up to 59,000,000 shares of common stock. No awards have been made under the equity incentive plan.

The equity incentive plan will become effective on the date it has been approved by the affirmative vote of the members holding membership interests in Visa International, Visa U.S.A. and Visa Canada, which, assuming the completion of the restructuring, would represent a majority of the outstanding shares of common stock of Visa Inc. immediately after the closing.

The principal features of the equity incentive plan are summarized below. Members should read the equity incentive plan for a full statement of its legal terms and conditions. The full text of the equity incentive plan is available at Annex K in this proxy statement-prospectus.

*Administration.* The compensation committee of our board of directors will have discretionary authority to operate, manage and administer the equity incentive plan in accordance with its terms. The compensation committee will determine the non-employee directors, employees and consultants who will be granted awards under the equity incentive plan, the size and types of awards, the terms and conditions of awards and the form and content of the award agreements representing awards. The compensation committee will be authorized to establish, administer and waive terms, conditions and performance goals of outstanding awards and to accelerate the vesting or exercisability of awards, in each case, subject to limitations contained in the equity incentive plan. The compensation committee will interpret the equity incentive plan and award agreements and will have authority to correct any defects, supply any omissions and reconcile any inconsistencies in the equity incentive plan and/or any award agreements. The compensation committee's decisions and actions concerning the equity incentive plan will be final and conclusive. Within the limitations of the equity incentive plan and applicable law, the compensation committee may delegate its responsibilities under the equity incentive plan to persons selected by it, and our board of directors will be permitted to exercise all of the compensation committee's powers under the equity incentive plan.

We intend to form a compensation committee after the completion of the restructuring. The compensation committee will be comprised of at least three members of our board of directors, each of whom will be selected by our board of directors and will satisfy independence criteria established by our board of directors and additional regulatory requirements, including the listing standards of the New York Stock Exchange.

*Shares Subject to the Equity Incentive Plan.* A maximum of 59,000,000 shares of common stock would be available for delivery under the equity incentive plan, subject to adjustment for certain changes in our capital structure described below under *Changes in Capital*. The shares of common stock that may be issued under the equity incentive plan will be either authorized and unissued shares, which will not be subject to preemptive rights, or previously issued shares that have been reacquired and are held as treasury stock. Any shares subject to an award or portion of an award that is forfeited, terminated or settled for cash or otherwise expires will be available for future awards under the equity incentive plan. If we or one of our subsidiaries acquires or combines with another company, any awards that may be granted under the equity incentive plan in substitution or exchange for outstanding stock options or other awards of that other company will not reduce the shares available

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for issuance under the equity incentive plan, but the shares available for incentive stock options granted under the equity incentive plan will be limited to the maximum number of shares available for delivery under the equity incentive plan stated above.

*Participation.* The compensation committee may grant awards under the equity incentive plan to our employees and consultants and those of our eligible subsidiaries and affiliates as well as our non-employee directors. However, only our employees and those of our subsidiaries will be eligible to receive incentive stock options under the equity incentive plan.

No awards will be granted under the equity incentive plan unless the equity incentive plan is approved by the members, as described above. Because it will be within the compensation committee's discretion to determine which employees and directors will receive awards under the equity incentive plan and the types and amounts of those awards, it is not possible at present to specify the benefits that would be received under the equity incentive plan by directors, executive officers and other employees if the equity incentive plan is properly approved. In addition, the benefits or amounts that would have been received by, or allocated to, those persons for the last completed fiscal year if the equity incentive plan had been in effect cannot be determined.

*Stock Options.* A stock option is the right to purchase a specified number of shares of common stock in the future at a specified exercise price and subject to the other terms and conditions specified in the option agreement and the equity incentive plan. Stock options granted under the equity incentive plan will be either incentive stock options, which may be eligible for special tax treatment under the Internal Revenue Code of 1986, or options other than incentive stock options, which are referred to as nonqualified stock options, as determined by the compensation committee and stated in the option agreement. The number of shares covered by each option will be determined by the compensation committee. The exercise price of each option is set by the compensation committee but cannot be less than 100% of the fair market value of the common stock at the time of grant, or, in the case of an incentive stock option granted to a 10% or more stockholder of Visa Inc., 110% of that fair market value. Options granted under the equity incentive plan in substitution or exchange for options or awards of another company involved in a corporate transaction with us or a subsidiary will have an exercise price that is intended to preserve the economic value of the award that is replaced. The phrase fair market value is generally defined by the equity incentive plan as the last sale price reported for the common stock on an established securities market on the date for which fair market value is being determined. The fair market value of a share of our common stock on the date of our initial public offering is defined as the price to the public in the final prospectus we file with the SEC. The exercise price of any stock options granted under the equity incentive plan may be paid in cash, shares of common stock already owned by the option holder or any other method that may be approved by the compensation committee, such as a cashless broker-assisted exercise, that complies with law.

Options will become exercisable and expire at the times and on the terms established by the compensation committee. An option cannot be exercised later than the tenth anniversary of the grant date; however, if the exercise of an option on its scheduled expiration date would violate law, the option may be extended until its exercise would not violate law. Options generally terminate when the holder's employment or service with us and our affiliates terminates unless otherwise determined by the compensation committee.

*Stock Appreciation Rights.* SARs may be granted under the equity incentive plan alone or together with specific stock options granted under the equity incentive plan. SARs are awards that, upon their exercise, give a participant the right to receive from us an amount equal to: (1) the number of shares for which the SAR is exercised multiplied by (2) the excess of the fair market value of a share of common stock on the exercise date over the grant price of the SAR. The grant price of a SAR cannot be less than 100% of the fair market value of the common stock on the grant date of such SAR. A SAR may be settled in cash, shares or a combination of cash and shares, as determined by the compensation committee. SARs will become exercisable and expire at the times and on the terms established by the compensation committee, subject to the same maximum time limits as are applicable to options granted under the equity incentive plan. However, a SAR granted with an option will be exercisable and terminate when the related option is exercisable and terminates. Such an option will no longer be

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exercisable to the extent that the holder exercises the related SAR. Likewise, a SAR will not be exercisable to the extent that the related option is exercised. The number of shares covered by each SAR will be determined by the compensation committee.

*Restricted Stock and Restricted Stock Units.* Restricted stock awards are shares of common stock that are awarded to a participant subject to the satisfaction of the terms and conditions established by the compensation committee. Until the applicable restrictions lapse, shares of restricted stock are subject to forfeiture and may not be sold, assigned, pledged or otherwise disposed of by the participant who holds those shares. Restricted stock units are denominated in units of shares of our common stock, except that no shares are actually issued to the participant on the grant date. When a restricted stock unit award vests, the participant is entitled to receive shares of our common stock, a cash payment based on the value of shares of common stock or a combination of shares and cash. Vesting of restricted stock awards and restricted stock units may be based on continued employment or service and/or satisfaction of performance goals or other conditions established by the compensation committee. A recipient of restricted stock will have the rights of a stockholder during the restriction period, including the right to receive any dividends, which may be subject to the same restrictions as the restricted stock, unless the compensation committee provides otherwise in the grant. A recipient of restricted stock units will have none of the rights of a stockholder unless and until shares are actually delivered to the participant. The number of shares of restricted stock and/or restricted stock units granted to a participant will be determined by the compensation committee. Upon termination of employment or a period of service, or failure to satisfy other vesting conditions, a participant's unvested shares of restricted stock and unvested restricted stock units are forfeited unless the participant's award agreement, or the compensation committee, provides otherwise.

*Performance Units, Performance Shares and Cash-based Awards.* Performance units, performance shares and cash-based awards granted to a participant are amounts credited to a bookkeeping account established for the participant. A performance unit has an initial value that is established by the compensation committee at the time of its grant. A performance share has an initial value equal to the fair market value of a share of the common stock on the date of grant. Each cash-based award has a value that is established by the compensation committee at the time of its grant. The number of performance units, performance shares and cash-based awards granted to a participant will be determined by the compensation committee. Whether a performance unit, performance share or cash-based award actually will result in a payment to a participant will depend upon the extent to which performance goals or other conditions established by the compensation committee are satisfied. After a performance unit, performance share or cash-based award has vested, the participant will be entitled to receive a payout of cash, shares of common stock or a combination thereof, as determined by the compensation committee. A participant's award agreement describes the effect of a termination of employment on the participant's performance units, performance shares or cash-based award.

*Other Stock-based Awards.* The compensation committee may grant to participants other stock-based awards under the equity incentive plan, which are valued in whole or in part by reference to, or otherwise based on, shares of common stock. The form of any other stock-based awards will be determined by the compensation committee, and may include a grant or sale of unrestricted shares of common stock. The number of shares of common stock related to an other stock-based award will be determined by the compensation committee. Other stock-based awards may be paid in shares of common stock or cash, according to the award agreement. The terms and conditions, including vesting conditions, will be established by the compensation committee when the award is made. The compensation committee will determine the effect of a termination of employment or service on a participant's other stock-based awards.

*Dividend Equivalents.* The compensation committee may provide for the payment of dividend equivalents with respect to shares of common stock subject to an award, such as restricted stock units, that have not actually been issued under that award.

*Transferability of Awards.* Options, SARs, unvested restricted stock, and other awards under the equity incentive plan generally may not be sold or otherwise transferred except by will or the laws of descent and

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distribution or to the designated beneficiary of a deceased participant. The compensation committee may permit awards other than incentive stock options and any related SARs to be transferred, subject to any specified conditions or limitations, but awards may not be transferred for value or other consideration without stockholder approval.

*Change of Control.* In the event of a change of control of us (as defined in the equity incentive plan), but subject to any contrary law or rule or provision of an award agreement that is in effect under the equity incentive plan prior to the change of control, the compensation committee may, in its discretion, provide that: (a) outstanding options, SARs and other stock-based awards will become exercisable; (b) restrictions applicable to outstanding restricted stock unit awards, restricted stock awards and other stock-based awards will lapse; (c) outstanding awards will become vested; (d) any outstanding awards otherwise payable on a deferred basis will be paid or distributed; (e) outstanding performance-based awards will be deemed to have been earned for any performance period prior to the effective date of the change of control; (f) there will be substituted for shares subject to options or awards outstanding under the equity incentive plan shares or other securities of the surviving or successor corporation, or another corporate party to the change of control transaction, with approximately the same value, or cash out outstanding options or awards based on the highest value of the consideration received for our common stock in that transaction, or the highest fair market value of our common stock during the 30 business days immediately prior to the closing or expiration date of the change of control transaction, reduced by the exercise price or grant price of the award, if applicable; and (g) any options or other awards cannot be exercised after or will be terminated after a change of control transaction. However, if: (1) we or the surviving or successor corporation to us, or any other corporate party to the change of control transaction, does not affirm, assume, or replace outstanding options, SARs and other awards under the equity incentive plan in a manner that preserves those awards' existing compensation element; (2) we undergo a liquidation; or (3) an equity incentive plan participant's employment is terminated after the change of control without cause or by the participant with good reason, then, generally, all outstanding options, SARs and other awards not so affirmed, assumed or replaced, or outstanding at the time of a liquidation, or, in the case of a participant's termination of employment as described above, all of any affected participant's outstanding options, SARs and other awards, will become fully vested, and, if applicable, exercisable or payable and deemed fully earned (based on the greater of target or actual achievement). However, depending on the nature of the change of control transaction, payment of certain awards may be delayed to comply with section 409A of the Internal Revenue Code.

*Changes in Capital.* In the event of a corporate event or transaction, such as a stock dividend, stock split, recapitalization, reorganization, merger or consolidation or spin-off, the compensation committee will substitute or adjust the number, class and kind of securities that can be delivered under the equity incentive plan and outstanding awards, and the price, as applicable, of securities subject to awards outstanding under the equity incentive plan in order to prevent dilution or enlargement of participants' rights under the equity incentive plan.

*Amendment and Termination.* Our board of directors may amend, alter, suspend or terminate the equity incentive plan. However, our board of directors will be required to obtain approval of the stockholders, if such approval is required by any applicable law or rule, of any amendment of the equity incentive plan that would: (a) increase the maximum number of shares of the common stock that may be sold or awarded under the equity incentive plan, except in the event of certain changes in our capital, as described above under *Changes in Capital*; (b) decrease the minimum option exercise price or SAR grant price required by the equity incentive plan, except in the event of certain changes in our capital as described above under *Changes in Capital*; (c) change the class of persons eligible to receive awards under the equity incentive plan; (d) extend the duration of the equity incentive plan or the exercise period of any options or SARs granted under the equity incentive plan; or (f) otherwise require stockholder approval to comply with applicable laws or rules.

The compensation committee may amend outstanding awards. However, no amendment or termination of the equity incentive plan or amendment of outstanding awards may materially impair the previously accrued rights of a participant under any outstanding award without his or her written consent, unless the board of directors or the compensation committee determines that the amendment is necessary or advisable to comply

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with laws, regulations, rules or accounting standards. Additionally, the provisions of the equity incentive plan described above under *Change of Control* may not be amended, terminated or modified on or after the date of a change of control to materially impair any participant's outstanding award without that participant's written consent. The board of directors or the compensation committee will adjust awards under the equity incentive plan in recognition of unusual or nonrecurring events affecting us or our financial statements or changes in laws, regulations or accounting principles if the board of directors or the compensation committee determines that those adjustments are necessary to prevent dilution or enlargement of intended benefits under the equity incentive plan.

The equity incentive plan prohibits us from reducing the exercise price or grant price of an outstanding stock option or SAR or replacing an outstanding stock option or SAR that has an exercise price or grant price above the value of the common stock with a new option or SAR that has a lower exercise price or grant price, or with any other type of new award other than as described under *Changes in Capital* above, without first obtaining stockholder approval.

*Duration of Equity Incentive Plan.* If the equity incentive plan is approved by the members, the equity incentive plan will become effective on the date that the plan has been approved by the members and will continue in effect until all shares of the common stock available under the equity incentive plan are delivered and all restrictions on those shares have lapsed, unless the equity incentive plan is terminated earlier by our board of directors. No awards may be granted under the equity incentive plan on or after ten years from the effective date of the equity incentive plan.

*Non-United States Participants.* The compensation committee may authorize appropriate procedures and subplans and grant awards or substitutes for awards to permit eligible individuals who are employed outside the United States to participate in the equity incentive plan or to otherwise conform to the laws or practices of non-U.S. jurisdictions.

*Tax Withholding Obligations.* The equity incentive plan authorizes us and our affiliates to withhold all applicable taxes from any award or payment under the equity incentive plan and to take other actions necessary or appropriate to satisfy those tax obligations.

*Certain Federal Income Tax Consequences.* The following is a brief summary of certain significant United States Federal income tax consequences, under the Internal Revenue Code, as in effect on the date of this summary, applicable to us and participants in connection with awards under the equity incentive plan. This summary assumes that all awards will be exempt from, or comply with, the rules under section 409A of the Internal Revenue Code regarding nonqualified deferred compensation. If an award constitutes nonqualified deferred compensation and fails to comply with Internal Revenue Code section 409A, the award will be subject to immediate taxation and tax penalties in the year the award vests. This summary is not intended to be exhaustive, and, among other things, does not describe state, local or non-United States tax consequences, or the effect of gift, estate or inheritance taxes. References to the Company in this summary of tax consequences mean Visa Inc., or any subsidiary or affiliate of Visa Inc. that employs or receives the services of a recipient of an award under the equity incentive plan, as the case may be.

The grant of options under the equity incentive plan will not result in taxable income to the recipient of the option or an income tax deduction for the Company. However, the transfer of common stock to an option holder upon exercise of his or her option may or may not give rise to taxable income to the option holder and a tax deduction for the Company depending upon whether such option is a nonqualified stock option or an incentive stock option.

The exercise of a nonqualified stock option by an option holder generally results in immediate recognition of taxable ordinary income by the option holder and a corresponding tax deduction for the Company in the amount by which the fair market value of the shares of common stock purchased, on the date of such exercise,

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exceeds the aggregate exercise price paid. Any appreciation or depreciation in the fair market value of those shares after the exercise date will generally result in a capital gain or loss to the holder at the time he or she disposes of those shares.

The exercise of an incentive stock option by the option holder is exempt from income tax, although not from the alternative minimum tax, and does not result in a tax deduction for the Company if the holder has been an employee of the Company at all times beginning with the option grant date and ending three months before the date the holder exercises the option (or twelve months in the case of termination of employment due to disability). If the option holder has not been so employed during that time, the holder will be taxed as described above for nonqualified stock options. If the option holder disposes of the shares purchased more than two years after the option was granted and more than one year after the option was exercised, then the option holder will recognize any gain or loss upon disposition of those shares as capital gain or loss. However, if the option holder disposes of the shares prior to satisfying these holding periods (known as a disqualifying disposition), the option holder will be obligated to report as taxable ordinary income for the year in which that disposition occurs the excess, with certain adjustments, of the fair market value of the shares disposed of, on the date the incentive stock option was exercised, over the exercise price paid for those shares. The Company would be entitled to a tax deduction equal to that amount of ordinary income reported by the option holder. Any additional gain realized by the option holder on the disqualifying disposition would be capital gain. If the total amount realized in a disqualifying disposition is less than the exercise price of the incentive stock option, the difference would be a capital loss for the holder.

The granting of SARs does not result in taxable income to the recipient of a SAR or a tax deduction for the Company. Upon exercise of a SAR, the amount of any cash the participant receives and the fair market value as of the exercise date of any common stock received are taxable to the participant as ordinary income and deductible by the Company.

A participant will not recognize any taxable income upon the award of shares of restricted stock, which are not transferable and are subject to a substantial risk of forfeiture. Dividends paid with respect to restricted stock prior to the lapse of restrictions applicable to that stock will be taxable as compensation income to the participant. Generally, the participant will recognize taxable ordinary income at the first time those shares become transferable or are no longer subject to a substantial risk of forfeiture, in an amount equal to the fair market value of those shares when the restrictions lapse. However, a participant may elect to recognize taxable ordinary income upon the award date of restricted stock based on the fair market value of the shares of common stock subject to the award on the date of the award. If a participant makes that election, any dividends paid with respect to that restricted stock will not be treated as compensation income, but rather as dividend income, and the participant will not recognize additional taxable income when the restrictions applicable to his or her restricted stock award lapse. Assuming compliance with the applicable tax withholding and reporting requirements, the Company will be entitled to a tax deduction equal to the amount of ordinary income recognized by a participant in connection with his or her restricted stock award in the Company's taxable year in which that participant recognizes that ordinary income.

The granting of restricted stock units does not result in taxable income to the recipient of a restricted stock unit or a tax deduction for the Company. The amount of cash paid or the then-current fair market value of the common stock received upon settlement of the restricted stock units is taxable to the recipient as ordinary income and deductible by the Company.

The granting of a performance unit, performance share, cash-based award, other stock-based award or dividend equivalent right generally should not result in the recognition of taxable income by the recipient or a tax deduction by the Company. The payment or settlement of a performance unit, performance share, cash-based award, other stock-based award or dividend equivalent right should generally result in immediate recognition of taxable ordinary income by the recipient equal to the amount of any cash paid or the then-current fair market value of the shares of common stock received, and a corresponding tax deduction by the Company. If the shares

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covered by the award are not transferable and subject to a substantial risk of forfeiture, the tax consequences to the participant and the Company will be similar to the tax consequences of restricted stock awards, described above. If the award consists of unrestricted shares of common stock, the recipient of those shares will immediately recognize as taxable ordinary income the fair market value of those shares on the date of the award, and the Company will be entitled to a corresponding tax deduction.

Under section 162(m) of the Internal Revenue Code, once the Company becomes a publicly held corporation, the Company may be limited as to Federal income tax deductions to the extent that total annual compensation in excess of \$1 million is paid to the Company's Chief Executive Officer or any one of the Company's three highest paid executive officers, other than the principal executive officer or the principal financial officer, who are employed by the Company on the last day of the Company's taxable year. In general, however, certain performance-based compensation the material terms of which are disclosed to and approved by our stockholders would not be subject to this limitation on deductibility. Compensation relating to awards under the equity incentive plan that are made until our first annual meeting of stockholders that occurs in 2012 are exempt from the deduction limitations otherwise imposed by section 162(m) of the Internal Revenue Code if the plan is not materially modified during this period. Any awards that are made under the equity incentive plan after this period may be subject to this deduction limitation if the equity incentive plan is not amended and approved by our stockholders in a manner that complies with the exception for performance-based compensation under section 162(m).

Under certain circumstances, accelerated vesting, exercise or payment of awards under the equity incentive plan in connection with a change of control of the Company might be deemed an excess parachute payment for purposes of the golden parachute payment provisions of section 280G of the Internal Revenue Code. To the extent it is so considered, the participant holding the award would be subject to an excise tax equal to 20 percent of the amount of the excess parachute payment, and the Company would be denied a tax deduction for the excess parachute payment.



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**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

The following unaudited pro forma condensed combined financial information has been prepared by applying pro forma adjustments to the historical unaudited consolidated balance sheet as of June 30, 2007, the historical audited consolidated statement of operations for the fiscal year ended September 30, 2006 and the historical unaudited interim consolidated statement of operations for the nine months ended June 30, 2007, of Visa U.S.A., Visa International and Visa Canada, included elsewhere in this proxy statement-prospectus, to give pro forma effect to the restructuring under accounting principles generally accepted in the United States of America, which we refer to as U.S. GAAP for financial accounting reporting purposes.

The unaudited pro forma condensed combined balance sheet as of June 30, 2007 gives effect to the restructuring as if it had occurred on June 30, 2007. The unaudited pro forma condensed combined statements of operations give effect to the restructuring as if it had occurred on October 1, 2005.

We have applied pro forma adjustments to reflect the following:

Visa Inc. will participate in the restructuring, which includes a series of integrated transactions involving Visa U.S.A., Visa International, Visa Canada and Inovant. Each entity will become a subsidiary of Visa Inc., with members of each entity transferring their membership interests in exchange for shares of common stock of Visa Inc. The restructuring will be accounted for as a purchase under the guidelines of Statement of Financial Accounting Standards, or SFAS, No. 141 *Business Combinations* with Visa U.S.A. deemed to be the accounting acquirer of Visa International and Visa Canada, including their respective minority interest in Inovant;

Visa Europe will remain owned and governed by its European member banks. Under the restructuring agreement, Visa Europe will hold an approximate 11.7% equity ownership interest in Visa Inc. of which 8.1% are represented by shares of class EU (series I) and class EU (series III) common stock and 3.6% are represented by shares of class EU (series II) common stock in exchange for both its membership interests in Visa International and its ownership interest in Inovant. Further, Visa Inc. and Visa Europe will enter into a framework agreement, which provides for trademark and technology licenses and bilateral services (see Note 3 *Visa Europe Transaction* to these unaudited pro forma condensed combined financial information for more information); and

Elimination of historical transaction costs associated with the restructuring incurred by Visa International during the nine months ended June 30, 2007 and the fiscal year ended September 30, 2006, which would have been incurred prior to the restructuring that is assumed to have occurred on October 1, 2005 for the purposes of presenting the unaudited pro forma condensed combined statements of operations.

Assumptions underlying the pro forma adjustments are described in the accompanying notes, which should be read in conjunction with the unaudited pro forma condensed combined financial information. The unaudited pro forma condensed combined financial information is provided for illustrative purposes only and is not necessarily indicative of the financial position or results of operations that would have actually been reported had the proposed restructuring occurred on the assumed dates indicated, nor is it necessarily indicative of our future financial position or results of operations as of or for any future date or periods.

The pro forma information presented, including allocations of purchase price, is based on preliminary estimates of the fair values of assets to be acquired and liabilities to be assumed, available information and assumptions that we believe are reasonable under the circumstances. The actual adjustments to our historical combined financial statements upon the closing of the restructuring will be based on the net assets acquired at that date and will depend on a number of factors, including completion of the appraisal of the net assets acquired upon consummation of the restructuring. Therefore, the actual entries we will record to account for the restructuring will differ from the pro forma adjustments presented below.

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The unaudited pro forma condensed combined financial information should be read in conjunction with the following:

The unaudited consolidated financial statements of Visa U.S.A. as of and for the nine months ended June 30, 2007;

The audited consolidated financial statements of Visa U.S.A. as of and for the year ended September 30, 2006;

The unaudited consolidated financial statements of Visa International as of and for the nine months ended June 30, 2007;

The audited consolidated financial statements of Visa International as of and for the year ended September 30, 2006;

The unaudited consolidated financial statements of Visa Canada as of and for the nine months ended June 30, 2007; and

The audited consolidated financial statements of Visa Canada as of and for the year ended September 30, 2006.

The above referenced financial statements are included elsewhere in the proxy statement-prospectus. The unaudited pro forma condensed combined financial information should also be read in conjunction with the information contained in *Risk Factors*, *Capitalization*, *Selected Consolidated Historical Financial Data* of each of Visa U.S.A., Visa International and Visa Canada, and *Management's Discussion and Analysis of Financial Condition and Results of Operations* for each of Visa U.S.A., Visa International and Visa Canada.

The historical financial information for Visa Canada to which pro forma adjustments were applied was prepared in accordance with accounting principles generally accepted in Canada, which we refer to as Canadian GAAP and reconciled to U.S. GAAP. See Note 11 *Reconciliation of Canadian and United States generally accepted accounting principles* to the unaudited consolidated interim financial statements of Visa Canada as of and for the nine months ended June 30, 2007 and Note 12 *Reconciliation of Canadian and United States generally accepted accounting principles* to the audited consolidated financial statements of Visa Canada as of and for the year ended September 30, 2006 for a reconciliation of the historical financial position and results of operations of Visa Canada, in Canadian dollars, between U.S. and Canadian GAAP.

**Table of Contents****VISA INC.****UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET****AS OF JUNE 30, 2007****(in thousands)**

	Historical		Note 2	Combination		Combined	Pro Forma		Unaudited
	Visa	Visa	Visa	Adjustments		Subtotal	Adjustments		Pro Forma
	U.S.A.	International	Canada						Visa Inc.
<b>Assets</b>									
Cash and Cash Equivalents	\$ 589,733	\$ 848,712	\$ 24,349	\$ 9,092	C	\$ 1,471,886			\$ 1,471,886
Trading Assets		99,679		(99,679)	D				
Investment Securities, Available-for-Sale	727,947	1,029	6,252	99,679	D	834,907			834,907
Accounts Receivable	230,503	102,530	5,950	(22,976)	A	313,565			313,565
				(2,442)	B				
Settlement Receivables	37,901	523,260				561,161			561,161
Member Collateral		332,306		61,648	A	393,954			393,954
Current Portion of Volume and Support Agreements	113,362			23,463	A	136,825			136,825
Current Portion of Deferred Tax Assets	151,050	35,167				186,217	(587)	L	185,630
Prepaid and Other Current Assets	146,606	85,664	1,692	(62,135)	A	154,781	(5,676)	I	149,105
				(21,128)	B				
				4,082	C				
<b>Total Current Assets</b>	<b>1,997,102</b>	<b>2,028,347</b>	<b>38,243</b>	<b>(10,396)</b>		<b>4,053,296</b>	<b>(6,263)</b>		<b>4,047,033</b>
Investment Securities, Available-for-Sale	569,479					569,479			569,479
Investments in Real Estate Joint Ventures		24,687		(24,687)	A				
Investment in Inovant LLC			8,241	(8,241)	B				
Volume and Support Agreements	41,924			25,485	A	67,409			67,409
Investment in Visa International	222,582			(222,582)	B				
Premises and Equipment, net		152,882		(152,882)	A				
Facilities, Equipment, and Software, net	270,077		4,436	129,573	A	487,420	96,832	E	584,252
				83,334	C				
Intangibles, net		34,759		(34,759)	A				
Tradename							2,751,360	G	2,751,360
Customer Relationships							6,078,653	G	6,078,653
European Franchise Right							1,415,000	G	1,415,000
Technology				57,342	A	57,342	180,717	G	238,059
Deferred Tax Assets	237,716	13,617	1,266			252,599	(252,599)	M	
Other Investments				29,158	A	29,158	330,308	F	359,466
Other Assets	95,429	86,259	89	(29,230)	A	61,425			61,425
				(91,674)	B				
				552	C				
Goodwill							9,904,928	H	9,904,928
<b>Total Assets</b>	<b>\$ 3,434,309</b>	<b>\$ 2,340,551</b>	<b>\$ 52,275</b>	<b>\$ (249,007)</b>		<b>\$ 5,578,128</b>	<b>\$ 20,498,936</b>		<b>\$ 26,077,064</b>

See notes to unaudited pro forma condensed combined financial information.



**Table of Contents****UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**

AS OF JUNE 30, 2007

(in thousands)

	Historical		Note 2	Combination		Combined	Pro Forma		Unaudited
	Visa U.S.A.	Visa International	Visa Canada	Adjustments		Subtotal	Adjustments		Pro Forma Visa Inc.
<b>Liabilities</b>									
Accounts Payable	\$ 73,662	\$	\$ 1,785	\$ 18,168	A	\$ 94,091			\$ 94,091
				476	C				
Trade and Accrued Taxes Payable		57,642		(57,642)	A				
Settlement Payable	80,415	547,207				627,622			627,622
Member Collateral		332,306		61,648	A	393,954			393,954
Accrued Compensation	184,971		3,061	158,884	A	346,916	14,405	I	361,321
Accrued Compensation and Benefits		179,108		(179,108)	A				
Volume and Support Agreements	147,169			97,525	A	244,694			244,694
Current Portion of Member Deposits	36,837					36,837			36,837
Accrued Liabilities	409,661	290,339	4,543	(99,601)	A	583,012	(2,961)	L	699,144
				(23,570)	B		119,093	T	
				1,640	C				
Current Portion of Long-term Debt	19,489		23	25,578	C	45,090			45,090
Current Portion of Accrued Litigation Obligation	240,619			120	A	240,739			240,739
<b>Total Current Liabilities</b>	<b>1,192,823</b>	<b>1,406,602</b>	<b>9,412</b>	<b>4,118</b>		<b>2,612,955</b>	<b>130,537</b>		<b>2,743,492</b>
Other Liabilities	150,576	54,064	3,236	38	A	189,502	18,296	I	638,465
				(20,013)	B		13,667	T	
				1,601	C		417,000	V	
Long-Term Debt	29,876	39,948		18,391	C	88,215			88,215
Obligations Under Capital Lease			32	(32)	A				
Accrued Litigation Obligation	826,132					826,132			826,132
Non-Current Portion of Deferred Tax Liabilities							3,804,503	M	3,806,121
							1,618	L	
<b>Total Liabilities</b>	<b>2,199,407</b>	<b>1,500,614</b>	<b>12,680</b>	<b>4,103</b>		<b>3,716,804</b>	<b>4,385,621</b>		<b>8,102,425</b>
Minority Interest	43,038			(29,155)	B	13,883	(13,883)	N	
<b>Equity</b>									
Capital and Partnership				(38,533)	B				
				38,533	C				
Common Stock				(500)	B		16,785,566	K	16,785,566
				500	C				
Current Net Income				(3,336)	B				
				3,336	C				
Accumulated Net Income	1,192,252	840,621	40,876	7,005	C	1,845,354	(656,079)	J	1,186,484
				(230,960)	B		(2,791)	L	
				(7,401)	D				
				2,961	D				
Accumulated Other Comprehensive Loss	(388)	(684)	(1,281)	7,401	D	2,087	502	J	2,589
				(2,961)	D				

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Total Equity	1,191,864	839,937	39,595	(223,955)	1,847,441	16,127,198	17,974,639
Total Liabilities and Equity	\$ 3,434,309	\$ 2,340,551	\$ 52,275	\$ (249,007)	\$ 5,578,128	\$ 20,498,936	\$ 26,077,064

See notes to unaudited pro forma condensed combined financial information.

**Table of Contents****VISA INC.****UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS****FOR THE NINE MONTHS ENDED JUNE 30, 2007****(In thousands, except share and per share data)**

	Historical		Note 2		Combined Subtotal	Pro Forma Adjustments	Unaudited Pro Forma Visa Inc.	
	Visa U.S.A.	Visa International	Visa Canada	Combination Adjustments				
<b>Operating Revenues</b>								
Card Service Fees	\$ 1,208,542	\$ 695,124	\$ 63,366	\$ (141,727)	B	\$ 1,825,305	\$ (65,295) P	\$ 1,760,010
Data Processing Fees	1,031,724	228,102	22,705	(265)	A	1,217,903	(25,193) Q	1,192,710
				(64,363)	B			
Volume and Support Agreements	(356,050)			(142,884)	A	(498,934)		(498,934)
Member Incentives		(142,884)		142,884	A			
International Transaction Fees	326,635		5,587	439,660	A	771,882	(37,022) R	734,860
International Service Revenues		439,660		(439,660)	A			
Other Revenues	387,900	137,391	8,057	265	A	431,438	106,875 S	538,313
				(139,270)	B			
				37,095	C			
<b>Total Operating Revenues</b>	<b>2,598,751</b>	<b>1,357,393</b>	<b>99,715</b>	<b>(308,265)</b>		<b>3,747,594</b>	<b>(20,635)</b>	<b>3,726,959</b>
<b>Operating Expenses</b>								
Personnel	529,230	286,187	11,342	7,982	C	834,741		834,741
Affiliates Services		150,119	15,168	(150,119)	A			
				(15,168)	B			
Facilities	67,918		2,319	36,806	A	72,945	5,010 E	77,955
				(48,055)	B			
				13,957	C			
Premises, Equipment and Software		79,950		(79,950)	A			
Communication		26,976		(26,976)	A			
Network, EDP and Communications	259,402		1,221	70,120	A	330,117	40,148 E	358,250
				(2,112)	B		(12,015) E	
				1,486	C			
Advertising, Marketing and Promotion	406,327	247,105	25,118	15,038	A	693,603		693,603
				15	C			
Travel and Meetings		42,006		(42,006)	A			
Visa International Fees	129,680		13,036	(142,716)	B			
Professional and Consulting Fees	239,303	147,793	5,627	(1,369)	B	395,753	(44,882) O	350,871
				4,399	C			
Administration and Other Expenses	38,126	38,157	2,959	173,437	A	109,086		109,086
				(146,941)	B			
				3,348	C			
Litigation Obligation Provision	14,800			194	A	14,994		14,994
<b>Total Operating Expenses</b>	<b>1,684,786</b>	<b>1,018,293</b>	<b>76,790</b>	<b>(328,630)</b>		<b>2,451,239</b>	<b>(11,739)</b>	<b>2,439,500</b>
<b>Operating Income</b>	<b>913,965</b>	<b>339,100</b>	<b>22,925</b>	<b>20,365</b>		<b>1,296,355</b>	<b>(8,896)</b>	<b>1,287,459</b>
Non-Operating Income, net		71,653		(60,652)	A			
				(11,001)	B			
<b>Other Income (Expenses)</b>								
Equity in Earnings of Unconsolidated Affiliates	37,895		750	4,744	A	670		670

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				(42,719)	B			
Interest Income (Expense)	(60,226)	704		62	A	(68,724)		(68,724)
				(2,852)	C			
				(6,412)	D			
Investment Income, net	72,358			52,390	A	125,046		125,046
				298	C			
Total Other Income (Expense)	50,027	1,454		5,511		56,992		56,992
Income Before Income Taxes and Minority Interest	963,992	410,753	24,379	(45,777)		1,353,347	(8,896)	1,344,451
Income Tax Expense (Benefit) (See Note 5)	350,855	175,547	278	18	C	526,698	(16,013) M	491,868
							(18,817) L	
Income (Loss) Before Minority Interest	613,137	235,206	24,101	(45,795)		826,649	25,934	852,583
Minority Interest Income (Expense)	(4,657)			3,154	B	(1,503)	1,503 N	
<b>Net Income</b>	<b>\$ 608,480</b>	<b>\$ 235,206</b>	<b>\$ 24,101</b>	<b>\$ (42,641)</b>		<b>\$ 825,146</b>	<b>\$ 27,437</b>	<b>\$ 852,583</b>
Basic and Diluted Earnings Per Share (See Note 3)								\$ 1.10
Number of Shares Outstanding, basic and diluted								775,080,512 U

See notes to unaudited pro forma condensed combined financial information.



**Table of Contents****VISA INC.****UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS****FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006****(In thousands, except share and per share data)**

	Historical			Note 2		Combined	Pro Forma		Unaudited
	Visa U.S.A.	Visa International	Visa Canada						
<b>Operating Revenues</b>									
Card Service Fees			\$						
	\$1,482,439	\$ 755,440	77,403	\$(173,489)	B	\$2,141,793	\$(84,566)	P	\$ 2,057,227
Data Processing Fees	1,247,969	246,744	25,430	(215)	A	1,440,738	(28,913)	Q	1,411,825
				(79,190)	B				
Volume and Support Agreements	(587,751)			(302,359)	A	(890,110)			(890,110)
Member Incentives		(302,359)		302,359	A				
International Transaction Fees	397,954		504	427,232	A	825,690	(35,670)	R	790,020
International Service Revenues		428,027		(427,232)	A	795			795
Other Revenues	407,515	134,703	10,671	215	A	395,388	142,500	S	537,888
				(204,440)	B				
				46,724	C				
Total Operating Revenues	2,948,126	1,262,555	114,008	(410,395)		3,914,294	(6,649)		3,907,645
<b>Operating Expenses</b>									
Personnel	671,093	317,003	13,379	9,710	C	1,011,185	(1,107)	I	1,010,078
Affiliates Services		212,144	20,630	(212,144)	A				
				(20,630)	B				
Premises, Equipment and Software		105,245		(105,245)	A				
Facilities	89,298		2,600	50,111	A	101,109	5,125	E	106,234
				(61,384)	B				
				20,484	C				
Communications		33,423		(33,423)	A				
Network, EDP and Communications	327,593		1,531	88,557	A	417,162	58,074	E	472,670
				(2,645)	B		(2,566)	E	
				2,126	C				
Advertising, Marketing and									
Promotion	539,258	343,922	49,051	10,634	A	942,896			942,896
				31	C				
Travel and Meetings		59,275		(59,275)	A				
Visa International Fees	159,264		15,508	(174,772)	B				
Professional and Consulting Fees	291,235	119,004	6,508	(4,654)	B	418,059	(6,361)	O	411,698
				5,966	C				
Administration and Other Expenses	117,837	52,243	5,024	258,923	A	230,487			230,487
				(208,040)	B				
				4,500	C				
Settlement Risk Guarantee		(150)		150	A				
Litigation Obligation Provision	22,878					22,878			22,878
Total Operating Expenses	2,218,456	1,242,109	114,231	(431,020)		3,143,776	53,165		3,196,941
<b>Operating Income</b>	<b>729,670</b>	<b>20,446</b>	<b>(223)</b>	<b>20,625</b>		<b>770,518</b>	<b>(59,814)</b>		<b>710,704</b>
Non-Operating Income, net		78,511		(63,505)	A				
				(15,006)	B				

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**Other Income (Expenses)**

Equity in Earnings of Unconsolidated Affiliates	13,355		2,583	9,203	A	1,356		1,356
				(23,785)	B			
Interest Expense	(89,539)		609	(10,152)	A	(104,138)		(104,138)
				(4,067)	C			
				(989)	D			
Investment Income, net	68,330			62,742	A	131,450		131,450
				378	C			
Total Other Income (Expense)	(7,854)		3,192	33,330		28,668		28,668
Income Before Income Taxes and Minority Interest	721,816	98,957	2,969	(24,556)		799,186	(59,814)	739,372
Income Tax Expenses (Benefit) (See Note 5)	251,338	29,202	924	14	C	281,478	(21,694)M	274,274
							14,490	
								L
Income (Loss) before Minority Interest	470,478	69,755	2,045	(24,570)		517,708	(52,610)	465,098
Minority Interest Income (Expense)	(15,917)			10,782		(5,135)		
					B		5,135	N
<b>Net Income</b>	\$ 454,561	\$ 69,755	\$ 2,045	\$ (13,788)		\$ 512,573	\$ (47,475)	465,098
Basic and Diluted Earnings Per Share (See Note 3)								\$ 0.60
Number of Shares Outstanding, basic and diluted								775,080,512U

See notes to unaudited pro forma condensed combined financial information.

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**Table of Contents****Notes to Visa Inc. Unaudited Pro Forma****Condensed Combined Financial Information****(in thousands, except as noted)****1. Basis of Presentation*****Background and Historical Cross-Ownership***

Presently, the global Visa enterprise includes four major separate incorporated entities: Visa U.S.A., Visa International, Visa Canada and Visa Europe. At June 30, 2007, Visa U.S.A. held a 69% ownership interest in its consolidated subsidiary, Inovant, and an estimated 26% membership interest in Visa International. The remaining 31% ownership interest in Inovant is held by Visa International (including a portion held by the members of the unincorporated regions), Visa Canada and Visa Europe. The remaining estimated 74% membership interest in Visa International is held by Visa Europe, Visa Canada and the members of the unincorporated regions. The estimated membership interests held are based on the member's dividend and dissolution rights under the bylaws of Visa International. The rights are based upon the cumulative volume-based service fees paid by members to Visa International since inception, as a percentage of total volume-based service fees received. Therefore, the percentage of ownership fluctuates over time.

***Restructuring Transactions***

Visa Inc. will participate in the restructuring, which includes a series of integrated transactions involving Visa U.S.A., Visa International and Visa Canada, with members of each entity exchanging their membership interests in these entities for shares of common stock of Visa Inc. Visa Europe will remain owned and governed by its European member banks but will exchange its membership interest in Visa International and its ownership interest in Inovant for a minority shareholding in Visa Inc. and other consideration. Additionally, Visa Inc. and Visa Europe will enter into a framework agreement, which provides for trademark and technology licenses and bilateral services. Under these agreements, Visa Inc. will grant to Visa Europe exclusive, irrevocable and perpetual licenses to use, within the Visa Europe region, the Visa trademarks and technology intellectual property owned by Visa Inc. and certain of its subsidiaries in exchange for an annual fee. Visa Inc. and Visa Europe will provide each other with transitional and ongoing services similar to those services currently provided among Visa International, Visa U.S.A., Visa Canada, Inovant and Visa Europe. Additionally, Visa Inc. and Visa Europe will enter into a put-call option agreement (see Note 3 *Visa Europe Transaction* to the unaudited pro forma condensed combined financial information for more information).

***Purchase Accounting***

The restructuring will be accounted for as a purchase under the guidelines of SFAS No. 141 *Business Combinations* with Visa U.S.A. deemed to be the accounting acquirer of Visa International and Visa Canada. As a result of the exchange of ownership interests, Visa U.S.A. will acquire the remaining ownership interest in Visa International and Inovant not currently held. This transaction will be accounted for as a step acquisition with the net assets underlying the interests acquired being recorded at fair value. Visa U.S.A. will further acquire 100% of Visa Canada and record the acquisition of the underlying net assets at fair value.

***Purchase Consideration******Participating Regions***

The initial allocation of Visa Inc. common stock to the financial institution members of the unincorporated regions of Visa International and the shareholders of Visa Canada, which we collectively refer to as the participating regions, was based on each participating region's projected net income contribution to the overall projected combined Visa enterprise in fiscal 2008, after giving effect to negotiated adjustments. The value of the purchase consideration conveyed to the Visa Canada and Visa International regional members was determined by valuing the businesses contributed after giving effect to negotiated adjustments agreed to by each party. As Visa Inc. is a newly created entity with no quoted market price and did not previously exist as a combined entity, we

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determined that purchase consideration would be more reliably measured by valuing the contributed businesses as opposed to valuing the Visa Inc. stock exchanged. We utilized three standard valuation methodologies including an analysis of comparable public companies, a 2-year forward earnings multiple analysis and a precedent transaction analysis to calculate the value of the contributed businesses.

### *Visa Europe*

Visa Europe will remain owned and governed by its European member banks. The value of the purchase consideration provided to Visa Europe in exchange for its membership interest in Visa International was derived, for financial accounting reporting purposes, by valuing each of the individual elements comprising the overall Visa Europe transaction to arrive at the residual value exchanged.

The elements that Visa Europe will receive will include:

an approximate 11.7% ownership interest in Visa Inc. in the form of 62,213,201 shares of class EU (series I) common stock and 549,587 shares of class EU (series III) common stock collectively representing approximately 8.1% of Visa Inc.'s outstanding capital stock, and 27,904,464 shares of class EU (series II) common stock representing approximately 3.6% of Visa Inc.'s outstanding capital stock;

a put option to require Visa Inc. to purchase from the Visa Europe members all of the issued shares in the capital of Visa Europe;

irrevocable and perpetual trademark and technology licenses to use the Visa trademarks and technology-related intellectual property owned by Visa Inc., Visa U.S.A., Visa International and Inovant, which we refer to collectively as the licensors, within the Visa Europe region; and

the right to receive transitional and ongoing services similar to those services currently provided among Visa International, Visa U.S.A., Visa Canada, Inovant and Visa Europe.

The elements that Visa Inc. will receive will include:

Visa Europe's membership interest in Visa International;

Visa Europe's 10% interest in Inovant; and

a contingent call option to require Visa Europe to cause the Visa Europe members to convey and deliver to Visa Inc. all of the issued shares in the capital of Visa Europe.

Visa Inc. and Visa Europe have mutually agreed to enter into a framework agreement, which provides for the above described trademark and technology licenses and bilateral services. See Note 3 *Visa Europe Transaction* to the unaudited pro forma condensed combined financial information for a full description of all the elements of the transaction with Visa Europe including a discussion of the determination of fair value of each element.

### *Measurement Date*

For the purpose of this unaudited pro forma financial information, we have preliminarily estimated the value of total purchase consideration at June 15, 2007, which we refer to as the measurement date and which is the date at which all parties entered into the restructuring agreement.

Using the above described methods, we determined the total purchase consideration to be approximately \$17.3 billion as follows:

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Visa Inc. stock	\$ 16,785,566
Visa Europe Put Option	417,000
Obligation under Framework Agreement	132,800
Total Purchase Consideration	\$ 17,335,366

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See Note 3 *Visa Europe Transaction* for further information regarding the Visa Europe's put option and the obligation under the framework agreement.

**Purchase Consideration Allocation**

The following table sets forth the preliminary allocation of the estimated purchase consideration to the tangible and intangible assets acquired, liabilities assumed and goodwill assuming that the restructuring occurred on June 30, 2007. The fair values and remaining useful lives of these net assets have been estimated based on our preliminary appraisal. The actual adjustments to our consolidated financial statements upon the closing of the restructuring will be based on the net assets acquired at that date and will depend on a number of factors, including completion of an appraisal of the net assets acquired upon consummation. Therefore, the actual adjustments will differ from the pro forma adjustments presented.

The allocation of total purchase consideration to net tangible and intangible assets acquired and to goodwill is as follows:

	(in millions)
Net tangible assets and liabilities:	
Current assets	\$ 1,602
Non-current assets	438
Facilities, equipment, and software, net	272
Current liabilities	(1,075)
Non-current liabilities	(4,130)
Pension and post-retirement benefits	(84)
Long-term debt	(36)
Identifiable intangible assets:	
Trademark	2,751
Customer Relationships	6,079
European Franchise Right	1,415
Technology	198
Goodwill	9,905
Total preliminary estimated purchase price	\$ 17,335

**2. Visa Canada Consolidated Financial Statements**

Historically, Visa Canada has reported its financial position and results of operations under the not-for-profit guidelines of Canadian GAAP. For the purposes of the unaudited pro forma condensed combined financial information, we have applied pro forma adjustments to the balance sheet of Visa Canada at June 30, 2007, and its statements of operations for the nine months ended June 30, 2007 and the fiscal year ended September 30, 2006 as reconciled to U.S. GAAP. The currency exchange rate between Canadian dollars (or CAD) and U.S. dollars (or USD) at June 30, 2007 was used to translate all Visa Canada's financial information in this pro forma presentation. This exchange rate was 1.0634 CAD per U.S. dollar. See Note 11 *Reconciliation of Canadian and United States generally accepted accounting principles* to the June 30, 2007 consolidated financial statements of Visa Canada and Note 12 *Reconciliation of Canadian and United States generally accepted accounting principles* to the fiscal year ended September 30, 2006 audited historical consolidated financial statements of Visa Canada for a reconciliation of Canadian GAAP and U.S. GAAP applicable to the financial position and results of operations of Visa Canada.

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The unaudited reconciliation between Canadian GAAP and U.S. GAAP for Visa Canada's historical statements of operations for the nine months ended June 30, 2007 and the audited reconciliation for the fiscal year ended September 30, 2006 are provided below.

Nine months ended June 30, 2007 (unaudited)	Canadian GAAP (in CAD)	Reclassification Adjustments (in CAD)	U.S. GAAP Reconciling Adjustments (in CAD)	U.S. GAAP (in CAD)	U.S. GAAP (in USD)
<b>Operating Revenues</b>					
Revenue from members	\$ 94,177	\$ (94,177)	\$	\$	\$
Multicurrency Conversion Fees	5,947	(5,947)			
Card Recovery Bulletin Fees	5,804	(5,804)			
Interest Income	749	(749)			
Distribution from Inovant LLC					
Other	108	(108)			
Card Service Fees		67,383		67,383	63,366
International Transaction Fees		5,941		5,941	5,587
Data Processing Fees		24,144		24,144	22,705
Other Revenues		8,568		8,568	8,057
<b>Total Operating Revenues</b>	<b>106,785</b>	<b>(749)</b>		<b>106,036</b>	<b>99,715</b>
<b>Operating expenses</b>					
Personnel		12,088	(27) <sup>(1)</sup>	12,061	11,342
Facilities		2,466		2,466	2,319
Network, EDP and Communications		1,298		1,298	1,221
Advertising and Marketing	26,711			26,711	25,118
Direct Expenses	30,023	(30,023)			
Other Operating	24,878	(24,878)			
Affiliate Services		16,130		16,130	15,168
Visa International Fees		13,863		13,863	13,036
Professional and Consulting Services		5,984		5,984	5,627
Administrative and Other		3,072	75 <sup>(2)</sup>	3,147	2,959
<b>Total Operating Expenses</b>	<b>81,612</b>		<b>48</b>	<b>81,660</b>	<b>76,790</b>
<b>Operating Income</b>	<b>25,173</b>	<b>(749)</b>	<b>(48)</b>	<b>24,376</b>	<b>22,925</b>
<b>Other Income</b>					
Equity in Earnings of Unconsolidated Affiliates			798 <sup>(2)</sup>	798	750
Interest Income		749		749	704
<b>Total Other Income</b>		<b>749</b>	<b>798</b>	<b>1,547</b>	<b>1,454</b>
<b>Excess of Income over Expense</b>					
Income before Income Taxes	25,173		750	25,923	24,379
Income Tax Expense (Benefit)	296		(2)	296	278
<b>Net Income</b>	<b>\$ 24,877</b>	<b>\$</b>	<b>\$ 750</b>	<b>\$ 25,627</b>	<b>\$ 24,101</b>

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Fiscal year ended September 30, 2006	Note 6-A		U.S.	U.S.	U.S.
	Canadian GAAP (in CAD)	Reclassification Adjustments (in CAD)	GAAP Reconciling Adjustments (in CAD)	GAAP (in CAD)	GAAP (in USD)
Revenue from Members	\$ 113,618	\$ (113,618)	\$	\$	\$
<b>Other revenue</b>					
Card Recovery Bulletin Fees	6,963	(6,963)			
Interest Income	648	(648)			
Distribution from Inovant LLC					
Other	737	(737)			
Card Service Fees		82,310		82,310	77,403
International Transaction Fees		536		536	504
Data Processing Fees		27,042		27,042	25,430
Other Revenues		11,348		11,348	10,671
<b>Total Operating Revenues</b>	<b>121,966</b>	<b>(730)</b>		<b>121,236</b>	<b>114,008</b>
<b>Operating expenses</b>					
Personnel		14,263	(36) <sup>(1)</sup>	14,227	13,379
Facilities		2,765		2,765	2,600
Network, EDP and Communications		1,628		1,628	1,531
Advertising and Marketing	52,161			52,161	49,051
Direct Expenses	39,168	(39,168)			
Other Operating	30,304	(30,304)			
Affiliate Services		21,938		21,938	20,630
Visa International Fees		16,491		16,491	15,508
Professional and Consulting Services		6,921		6,921	6,508
Administrative and Other		5,466	(57) <sup>(3)</sup>	5,342	5,024
			(67) <sup>(2)</sup>		
<b>Total Operating Expenses</b>	<b>121,633</b>		<b>(160)</b>	<b>121,473</b>	<b>114,231</b>
<b>Operating Income</b>	<b>333</b>	<b>(730)</b>	<b>160</b>	<b>(237)</b>	<b>(223)</b>
<b>Other Income</b>					
Equity in Earnings of Unconsolidated Affiliates			2,747 <sup>(2)</sup>	2,747	2,583
Interest Income		648		648	609
<b>Total Other Income</b>		<b>648</b>	<b>2,747</b>	<b>3,395</b>	<b>3,192</b>
Income before Income Taxes	333	(82)	2,907	3,158	2,969
Income Tax Expense (Benefit)	1,756	(82)	(691) <sup>(2)</sup>	983	924
<b>Net Income</b>	<b>\$ (1,423)</b>	<b>\$</b>	<b>\$ 3,598</b>	<b>\$ 2,175</b>	<b>\$ 2,045</b>

(1) Future employee benefit - the reconciling item represents the adjustment to record an additional minimum liability attributable to the excess of any unfunded accumulated benefit obligation associated with employee future benefits to conform to U.S. GAAP. Additionally, there is a difference between Canadian and U.S. GAAP relating to the amortization of the transitional amounts resulting from differing adoption dates of the standards in Canada and the U.S. The net transitional asset (obligation) and related amortization are reversed for U.S. GAAP purposes.



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- (2) Investment in Inovant - the reconciling item represents the adjustments to account for Visa Canada's investment in Inovant using the equity method under U.S. GAAP.
  
- (3) Investment in available-for-sale securities - the reconciling item represents the adjustments to reverse a temporary investment write-down recorded under Canadian GAAP, but not required under U.S. GAAP.

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### **3. Visa Europe Transaction**

As part of the restructuring, Visa Inc. and Visa Europe will enter into a multi-element arrangement. Under this agreement, for financial accounting reporting purposes, in exchange for its membership interest in Visa International and its ownership interest in Inovant, Visa Europe will receive the following consideration:

#### *Class EU (Series I) and (Series III) Common Stock and Class C (Series I), (Series III) and (Series IV) Common Stock*

At the date of restructuring, Visa Europe will receive an approximate 8.1% ownership interest in Visa Inc. in the form of class EU (series I) and class EU (series III) common stock. The class EU (series I) and (series III) common stock will be classified as permanent equity by Visa Inc. after the date of the restructuring and will convert on a one-to-one basis into shares of class C (series III) and class C (series IV) common stock at the date of the true-up (see *The Global Restructuring Agreement True-Up of Merger Consideration* included elsewhere in this proxy statement-prospectus for further information).

In addition to the other class C series except class C (series II) common stock, the class C (series III) and class C (series IV) common stock are subject to redemption in the manner provided by our amended and restated certificate of incorporation. Redemption is contingent upon the successful completion of an initial public offering of our class A common stock. We intend to use a portion, as determined by our board of directors, of the proceeds from our initial public offering to fund this redemption.

We have determined the fair value of Visa Europe's 8.1% ownership interest in Visa Inc. to be approximately \$3.1 billion at the date of restructuring based on the value of the purchase consideration provided to the participating regions in exchange for their historical membership interests in Visa International and Visa Canada.

#### *Class EU (Series II) Common Stock and Class C (Series II) Common Stock*

At the date of restructuring, Visa Europe will receive an approximate 3.6% ownership interest in Visa Inc. common stock in the form of class EU (series II) common stock. The class EU (series II) common stock will be classified in permanent equity, as it provides equity rights similar to that of the other regional classes of shares and will convert on a one-to-one basis into shares of class C (series II) common stock at the date of the true-up (see *The Global Restructuring Agreement True-Up of Merger Consideration* included elsewhere in this proxy statement-prospectus for further information).

The class C (series II) common stock is subject to redemption by Visa Inc. We are entitled to redeem all, but not less than all, of these shares held by Visa Europe any time after the later of the date of admission to trading of our class A common stock on an internationally recognized securities exchange, which we refer to as the initial public offering date, or 369 days after the Inovant U.S. holdco merger. In addition, Visa Europe is entitled to require us to redeem all, but not less than all, of these shares at any time after the later of 60 days after to the initial public offering date or 429 days after the Inovant U.S. holdco merger. Upon the occurrence of the initial public offering date, for financial accounting purposes, we intend to classify this stock at its then fair value as temporary or mezzanine level equity in our consolidated balance sheet. Additionally, over the period from the initial public offering date to the date the stock is first redeemable at the option of Visa Europe, which we refer to as the accretion period, we will accrete this stock to its redemption price through our retained earnings. We will further report earnings per share on the two-class method to reflect the impact of this accretion on the net income available to common stockholders (see below for further information). The redemption price of the class C (series II) common stock is equal to \$1.146 billion adjusted for dividends and certain other adjustments (see *Description of Capital Stock of Visa, Inc. Redemption* included elsewhere in this proxy statement-prospectus for further information regarding the class C (series II) common stock, including a complete description of the calculation of the redemption price).

We have determined the initial fair value of the class C (series II) common stock to be approximately \$1.104 billion at the date of restructuring. We determined fair value by discounting the redemption price using a

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risk-free rate based on the probability and timing of the successful completion of an initial public offering of our class A common stock, this event would cause the class C (series II) common stock to become redeemable at the estimated redemption price.

For the purposes of presenting earnings per share in the unaudited pro forma statement of operations for the nine months ended June 30, 2007 and the fiscal year ended September 30, 2006, we have assumed that we will not file an initial registration statement on Form S-1 in connection with our initial public offering of our common stock during the period covered by the unaudited pro forma condensed combined statements of operations. We have therefore reported earnings per share as a single class. However, it is our intention to file such registration statement on Form S-1 as soon as it is feasible after the restructuring. As described above, if we are successful in executing an initial public offering of our common stock, we will reclassify the class C (series II) common stock as temporary or mezzanine level equity in our consolidated balance sheet and accrete this stock to its redemption price through retained earnings. We estimate that the total amount of accretion will be approximately \$42.0 million, which represents the difference between its initial fair value and its redemption price assuming no applicable adjustments. The total amount of accretion will reduce the amount of net income available to common stockholders for the purpose of calculated basic and diluted earnings per share during the accretion period.

*The Put-Call Option Agreement*

Under the put-call option agreement between Visa Inc. and Visa Europe, we are entitled to purchase all of the share capital of Visa Europe from its members at any time following certain triggering dates, but in any event not before the closing of our initial public offering. A triggering event will occur if: (A) there is a 25% or greater decline in the number of merchants and a 45% or greater decline in the number of automated teller machines in Visa Europe's region that accept Visa-branded products; (B) such rate of decline in each case is at least twice as much as both: (i) the average rate of decline in the number of merchants and ATMs in the Visa Europe region that accept general payment cards and (ii) the average rate of decline in acceptance, if any, in the number of merchants and ATMs outside of Visa Europe's region that accept Visa-branded cards; and (C) Visa Europe has failed to deliver and implement a remediation plan within six months of the occurrence of such events. Further, Visa Europe is entitled to require us to purchase from the members of Visa Europe all of its share capital any time after the earlier of 365 days following the initial public offering date or 605 days after the closing date of the restructuring. The price per share at which both the call and put option are exercisable is calculated using a formula principally based on Visa Europe's projected financial performance, identified synergies expected to be realized upon combination of the entities and our forward P/E ratio (see *Material Contracts The Put-Call Option Agreement* included elsewhere in this proxy statement-prospectus for further information).

We have determined that the call option contained in the put-call option agreement has nominal value at the date of the restructuring, since the conditions under which the call is exercisable are deemed remote. We have determined that at the date of the restructuring the fair value of the put option is approximately \$417 million, which has been recorded as a long-term liability in our unaudited pro forma condensed combined balance sheet. Subsequent to the restructuring, this liability will be carried at fair value with changes in fair value included in our statement of operations similar to the treatment required by SFAS No. 133 *Accounting for Derivative Instruments and Hedging Activities* and reclassified as a short-term liability when it becomes exercisable within one year.

We determined the fair value of the put option using probability-weighted models designed to estimate our future liability under various future exercise scenarios. These models were designed to approximate the current value of our liability assuming Visa Europe exercised their put option at various times and under various economic conditions in the future. The key assumptions used in these models were dictated by the various elements of the put option strike price calculation and the fair value of Visa Europe. This included Visa Europe's projected financial performance, which we estimated using a wide range of growth scenarios, identified synergies, which we estimated will approximate those a market participant would expect to realize upon combination and our anticipated price-to-earnings ratio on the date of exercise, which we assumed based on comparable public companies and other analyses.

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### *The Framework Agreement*

The relationship between Visa Inc. and Visa Europe will be governed after the restructuring by a framework agreement, which provides for bilateral services and trademark and technology licenses.

### *The Bilateral Services*

Visa Inc. and Visa Europe will provide each other with transitional and ongoing services similar to those services currently provided among Visa International, Visa U.S.A., Visa Canada, Inovant and Visa Europe. Visa Inc. will provide Visa Europe with authorization services for cross-border transactions involving Visa Europe's region, on the one hand, and the rest of the world, on the other hand, as well as clearing and settlement services both within Visa Europe's region until Visa Europe's regional clearing and settlement system is deployed (at which time this service will cease) and between Visa Europe's region and the rest of the world. In addition, until Visa Europe's regional clearing and settlement system is deployed, the parties will share foreign exchange revenues related to currency conversion for transactions involving European cardholders as well as other cross-border transactions that take place in Visa Europe's region. The parties will also use each others' switching and processing services.

Visa Europe will indemnify Visa Inc. for any claims arising out of the provision of the services brought by Visa Europe's member banks against Visa Inc., while Visa Inc. will indemnify Visa Europe for any claims arising out of the provision of the services brought against Visa Europe by Visa Inc.'s customer banks.

We have determined that no material value was exchanged in the bilateral services agreement above or below fair value as a result of agreeing to receive or perform services at specified rates. We made this determination by comparing the pricing specified in the agreement to those routinely charged by comparable third party service providers. As a result, we have not recorded an asset or liability to reflect an obligation to provide or receive services at above or below fair value.

### *The Trademark and Technology Licenses*

The licensors will grant to Visa Europe exclusive, irrevocable and perpetual licenses to use the Visa trademarks and technology-related intellectual property owned by the licensors and certain affiliates within the Visa Europe region for use in the field of financial services, payments, related information technology and information processing services and participation in the Visa system, which we refer to as the field. Visa Europe's region consists of the European Union and Andorra, Bear Island, the Channel Islands, the Faeroe Islands, Gibraltar, Greenland, Iceland, the Isle of Man, Israel, Liechtenstein, Monaco, Norway, San Marino, Switzerland, Turkey, and Vatican City, and any other jurisdiction that becomes a full member state of the European Union in the future. Visa Europe may sublicense the Visa trademarks and technology intellectual property to its members and other sublicensees, such as processors, for use within Visa Europe's region and in certain limited circumstances, outside the Visa Europe region.

From the restructuring closing date until the earlier of (i) one year from the restructuring closing date, and (ii) the filing of a registration statement on Form S-1 in connection with an initial public offering of Visa Inc. common stock, the fee payable for the licenses will be \$6.0 million per quarter. Thereafter until the later of (i) the initial public offering date and (ii) 369 days after the Inovant U.S. holdco merger, the fee payable for the licenses will be \$142.5 million per year, payable quarterly (\$35.6 million per quarter), which we refer to as the quarterly base fee, reduced by an amount equal to \$1.146 billion multiplied by the three-month LIBOR rate plus 100 to 200 basis points, which we refer to as the first fee reduction component in this *Unaudited Pro Forma Condensed Combined Financial Information*. Based on the applicable three-month LIBOR rate at June 30, 2007 of 5.36%, the first fee reduction component in the initial quarter following the initial public offering date would total approximately \$18.2 million. The first fee reduction component will cease upon the later of 369 days after the Inovant U.S. holdco merger or the initial public offering date. Should the initial public offering date occur prior to the date which falls 369 days after the Inovant U.S. holdco merger, for the period between these two dates, the quarterly base fee will further be reduced by an amount equal to the product of the following: (i) the net price per share of our class A common stock on the initial public offering date; (ii) the number of shares of Visa Inc. held

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by Visa Europe (other than class EU (series II) or class C (series II) shares) that would have been redeemed immediately, but for provisions that delay the redemption of shares held by Visa Europe until one year following the date of the initial public offering; and (iii) the three-month LIBOR rate plus 100 to 200 basis points, which we refer to as the second fee reduction component in this *Unaudited Pro Forma Condensed Combined Financial Information*. Beginning three years after Visa Europe begins to pay the quarterly base fee (subject to the first and second fee reduction components), this fee will be increased annually based on the growth of the gross domestic product of the European Union.

We determined through an analysis of the fee rates implied by the economics of the agreement and consultation with third party valuation experts, that the quarterly base fee as adjusted in future periods based on the growth of the gross domestic product of the European Union approximates fair value. As a result of the first and second fee reduction components, the trademark and technology license agreement represents a contract for financial accounting purposes that is below fair value. Therefore, we have recorded a liability of approximately \$132.8 million to reflect our obligation to provide this license at below fair value.

This liability of \$132.8 million was calculated assuming that we will file an initial registration statement on Form S-1 with respect to an initial public offering of our common stock and that the initial public offering date will occur three months and six months, respectively, subsequent to the restructuring. Therefore, in the initial quarter subsequent to the restructuring, Visa Europe will pay us a fee of \$6.0 million, which is approximately \$29.6 million below the fair value of approximately \$35.6 million. Assuming the filing of a registration statement on Form S-1 in respect of an initial public offering of our common stock in the second quarter following the restructuring, the quarterly fee amount Visa Europe will pay us will increase to \$35.6 million reduced by the first fee reduction component. Upon the assumed initial public offering date approximately six months following the restructuring, the fee amount will further be reduced by the second fee reduction component. We have estimated that the total first and second fee reduction components applicable in the year following the restructuring will be approximately \$56.8 million and \$46.3 million, respectively. In estimating the second fee reduction component we have assumed that the product of: (i) the net price per share of our class A common stock on the initial public offering date; (ii) the number of shares of Visa Inc. held by Visa Europe (other than class EU (series II) or class C (series II) shares) that would have been redeemed immediately, but for provisions that delay the redemption of shares held by Visa Europe until one year following the date of the initial public offering; and (iii) a three-month LIBOR rate of 5.36% plus 100 to 200 basis points will be approximately \$96.2 million. These assumptions represent our best estimate of the future impact of these terms of the framework agreement.

The application of the three-month LIBOR rate plus 100 to 200 basis points in determining the first and second fee reduction components represents a variable interest element embedded within the framework agreement, which we will treat as an embedded derivative with changes in fair value reflected in our statement of operations under the guidelines of SFAS No. 133. This embedded derivative does not impact the unaudited pro forma condensed combined financial information.

**4. Investor s Equity Rollforward**

The following table provides a reconciliation of historical Visa U.S.A. total member equity and Visa Inc. total pro forma equity as of June 30, 2007 to reflect the application of combination and purchase accounting adjustments.

	As of June 30, 2007
Historical Visa U.S.A. Total Equity	\$ 1,191,864
Pro Forma Adjustments:	
Visa Inc. equity issued as part of total purchase consideration	16,785,566
Tax adjustments <sup>(1)</sup>	(2,791)
<b>Pro Forma Investor s Equity</b>	<b>\$ 17,974,639</b>

<sup>(1)</sup> Adjustment to the historical deferred tax assets recorded to reflect the change in the anticipated future applicable tax rate due to the aggregation of state returns.

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**5. California Cooperative Status**

The state of California, where both Visa International and Visa U.S.A. are headquartered, has historically not taxed a substantial portion of the reported net income of these companies on the basis that both operate on a cooperative or mutual basis and are therefore eligible for a special deduction pursuant to California Revenue and Taxation Code §24405, which we refer to as the special deduction. As taxpayers eligible for the special deduction, Visa U.S.A. and Visa International were generally only subject to California taxation on non-member/owner income. Therefore, the majority of each company's income was not historically taxable.

Subsequent to the restructuring, we believe that Visa Inc. will continue to be eligible to claim the special deduction afforded and will continue to be largely exempt from California taxation. Accordingly, no pro forma adjustment has been applied to this unaudited condensed combined pro forma financial information to reflect the potential increase in our California state income tax rate, its impact on our deferred tax assets and liabilities or tax expenses and benefits, as a result of losing the benefit of the special deduction.

On or after completion of an initial public offering or other material changes to our operations, we believe that there is the potential that Visa Inc. may lose eligibility for the special deduction. It is our intention to file a registration statement on Form S-1 pursuant to the initial public offering of our class A common stock as soon as it is feasible after the restructuring. If we were to lose eligibility for the special deduction, our state tax effective rate would increase by approximately 3%, net of federal tax benefit. Had ineligibility for the special deduction been reflected as of October 1, 2005 in the unaudited condensed combined pro forma statements of operations for the fiscal year ended September 30, 2006, our income tax expense would have been increased and net income would have been decreased by approximately \$22.7 million. A corresponding effective tax rate increase reported in the unaudited condensed combined pro forma statement of operations for the nine months ended June 30, 2007 would have resulted in an increase in income tax expense and decrease in net income of approximately \$42.3 million. The loss of the special deduction would not have resulted in a material impact on total equity reported in our unaudited condensed combined pro forma balance sheet as of June 30, 2007.

**6. Combination and Pro Forma Adjustments**

The following describes the combination and pro forma adjustments we applied to the unaudited balance sheets of Visa U.S.A., Visa International and Visa Canada at June 30, 2007, derived from their historical financial statements included elsewhere in this proxy statement-prospectus, to reflect the restructuring as if it had occurred on June 30, 2007 and the pro forma adjustments we applied to the statements of operations for the nine months ended June 30, 2007 and the fiscal year ended September 30, 2006 of Visa U.S.A., Visa International and Visa Canada, derived from their historical financial statements included elsewhere in this proxy statement-prospectus, to reflect the restructuring as if it had occurred on October 1, 2005.

*Combination Adjustments*

**A** - Represents reclassifications made to the historical presentation of Visa International's and Visa Canada's balance sheet and statements of operations to conform them to the presentation of Visa U.S.A., with the exception of member collateral, which has been presented as a separate line item within the unaudited pro forma condensed combined balance sheet. These adjustments have no impact on member equity or net income of these entities as reported in their historical financial statements. Please see Note 2 *Significant Accounting Policies* to Visa U.S.A.'s financial statements for the fiscal year ended September 30, 2006 for disclosure regarding the policies applied in the presentation of financial statements of Visa U.S.A.

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**B** - Represents the adjustments required to eliminate the effects of transactions and cross-ownership among and between Visa U.S.A., Visa International and Visa Canada. For more information regarding the inter- company transactions and cross-ownership, please see the disclosures in the following notes to the respective audited and unaudited financial statements of Visa International, Visa U.S.A. and Visa Canada:

***Visa International***

Unaudited financial statements for the nine months ended June 30, 2007: Note 3 *Visa Affiliates*, and Note 6 *Other Assets and Liabilities*

Audited financial statements for the fiscal year ended September 30, 2006: Note 5 *Visa Affiliates*, Note 9 *Investments in Real Estate Joint Ventures*, and Note 10 *Other Assets and Liabilities*

***Visa U.S.A.***

Unaudited financial statements for the nine months ended June 30, 2007: Note 3 *Visa International, Visa Canada, and Visa Europe*

Audited financial statements for the fiscal year ended September 30, 2006: Note 4 *Inovant, Inc. and Inovant LLC*, Note 5 *Visa International, Visa Canada, Visa Europe*, and Note 8 *Investments in Joint Ventures*

***Visa Canada***

Unaudited financial statements for the nine months ended June 30, 2007 and audited financial statements for the fiscal year ended September 30, 2006: Note 3 *Investments*, and Note 6 *Transactions with Members and amounts due to other Visa entities*

**C** - Represents the adjustments necessary to record the gross asset, liability, revenue and expense balances related to the real estate joint ventures at June 30, 2007 and for the nine months ended June 30, 2007 and for the fiscal year ended September 30, 2006. Visa U.S.A. and Visa International previously each owned 50% of these real estate joint ventures and accounted for their investments under the equity method (see Note 8 *Investments in Joint Ventures* of the Visa U.S.A. audited financial statements for the year ended September 30, 2006 for more information regarding the real estate joint ventures).

**D** - Represents reclassifications made to conform Visa International's presentation of investment securities related to deferred compensation arrangements to Visa U.S.A.'s presentation of these securities. This reclassification resulted in trading assets being reclassified to investment securities, available-for-sale with a corresponding change in classification of unrealized gains and losses on these securities from other non-operating income to accumulated other comprehensive income (expense).

***Purchase Accounting Pro Forma Adjustments***

**E** - Represents the increase in value resulting from the preliminary allocation of purchase price to facilities, equipment, and software based on our preliminary independent appraisal.

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The following table provides a reconciliation of the historical basis of Visa U.S.A. facilities, equipment, and software to Visa Inc.'s new basis upon the application of purchase accounting:

	<b>Facilities, equipment, and software, net</b>
Visa U.S.A. historical basis	\$ 270,077
Less: Minority interest	(19,954)
Net U.S.A. historical basis	250,123
Visa U.S.A. historical basis in Visa International	42,671
Visa U.S.A. historical basis in real estate joint ventures (see tickmark C)	53,334
Acquired assets (See Note 1)	272,000
Reclassification adjustments <sup>(1)</sup>	(33,876)
Total Visa Inc. basis	\$ 584,252

<sup>(1)</sup> This adjustment reflects the reclassification of certain Visa U.S.A. technology from facilities, equipment and software to technology.

The adjustment to the statements of operations represents the following pro forma adjustments to record additional non-cash amortization and depreciation expense related to the new basis of intangible and tangible definite lived assets, which have been recorded on a pro forma basis at their estimated fair value.

	<b>Visa U.S.A. Historical Expense for the Nine Months Ended June 30, 2007</b>	<b>Visa Int'l, Visa Canada, Real Estate Joint Ventures Historical Expense for the Nine Months ended June 30, 2007</b>	<b>Pro Forma Adjustment</b>	<b>Total Expense for the Nine Months Ended June 30, 2007</b>
Depreciation	\$ 55,748	\$ 22,469	\$ (7,005)	\$ 71,212
Amortization	38,301	13,218	40,148	91,667
Total	\$ 94,049	\$ 35,687	\$ 33,143	\$ 162,879

	<b>Visa U.S.A. Historical Expense for the year ended September 30, 2006</b>	<b>Visa Int'l, Visa Canada, Real Estate Joint Ventures Historical Expense for the year ended September 30, 2006</b>	<b>Pro Forma Adjustment</b>	<b>Total Expense for the year ended September 30, 2006</b>
Depreciation	\$ 81,259	\$ 33,022	\$ 2,559	\$ 116,840
Amortization	58,904	10,767	58,074	127,745
Total	\$ 140,163	\$ 43,789	\$ 60,633	\$ 244,585

The following table represents the estimated remaining useful lives we have assumed for each asset class to record the adjustment to historical depreciation and amortization:



	<b>Estimated remaining useful lives</b>
Facilities	
Land	Not depreciated
Buildings and building improvements	17 to 30 years
Leasehold improvements	1 to 5 years
Furniture and fixtures	2 to 6 years
Equipment	1 to 4 years
Software	1.5 to 3 years

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**F** - Represents the adjustment to record the fair value of certain Visa International other investments.

**G** - Represents the adjustments to record the fair value of identifiable intangible assets of Visa International, Visa Canada and Inovant and the related amortization of the new technologies acquired. These identifiable intangible assets include:

Trademark - The value of the Visa brand utilized in Canada and the unincorporated regions of Visa International, which has been determined to have an indefinite life.

Customer Relationships - The value of our relationships with our members in Canada and the unincorporated regions of Visa International, which has been determined to have an indefinite life.

European Franchise Right - The value of the right to franchise the use of Visa brand, use of Visa technology and access to the overall Visa network in the Visa Europe region, which has been determined to have an indefinite life.

Technology - The value of internally developed software, which enables the Visa electronic payment network. We estimate that this asset has a remaining useful life of approximately three years.

**H** - Represents the adjustment to record goodwill. Goodwill represents the excess of the purchase price over the fair value of the tangible and intangible assets of the businesses acquired and liabilities assumed. Goodwill resulting from the acquisition is not amortized but is subject to impairment testing in accordance with the provisions of SFAS No. 142 *Goodwill and Other Intangible Assets*.

**I** - Represents the adjustments to the Visa International, Visa Canada and Inovant pension and post-retirement benefit obligations to reflect the difference between the present value of the estimated projected benefit obligation and the fair value of related plan assets, and to eliminate the unrecognized settlement losses recorded in the fiscal year ended September 30, 2006.

**J** - Represents the adjustment to eliminate the non-Visa U.S.A. historical ownership interest in Visa International, Visa Canada and Inovant as well as their historical minority interest in Inovant as a result of their acquisition by Visa U.S.A.

**K** - Represents the adjustment to record the fair value of Visa Inc. shares exchanged in the restructuring.

### *Income Tax Pro Forma Adjustments*

**L** - Represents the adjustments to the historical deferred income tax assets and liabilities at June 30, 2007, and income tax expense for the nine months ended June 30, 2007 and for the fiscal year ended September 30, 2006, as a result of consolidating the assets and liabilities of Visa U.S.A., Visa International and Visa Canada, including:

Adjustments to the tax provision of Visa U.S.A. related to the Visa U.S.A.'s interest in Visa International;

Adjustments to the current state tax provision of Visa U.S.A., Visa International and Inovant to account for consolidated apportioned statutory state rates; and

Adjustments to Visa Canada related to the entity's change in status from a not-for-profit corporation to a for-profit corporation.

**M** - Represents the adjustment to reflect the creation of deferred tax liabilities as a result of recording the fair value of the acquired assets and assumed liabilities of Visa International, Visa Canada and Inovant other than goodwill in excess of their historical book basis. These adjustments resulted in a net long-term deferred tax liability in our unaudited pro forma condensed combined balance sheet at June 30, 2007. Also reflects the tax



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provision impact related to purchase accounting adjustments applied to the historical consolidated statement of operations for the nine month ended June 30, 2007 and the fiscal year ended September 30, 2006. In addition, we have presented all current deferred tax assets and liabilities as a single amount, as well as all non-current deferred tax assets and liabilities, in accordance with paragraph 42 of SFAS No. 109 *Accounting for Income Taxes*.

*Visa Europe and Other Pro Forma Adjustments*

**N** - Represents the adjustment to eliminate the minority interest and minority interest income (expense) attributable to the 10% ownership interest in Inovant held by Visa Europe.

**O** - Represents the adjustments to eliminate restructuring related transaction costs incurred by Visa International in the nine months ended June 30, 2007 and the fiscal year ended September 30, 2006, as the restructuring is assumed to have occurred on October 1, 2005.

**P** - Represents the adjustment to historical card service fees to reflect the newly negotiated fee structure for on-going service fee commitments pursuant to the bilateral services agreement. For the purposes of our pro forma condensed combined statements of operations, the adjustment reduces historical card service fees to the amount of services Visa Europe is obligated to purchase from us at fixed prices in the 18 months following the restructuring. This adjustment does not reflect additional optional card services for which Visa Europe is entitled at its discretion at fixed prices under the bilateral services agreement.

**Q** - Represents the adjustment to historical data processing fees to reflect the newly negotiated fee structure for on-going data processing services pursuant to the bilateral services agreement. For the purposes of our pro forma condensed combined statements of operations presentation, the adjustment reduces historical data processing fees to the amount we would have earned under the newly negotiated fee structure based on actual transaction volume experienced in the nine months ended June 30, 2007 and the fiscal year ended September 30, 2006. This adjustment does not reflect optional fixed fee services, for which Visa Europe is entitled at its discretion under the bilateral services agreement.

**R** - Represents the adjustment to historical international transaction fees to reflect the impact of the new foreign exchange revenue sharing agreement with Visa Europe, pursuant to the bilateral services agreement.

**S** - Represents the adjustments to historical other revenues to record the fee that Visa Europe will pay us pursuant to the framework agreement. The adjustments reflect the first and second fee reduction components and accretion to revenue of the loss liability recorded in purchase accounting which we have calculated based on our assumptions as detailed in Note 3 *Visa Europe Transaction The Trademark and Technology Licenses*.

**T** - Represents the adjustment to record the loss liability related to the trademark and technology licenses agreement, which we have determined, for financial accounting purposes, to be below fair value (see Note 3 *Trademark Agreement and Technology Licenses* for further information). Based upon our assumptions detailed in Note 3, we estimate that approximately \$13.7 million of the loss liability accrual will accrete to revenue more than 12 months following the restructuring; therefore, this amount has been classified as long-term.

**U** - Represents the number of shares outstanding as a result of the restructuring.

**V** - Represents the adjustment to record the fair value of the put option held by Visa Europe (see Note 3 *Visa Europe Transaction The Put-Call Option Agreement* for further information).

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The following table sets forth our capitalization as of June 30, 2007 on:

an actual basis for Visa International, Visa U.S.A. and Visa Canada; and

a pro forma basis for us assuming the restructuring occurred on June 30, 2007.

The table should be read in conjunction with *Unaudited Pro Forma Condensed Combined Financial Information* and *Management's Discussion and Analysis of Financial Condition and Results of Operations* and the consolidated financial statements and related notes for each of Visa International, Visa U.S.A. and Visa Canada included elsewhere in this proxy statement-prospectus. There has been no change to our capitalization since June 30, 2007 that would result in a material change to the pro forma capitalization set forth below.

	As of June 30, 2007			Pro Forma for the Restructuring
	Actual Visa U.S.A.	Actual Visa International	Actual Visa Canada	
	(in thousands except share data)			
Long-Term Debt	\$ 49,365	\$ 39,948	\$ 23	\$ 133,305
Members /Stockholders Equity:				
Class A common stock, \$0.0001 par value, 2,001,622,245,209 shares authorized and none issued				
Class AP common stock, \$0.0001 par value, 130,000,000 shares authorized and 119,100,481 issued				12
Class B common stock, \$0.0001 par value, 622,245,209 shares authorized and none issued				
Class C common stock, \$0.0001 par value, 917,165,602 shares authorized and none issued				
Class Canada common stock, \$0.0001 par value, 25,000,000 shares authorized and 22,034,685 issued				2
Class CEMEA common stock, \$0.0001 par value, 42,000,000 shares authorized and 36,749,698 issued				4
Class EU common stock, \$0.0001 par value, 103,582,801 shares authorized and 90,667,252 issued				9
Class LAC common stock, \$0.0001 par value, 90,000,000 shares authorized and 80,137,915 issued				8
Class USA common stock, \$0.0001 par value, 622,245,209 shares authorized and 426,390,481 issued				43
Additional Paid-in Capital				16,785,488
Accumulated Net Income	1,192,252	840,621	40,876	1,186,484
Accumulated other comprehensive Income/(Loss)	(388)	(684)	(1,281)	2,589
<b>Total Members /Stockholders Equity</b>	<b>1,191,864</b>	<b>839,937</b>	<b>39,595</b>	<b>17,974,639</b>
<b>Total Capitalization</b>	<b>\$ 1,241,229</b>	<b>\$ 879,885</b>	<b>\$ 39,618</b>	<b>\$ 18,107,944</b>

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**THE GLOBAL PAYMENTS INDUSTRY**

Visa operates in the global payments industry, which is undergoing a major shift from paper-based payments, such as cash and checks, to card-based and other electronic payments. For more than 30 years, Visa has played a central role in driving this migration by providing payment products and services that we believe deliver significant benefits to consumers, businesses, governments and merchants. We believe that consumers are increasingly attracted to the convenience, security, enhanced services and rewards associated with electronic payments. We also believe that corporations and governments are shifting to electronic payments to improve efficiency, control and security, and that a growing number of merchants are accepting electronic payments to improve sales and customer convenience.

Recent innovations such as chip cards, contactless cards and mobile payments also are contributing to the increased attractiveness of payment cards and other electronic payments. We believe this shift to electronic payment forms is a worldwide phenomenon; however, in many developing countries, it is at an early stage and will be accelerated by rising incomes, globalization of commerce and increased travel. We believe these trends illustrate a substantial growth opportunity for the global payments industry.

The global payments industry consists of all forms of payment and value transfer, including:

paper-based payments: personal checks, cash, money orders, government checks, travelers cheques, official checks and other paper-based means of transferring value;

card-based payments: credit cards, charge cards, debit cards, deferred debit cards, ATM cards, prepaid cards, private label cards and other types of general-purpose and limited-use cards; and

other electronic payments: wire transfers, electronic benefits transfers, automated clearing house payments and other forms of electronic payment not typically tied to a payment card or similar access device.

*General Purpose Cards*

The most common card-based forms of payment are general-purpose cards, which are payment cards that permit widespread usage. General purpose cards are typically categorized as:

pay later cards, which typically permit a cardholder to carry a balance in a revolving credit account (a credit card or deferred debit card) or require payment of the full balance within a specified period (a charge card);

pay now cards, such as debit cards, which enable the cardholder to purchase goods and services by an automatic debit to a checking, demand deposit or other current account; and

pay before cards, such as prepaid cards, which are prefunded up to a certain monetary value.

The primary global general purpose card brands include Visa, MasterCard, American Express, Discover, JCB and Diners Club. While these brands including Visa were historically associated primarily with credit or charge cards in the United States and other major international markets, Visa and others have over time broadened their offerings to include debit cards, ATM cards, prepaid cards and commercial cards.

*Limited Purpose Cards*

In addition to general purpose cards, a number of retailers and other entities issue limited-purpose credit, charge and prepaid cards that can be used for payment only at the issuing entity. These cards are generally referred to as private label cards. Private label cards are sometimes issued by a financial institution under a contractual agreement with the retailer.



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***Open-Loop Versus Closed-Loop Payment Networks***

General purpose and limited-purpose payments networks primarily operate under two different business models. Open-loop payments networks, such as Visa and MasterCard, are multi-party and operate through a system that connects two financial institutions – one that issues the card to the cardholder, the issuing financial institution or issuer, and one that has the banking relationship with the merchant, the acquiring financial institution or acquirer – and manages information and the flow of value between them. In a typical closed-loop payments network, the payment services are provided directly to merchants and cardholders by the owner of the network, without involving third-party financial institution intermediaries. Closed-loop networks can range in size from networks such as American Express and Discover, which issue cards directly to consumers and serve merchants directly, to an individual merchant that issues limited-purpose private-label credit cards to its customers for use only in that merchant’s stores. In recent years, the major closed-loop networks have begun to develop relationships directly with financial institution issuers and acquirers, thereby emulating certain aspects of the open-loop networks.

Operators of open-loop networks such as Visa, generally do not issue cards, set fees or determine interest rates that cardholders are charged for use of their cards. Issuers have the responsibility for determining these and many other card features. In addition, such networks generally do not solicit merchants directly or establish the fees that merchants are charged for card acceptance, including the merchant discount rate. Both of these functions are generally the responsibility of acquirers. The following table outlines the major functions of each of the three major participants in the payments network.

	<b>Issuer</b> <b>(Cardholder’s Financial Institution)</b>	<b>Payments network</b> <b>(e.g., Visa)</b>	<b>Acquirer</b> <b>(Merchant’s Financial Institution)</b>
<i>Primary Customers</i>	Cardholders	Issuers and acquirers	Merchants
<i>Products and Services</i>	Issues cards to its cardholders based on payments network product platforms (e.g., credit, debit)	Offers broad range of product platforms (e.g. credit, debit) to financial institutions	Establishes and maintains account with merchant to:
	Establishes and maintains accounts with cardholders (either consumers or businesses)	Operates data processing network that transfers transaction data and manages payment flow between issuers and acquirers	Provide connectivity to a payments network
			Acquire receivables from merchant
			Guarantee payment to merchant for receivables
<i>Branding</i>	Issues cards that feature its own brand and that of a payments network	Establishes and maintains payments network brand for payment products and acceptance locations	Delivers payments network acceptance services under its own brand



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	<b>Issuer</b>	<b>Payments network</b>	<b>Acquirer</b>
	<b>(Cardholder's Financial Institution)</b>	<b>(e.g., Visa)</b>	<b>(Merchant's Financial Institution)</b>
<i>Rules and Terms</i>	Establishes applicable cardholder terms, including fees, interest rates and payment schedules for cardholders independently of the payments network and in contract with its cardholders	Establishes rules and standards for its product platforms and payments network including:  Eligibility for participation in network  Authorization and clearing of transactions  Financial settlement  Product platform features and functionality  Merchant acceptance standards	Establishes any applicable merchant fees and/or discount rates independently of the payments network and in contract with its merchants
<i>Functions Performed in Connection with Payment Transaction*</i>	Authorizes cardholder transactions  Funds settlement obligations for its cardholder's purchases  Collects payment from cardholder  Assumes risk of cardholder non-payment or late payment	Transfers authorization and clearing data and settles funds between issuer and acquirer  Performs payments network risk management and related functions	Receives settlement funds from issuers  Credits merchant for value of payment transactions  Assumes risk of merchant non-fulfillment of transaction obligation

Assumes responsibility for  
merchant compliance with  
network security and other rules

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\* *In many instances, an issuer or acquirer may enter into an agreement with a third party processor to perform some of these functions on its behalf.*

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**BUSINESS OF VISA INC.**

**Overview**

Visa operates the world's largest retail electronic payments network. We facilitate global commerce through the transfer of value and information among financial institutions, merchants, consumers, businesses and government entities, and the Visa brand is the world's most recognized global financial services brand. Our primary customers are financial institutions that are currently also members of Visa International, Visa U.S.A. and Visa Canada, for which we provide processing services and payment product platforms, including platforms for consumer credit, debit, prepaid and commercial payments. Our centralized and integrated payments transaction processing system allows us to offer a broad range of product platforms, transaction processing and related services, including fraud and risk management, dispute resolution, loyalty applications, and value-added information services. Our customers reported that, as of March 31, 2007, they had issued more than 1.4 billion cards carrying our brands: Visa, Visa Electron, PLUS and Interlink. According to information reported to us by our customers, these cards were accepted at more than 27 million merchant outlets and one million ATMs, and the total payments and cash volume on these cards during the twelve months ended March 31, 2007 was more than \$3.3 trillion. We believe that, based on our brand, size and product breadth, we are the leading electronic payments company in the world.

Our business primarily consists of the following:

we offer a wide range of branded payments product platforms, which our customers use to develop and offer credit, charge, deferred debit, debit, prepaid and cash access programs for cardholders (individuals, businesses and government entities);

we own a family of well-known, widely-accepted payment brands, including Visa, Visa Electron, PLUS and Interlink, which we license to our customers for use in their payment programs;

we manage and promote our brands for the benefit of our customers through advertising, promotional and sponsorship initiatives and by encouraging card usage and merchant acceptance;

we provide transaction processing services (primarily authorization, clearing and settlement) to our customers through VisaNet, our secure, centralized, global processing platform;

we provide various other value-added processing-related services to our customers, including fraud and risk management services, dispute management services, information services and processing services;

we develop new products and services to enable our customers to offer efficient and effective payment methods to their cardholders and merchants; and

we adopt and enforce rules applicable to our customers to ensure the efficient and secure functioning of our payments network and the maintenance and promotion of our brands.

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We derive revenues primarily from fees paid by our customers based on payments volume, from fees paid by our customers for transaction messages that we process, and from fees paid in connection with certain other related services that we provide. Payments volume is the total monetary value of transactions for goods and services purchased with our cards, as reported by our customers. Cash volume generally includes cash access transactions, balance transfers and convenience check transactions associated with our products. Total volume, which we consider to be an important measure of the scale of our business, is the sum of payments volume and cash volume. The table below shows our product performance for the twelve months ended March 31, 2007, according to data reported to us by our customers:

**Visa Inc. Product Performance**

Twelve Months Ended March 31, 2007

*All numbers in billions, except as noted*

	U.S.A.	Canada	AP	LAC	CEMEA	Visa Inc.
<b>Payments Volume</b>						
Consumer Credit	\$ 615	\$ 120	\$ 393	\$ 73	\$ 17	\$ 1,219
Consumer Debit*	618	0	21	38	27	704
Commercial & Other	181	15	63	5	2	266
<b>Total Payments Volume</b>	<b>\$ 1,413</b>	<b>\$ 135</b>	<b>\$ 478</b>	<b>\$ 116</b>	<b>\$ 46</b>	<b>\$ 2,188</b>
Cash Volume	\$ 377	\$ 17	\$ 236	\$ 278	\$ 250	\$ 1,158
<b>Total Volume</b>	<b>\$ 1,790</b>	<b>\$ 151</b>	<b>\$ 714</b>	<b>\$ 395</b>	<b>\$ 296</b>	<b>\$ 3,346</b>
Total Transactions (millions)**	28,105	1,340	7,600	6,002	2,439	45,486

\* Includes prepaid volume

\*\* Total transactions represents total transactions involving our cards as reported by our customers and includes transactions that are not processed on our VisaNet processing system.

Note: Numbers do not add exactly due to rounding.

Based on payments volume, total volume, number of transactions and number of cards in circulation, we are the largest retail electronic payments network in the world. The following chart compares our network with those of our major competitors, for calendar year 2006:

Company	Payments Volume (billions)	Total Volume (billions)	Transactions (billions)	Cards (millions)
Visa Inc.*	\$ 2,127	\$ 3,230	44.1	1,254
MasterCard	\$ 1,417	\$ 1,922	23.4	817
American Express	\$ 556	\$ 562	4.5	78
Discover	\$ 96	\$ 114	1.4	57
JCB	\$ 63	\$ 70	0.7	59
Diners Club	\$ 22	\$ 22	0.1	7

\* Reported global figures from *The Nilson Report*, less Visa internal data for Visa Europe

Note: MasterCard figures include PIN-based debit card transactions on MasterCard cards, but not Maestro. Domestic China figures on Visa and MasterCard cards have been excluded. Numbers may not sum due to rounding. Visa and MasterCard figures exclude proprietary PLUS and Cirrus. American Express and Discover figures include business from third-party issuers. JCB figures are for October 2005 through September 2006 (fiscal year). JCB total transaction and purchase transaction figures are estimates.

Source: *The Nilson Report*, issues 874 and 877.

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### **Organization after the Restructuring**

Visa International is currently owned by Visa U.S.A., Visa Canada, Visa Europe and the equity member financial institutions located in the three unincorporated regions of Visa International. These unincorporated regions are operating divisions within Visa International and represent three geographic regions: Visa AP; Visa LAC; and Visa CEMEA. Visa U.S.A., Visa Canada and Visa Europe are each currently owned by member financial institutions within their respective geographic regions. Visa Inc. was incorporated on May 25, 2007 as a Delaware stock corporation. If the restructuring is completed, each of Visa International, Visa U.S.A. and Visa Canada will become wholly owned subsidiaries of Visa Inc., and Visa Europe will remain a separate legal entity with its own business operations. Our relationship with Visa Europe will be governed after the restructuring by a framework agreement.

### **Our Competitive Strengths**

#### ***Leading Global Brand***

Visa is one of the most recognized consumer brands in the world and is the most recognized global financial services brand. We believe merchants, consumers and our financial institution customers associate our brand with trust, security, reliability, efficiency, convenience and empowerment. The strength of our brand allows us to increase card usage in existing and new market segments, develop and offer innovative payment products and services, and enhance the utility of our payments network for all participants.

#### ***World's Largest Payments Network***

We operate the world's largest retail electronic payments network. Our customers reported that, as of March 31, 2007, they had issued more than 1.4 billion cards carrying our brands: Visa, Visa Electron, PLUS and Interlink. According to information reported to us by our customers, these cards were accepted at more than 27 million merchant outlets and 1 million ATMs, and the total volume on these cards during the twelve months ended March 31, 2007 was more than \$3.3 trillion. We believe that merchants, cardholders and our customers benefit from the Visa cardholder base, which is the largest in the world, and our merchant acceptance network, which is unsurpassed globally.

#### ***Unique Global Payments Processing Platform***

We own and operate VisaNet, our secure, centralized, global processing platform. VisaNet is highly reliable, and we processed more than 74 billion authorization, clearing and settlement transactions through VisaNet in the twelve months ended March 31, 2007. VisaNet's centralized and integrated architecture allows us to provide real-time, value-added information to our customers. In addition, our centralized platform provides us the flexibility to develop, modify, and enhance our products, services and processing platform efficiently.

#### ***Comprehensive Payment Products and Services***

We believe we provide our financial institution customers with a comprehensive suite of electronic payment products and services. Our product platforms encompass credit, debit, cash access and prepaid products for consumers, businesses and governments. Our product platforms enable our customers to develop and customize their own payment programs to meet the needs of their geographic markets. We also offer our customers issuer processing in support of our debit and prepaid platforms, and we are the largest issuer processor for Visa debit transactions in the United States. We also offer a broad range of value-added services such as enhanced risk management, dispute processing, loyalty and other information-based services, which are enabled by our centralized global processing platform.

#### ***Established and Long Standing Customer Relationships***

We have long standing relationships with the majority of our customers, and long-term contracts with many of our major customers, both of which have provided a significant level of stability to our business. More than

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two-thirds of our customers have been customers for longer than ten years. We believe that our many years of close cooperation with our customers in developing new products, processing capabilities and value-added services have enabled us to establish strong customer relationships. By virtue of these relationships, we believe we are well-positioned to continue developing new products, systems and applications that will increase our value to our customers and enhance our competitive position.

### **Our Primary Operations**

There are three core aspects of our business operations: our transaction processing services, our product platforms and management of our payments network.

### **Transaction Processing Services**

#### ***Core Processing Services***

Our core processing services involve the routing of payment information and related data to facilitate the authorization, clearing and settlement of transactions between Visa issuers, which are the financial institutions that issue Visa cards to cardholders, and acquirers, which are the financial institutions that offer Visa network connectivity and payments acceptance services to merchants. In addition, we offer a range of value-added processing services to support our customers' Visa programs and to promote the growth and security of the Visa payments network.

Authorization is the process of approving or declining a transaction before a purchase is finalized or cash is disbursed. Clearing is the process of delivering final transaction data from an acquirer to an issuer for posting to the cardholder's account, the calculation of certain fees and charges that apply to the issuer and acquirer involved in the transaction, and the conversion of transaction amounts to the appropriate settlement currencies. Settlement is the process of calculating, determining and reporting the net financial position of our issuers and acquirers for all transactions that are cleared.

Visa transactions can be authorized, cleared and settled either as dual-message transactions or as single-message transactions. The choice of processing method may vary depending upon the issuer, the type of card or the region in which the transaction takes place.

In a *single-message* transaction, the acquirer submits a single electronic message containing all data required for the authorization, clearing and settlement of the transaction. Actual financial settlement occurs at a later time.

In a *dual-message* transaction, the acquirer submits an electronic message at the time of purchase containing the information required for an authorization decision and a second message at a later point in time containing additional data required for clearing and settlement.

#### ***Authorization***

A typical Visa transaction begins when the cardholder presents his or her Visa card to a merchant as payment for goods or services. The transaction information is then transmitted electronically to the issuer for authorization. In certain cases, we may authorize the transaction on behalf of the issuer through a service known as stand-in processing, based on parameters established by the issuer. The following diagram illustrates the processing steps involved in a typical transaction authorized through our network. In a typical Visa transaction, the authorization process by Visa occurs in approximately one second.

1. The cardholder presents the merchant with a Visa card for payment. The merchant point of sale terminal reads the account number and other data encoded on the card's magnetic stripe or chip.

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2. The merchant terminal transmits the card information and transaction amount to the acquirer.
3. The acquiring bank or its third party processor combines the transaction information into an authorization request message and transmits it to Visa.
4. Visa routes the authorization request to the issuer for review. In certain circumstances, such as when the issuer's systems are unavailable, Visa may perform stand-in processing and review and authorize or deny the transaction.
5. The issuing bank or its third party processor returns an authorization response message, either approving or denying the transaction to Visa.
6. Visa routes the authorization response to the acquirer.
7. The acquirer transmits the result of the authorization request to the merchant terminal.

### *Clearing and Settlement*

Clearing occurs at the time of the authorization, for single-message transactions, or in a single daily batch message containing all transactions reported by the acquirer, for dual-message transactions. Settlement occurs on each business day and is conducted on a net basis for all transactions submitted during the previous settlement cycle. The following diagram illustrates the clearing and settlement process between the issuer and acquirer for a typical transaction processed through our system.

### **Clearing**

1. The merchant transmits sales draft information for the transaction, including account numbers and transaction amounts, to the acquirer.
2. The acquiring bank or its third party processor formats this information into a clearing message, which it transmits to Visa.
3. Visa routes the clearing message to the card issuer and calculates the settlement obligation of the issuer and the amount due to the acquirer, net of certain applicable fees and charges.

### **Settlement**

4. The issuer sends funds to Visa's designated settlement bank in the amount of its settlement obligation.
5. The settlement bank, at the direction of Visa, transfers funds due to the acquirer.

The issuer and acquirer involved in a typical Visa transaction perform additional functions that we do not generally perform or monitor. For example, the acquirer credits the merchant's account for the amount of the





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transaction less any fees the acquirer charges in accordance with the contractual agreement between the merchant and the acquirer. In addition, the issuer sends a statement to the cardholder and collects payment, in the case of a credit or deferred debit card, or collects payment directly from the cardholder's deposit account, in the case of a debit card.

We process virtually all transactions within the United States, as well as all cross-border transactions, involving products carrying our brands. Outside of the United States and certain other countries, we do not process the majority of the domestic transactions, i.e., transactions where the issuer and the merchant are located in the same country, on products carrying our brands. Such transactions are generally processed by government-operated payments networks, Visa customer financial institutions or independent companies or joint ventures owned in whole or in part by Visa customer financial institutions.

We will continue to perform clearing and settlement through our VisaNet system for transactions involving an issuer that is located in Visa Europe's region and an acquirer that is located in the rest of the world, or vice versa. In addition, we will continue to provide clearing and settlement services for Visa transactions occurring entirely within Visa Europe's region until completion of deployment of Visa Europe's own processing system. Visa Europe currently authorizes transactions for its members through its own processing system, and it will continue to do so after the restructuring.

### ***Other Value-Added Processing Services***

The size of our network and our processing capabilities allow us to offer a range of other value-added services in certain countries. These services include fraud and risk management, loyalty, dispute resolution, and issuer transaction processing.

*Risk Management Services.* Our centralized and integrated network architecture allows us to monitor on a real-time basis all transactions that we process for authorization. As a result, we provide customers in certain regions with a number of value-added risk-management services, which complement our core authorization services. Our risk management services provide preventive, monitoring, investigative and predictive tools, which are intended to mitigate and help eliminate fraud at the cardholder and merchant level. As an example, Visa Advanced Authorization, which we introduced in 2005, enables us to monitor and evaluate VisaNet authorization requests in real-time and deliver enhanced transaction risk scores to issuers as part of the authorization message. It is the first system of its kind to deliver risk indicators in real time by assessing transaction data on both an account level and a transaction level.

Our AdvanceBK Service is a bankruptcy prediction tool, which uses advanced predictive modeling techniques to reduce bankruptcy losses for our issuers through early detection of high-risk accounts. The service aggregates consumer transaction data across multiple accounts and multiple issuers to assess the likelihood that a consumer will file for bankruptcy over the following 18 months. AdvanceBK provides participating issuers with monthly bankruptcy risk scores for all of their accounts and daily alerts for high-risk accounts that are actively transacting. Analyzing transaction attributes at the consumer level, AdvanceBK can identify accounts that do not demonstrate typical risky behaviors, but that may result in future bankruptcies.

*Loyalty Services.* We offer loyalty services that allow our customers to enhance the attractiveness of their Visa payment programs and to strengthen their relationships with cardholders and merchants. These services are designed to allow our customers to differentiate their Visa program offerings, to support increased card usage, and to increase the importance of Visa payments to merchants.

Visa Extras is a service that participating issuers may offer to their cardholders to increase card usage, enhance the value of their Visa programs and create stronger cardholder relationships. Visa Extras is a points-based program that rewards cardholders for using their enrolled Visa cards to make qualifying purchases.

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Cardholders can redeem points for rewards in the Visa Extras rewards catalog for everyday items such as movie tickets, retail gift certificates, merchandise, travel certificates, dining rewards, and more.

The Visa Incentive Network enables merchants and customer financial institutions to deliver tailored merchant offers to targeted groups of cardholders. Visa Incentive Network offers benefits traditionally associated with a closed-loop system. Visa Incentive Network was launched in April 2005 and allows us to deliver merchant promotions to affluent and high-spending Visa cardholders on behalf of participating issuers. Based on merchant-specific cardholder spending and location criteria for each promotion, we can analyze the spending patterns of Visa credit card holders in the United States whose information is provided to us by participating card issuers. We then deliver the promotion to the appropriate cardholders on behalf of our issuers. In order to protect cardholder privacy, the merchant does not gain access to cardholder information or underlying transaction data. The Visa Incentive Network database contains nearly 74 million accounts. Visa Incentive Network is enabled through account level processing, which allows transactions to be processed and afforded customized treatment at the account level i.e., by identifying each transaction by the entire 16 digit account number rather than by the six-digit bank identification number, or BIN, as is the more typical industry practice. We are able to implement account level processing as a result of our reengineered Visa Integrated Payment platform, as described below.

*Dispute Management Services.* We manage Visa Resolve Online, an automated web-based service that allows our customers' back-office analysts and customer service representatives to manage and resolve Visa transaction disputes more efficiently than with previous paper-based processes. Transaction disputes between issuers and acquirers sometimes arise from suspected fraud, merchant non-fulfillment of transaction requirements or other events. Visa Resolve Online, which is mandatory for all Visa customers, provides real-time access to Visa transaction data, electronic transfer of substantiating documents, and automated management of communications between issuers and acquirers.

*Value-Added Information Services.* We provide our customers with a range of additional information-based business analytics and applications, as well as the transaction data and associated infrastructure required to support them. Through these services, we support and enhance our customers' business intelligence capabilities, loyalty applications, operational and management performance metrics, transaction research and commercial card reporting.

*Debit Issuer Processing Services.* Visa Debit Processing Services provides comprehensive processing services for participating United States issuers of Visa debit, prepaid and ATM payment products. In addition to core issuer authorization processing, Visa Debit Processing Services offers card management services, exception processing, PIN and ATM network gateways, call center services, fraud detection services and ATM terminal driving. Visa Debit Processing Services processes more Visa transactions than any other issuer processor in the world.

### ***Processing Infrastructure***

We own and operate VisaNet, our secure, centralized, global processing platform, which consists of three synchronized processing centers. In addition, Visa Europe operates one processing center in the UK, which is part of our synchronized system. These centers are linked by a global telecommunications network, which is engineered for redundancy. Intelligent access points around the world complete our global processing infrastructure and enable merchants and financial institutions worldwide to access our core processing and value-added services.

In September 2006, we completed a five-year reengineering program, in which we, among other things, consolidated the authorization functions for our credit, debit, prepaid and ATM transactions into one technology platform called Visa Integrated Payment, or VIP. VIP is a modular processing platform, which is flexible and secure and combines global reach with the processing power to support our future growth and product innovation.

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The following is a summary of critical attributes of our processing infrastructure:

*Centralized Architecture.* Our VisaNet system is built on a centralized architecture rather than a distributed architecture. As a result, we are able to view and analyze each authorization transaction we process in real time and can provide value-added information, such as risk scoring or loyalty applications, to the issuer while the transaction data is being routed through our system.

*Redundancy.* Our global telecommunications network and processing centers are designed for redundancy and fail-over. Our newest processing center houses multiple authorization engines under one roof, each supported by redundant power and telecommunications circuits. This new architecture complements our multiple processing center architecture, provides improved fail-over technology and helps to ensure that our VisaNet system is always available and has enough processing power to meet the growing demand for electronic payments.

*Modular Architecture.* In the VIP reengineering project that we completed in September 2006, we replaced a complex web of legacy code with a streamlined, layered, modular architecture. We believe that this new architecture significantly reduces the time, complexity and cost involved in adding functions or modifying the system to support emerging forms of payments, such as contactless and mobile payments. We also believe that this streamlined architecture was instrumental in our ability to implement account level processing on our systems in less than twelve months.

*Processing Scale.* During the twelve months ended March 31, 2007, we processed more than 74 billion authorization, clearing and settlement transactions. Based on tests that we conducted with IBM in July 2005, we estimate that VisaNet is capable of processing more than 12,000 transaction messages per second. We believe that the scale of our processing network provides us with a significant cost advantage over our competitors.

## **Payment Product Platforms**

We offer a broad range of product platforms to enable our customers to build differentiated, competitive payment programs for their consumer, business, government and merchant clients. Our principal payment platforms enable credit, charge, deferred debit, debit and prepaid payments, as well as cash access, for consumers, businesses and government entities. Our payment platforms are offered under our Visa, Visa Electron, Interlink and PLUS brands.

### ***Consumer Credit***

Our consumer credit product platforms allow our issuers to offer deferred payment and financing products that can be customized to meet the needs of all consumer segments. Our baseline consumer credit platform is marketed to our issuers as Visa Traditional in the United States and Visa Classic in the rest of the world. We require issuers offering credit products based on this platform to meet minimum requirements for product functionality and to offer certain services, such as a reporting service for lost or stolen cards.

In addition, we offer premium credit platforms, which enable our issuers to tailor programs to consumers requiring higher credit lines or enhanced benefits, such as loyalty programs. Our premium consumer credit platforms are marketed to issuers, and in some cases, to cardholders, as Visa Gold, Visa Platinum, Visa Signature, and Visa Infinite. Issuers offering these credit products are required to provide certain functionality and enhanced cardholder services that may vary by product and region. For example, we require that issuers provide a minimum level of cardholder rewards value and that they not impose a preset spending limit on Visa Signature cards.

We provide a number of additional services that many issuers choose to offer in conjunction with their Visa credit programs, even where we may not require the inclusion of such services. Certain of these services, such as emergency card replacement, travel assistance services, and rental car insurance, are provided by third parties under contract with us.

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### ***Consumer Deposit Access***

Our deposit access product platforms enable our issuers to offer consumer payment and cash access products that draw upon consumer deposit accounts, such as checking, demand deposit, asset or other pre-funded accounts. For the twelve months ended March 31, 2007, consumer debit and cash access products accounted for the majority of Visa transactions worldwide.

### ***Consumer Debit***

*Visa Debit.* Our primary consumer debit platform uses the Visa brand mark. Through our rules and product platform requirements, we further segment our Visa debit product platform into Visa Classic, Visa Gold, Visa Platinum, and Visa Infinite, which allows our issuers to customize their Visa debit programs and offer a range of benefits to their debit cardholders.

*Interlink Debit.* We provide the Interlink debit product platform in the United States and certain countries in the Visa AP region. Interlink is a single-message point-of-sale debit network. It generally requires a cardholder to enter a personal identification number, or PIN, for authentication. Interlink allows our issuers to provide a full range of debit card offerings to their deposit account customers. Interlink acceptance marks may be included on Visa debit cards or issued as standalone debit cards.

*Visa Electron Debit.* Visa Electron is a payment product platform that permits issuers to require all transactions initiated from the card to be authorized electronically. It is primarily used by issuers offering payment programs to higher risk customer segments or in countries where electronic authorization is less prevalent, such as certain markets in the Visa AP, Visa LAC and Visa CEMEA regions. Visa Electron is primarily issued as a consumer debit product, but Visa Electron can also be issued as a credit or prepaid product for consumers or businesses.

*POS Check Service.* The Visa POS Check Service enables merchants to convert the account information on a consumer's check into an electronic Visa transaction message at the point of sale if the check is drawn on a demand deposit account held at a participating Visa customer. This service, which is currently offered only in the United States, reduces the cost and time involved in merchant and financial institution processing of checks by taking advantage of Visa's efficient electronic payments processing.

### ***Cash Access***

Our customers can provide global cash access to their cardholders by issuing products accepted at Visa and PLUS branded ATMs. Most Visa and Visa Electron branded cards offer customers cash access at ATMs, as well as at branches of our participating customer financial institutions. The PLUS brand may also be included on issuers' non-Visa branded cards to offer international cash access as a complement to domestic cash access services. We believe that more than one million Visa and PLUS branded ATMs are available in more than 170 countries. Payment cards may contain multiple cash access brand marks, in addition to Visa and PLUS, and transactions involving Visa and PLUS branded cards will generally be processed through our systems only if there is no regional or domestic ATM brand that is capable of processing the transaction.

### ***Prepaid***

Our prepaid product platform enables issuers to offer products that access a designated pool of funds, allowing cardholders to enjoy the convenience and security of a payment card in lieu of cash or checks. Our prepaid platform includes gift cards, travel cards, youth cards, payroll cards, money transfer cards, voucher replacement cards, corporate incentive cards, insurance reimbursement cards and government benefits cards. Our prepaid platforms are also used to pay highway tolls and to top up prepaid mobile phones in some regions. Prepaid products can be issued as either reloadable or disposable. Reloadable cards enable consumers or third

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parties such as employers to add additional funds to the pool. Consumers may reload cards through various channels, including merchants and participating customer financial institutions. Disposable cards cannot be reloaded in this manner. Our prepaid cards can be distributed through a number of channels, including bank branches, Internet sites, merchants, and employers.

### ***Commercial***

Our commercial product platforms enable multinational, large, medium and small companies and government organizations to streamline payment processes, manage information and their supply chain, and reduce administrative costs. Our commercial platforms include Visa Business Credit, Visa Business Check Card, Visa Business Debit, Visa Signature Business, Visa Business Electron, Visa Corporate, Visa Purchasing, Visa Fleet, Visa Distribution, Visa Commercial One Card and Visa Commerce.

*Large and Medium Companies and Government Organizations.* The Visa Corporate product platform offers payment options for travel and entertainment charges, including cash advances, and provides detailed transaction data, which allows companies to track policy compliance and supplier management. Visa Purchasing provides corporate clients with a payment product to easily acquire the goods and services needed to conduct their business by streamlining time- and paper-intensive purchase order and invoice processing, and by providing flexible transaction authorization and verification statements for each cardholder. A sub-product of Visa Purchasing, Visa Fleet, provides specialized authorization controls that fleet operators need to monitor and manage spending for company-provided vehicles. Visa Distribution provides an accounts receivable service for suppliers with dispersed operations. The Visa Commercial One Card allows organizations to combine procurement, travel and entertainment, and fleet functionality into a single payment solution. Visa Commerce is a business-to-business electronic platform providing accounts payable and accounts receivable payment services to facilitate large transactions between contracted buyers and sellers.

*Small Businesses.* The Visa Business credit and debit platforms provide small businesses with cash flow tools, purchasing savings, rewards and management reporting. Visa Business Electron is an electronic authorization platform used in many countries outside North America, and has authorization control attributes that are similar to those of the consumer Visa Electron products described above.

Core to all Visa Commercial payment platforms are information management, reconciliation and reporting, which integrate payment data into company financial systems. Visa Information Management is a web-based tool that provides access to a suite of reporting and information tools in multiple languages to companies using any of the Visa Commercial platforms.

### ***Product Platform Innovation***

We invest in the development and enhancement of payment product platforms with the goal of increasing the migration of consumer and business spending to electronic payments. We believe that innovation results in more secure and versatile payment program options for our customers, merchants and consumers. We focus on new payment channels, card technologies, payment account access devices and authentication methods, and have recently made significant investments in the development of money transfer services, magnetic stripe and unembossed card enhancements, chip cards, contactless payment devices and mobile payments.

*Money Transfer.* Visa Money Transfer is a remittance platform that our customers use to allow their cardholders to send funds to other Visa cardholders with accounts at participating financial institutions. The funds are credited directly to the individual's Visa credit, debit or prepaid account. Our customers can deploy our standard Visa Money Transfer service, which includes sophisticated anti-money laundering, fraud and risk controls, or they can develop their own customized services. As of June 30, 2007, Visa Money Transfer was operative in three countries in Visa AP, including India, where more than 50 million Visa cardholders were eligible to receive remittances on their Visa cards. Our customers also offer domestic and cross-border money transfer services using Visa prepaid cards in Visa LAC, Visa CEMEA and Visa AP.

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*Magnetic Stripe and Unembossed Card Enhancements.* Beginning in October 2003, we introduced a series of rules and standards that allow our customers in certain regions to issue magnetic-stripe Visa cards with enhanced authorization requirements and risk controls that increase their ability to offer Visa cards to high-risk consumer segments. These standards include codes on the magnetic stripe that instruct point-of-sale terminals to request real-time transaction authorizations from the card issuer, providing an increased level of transaction authorization over traditional magnetic-stripe cards that lack such codes. These standards also permit issuers in certain countries to issue magnetic stripe Visa cards with the cardholder name and account number printed on the card, rather than embossed with raised lettering. These unembossed cards reduce the risk of fraudulent card use at merchants that do not have electronic point of sale terminals that are capable of seeking transaction authorizations from the card issuer.

*Chip Cards.* In certain regions and countries, we support customer issuance of Visa and Visa Electron chip cards, which are compliant with the EMV Integrated Circuit Card Specifications for Payment Systems. In addition to a traditional magnetic stripe, chip cards carry encrypted account data on an embedded computer chip that is read by a point-of-sale terminal. Chip cards can offer increased data security over traditional magnetic-stripe-only cards and can reduce the incidence of certain types of fraud. Our customers reported that as of March 31, 2007, more than 104 million Visa and Visa Electron branded chip cards were in circulation.

*Contactless Payment Cards and Devices.* We support customer issuance and merchant acceptance of EMV-compliant contactless payment cards and devices, including contactless-enabled cards, minicards and microtags. A contactless device contains a computer chip that securely stores account information and transmits it to merchant terminals via secure radio-frequency technology that operates over short distances. Contactless devices can increase speed and convenience at the point of sale by allowing a consumer to complete a transaction without the need to swipe a card manually or insert it into a point-of-sale device. We believe that contactless technology is particularly appealing to merchants in segments with high point-of-sale throughput and a large proportion of small-value transactions. As of March 31, 2007, our customers had issued more than eight million of our contactless payment devices around the world.

*Mobile Payments.* We support payment origination and acceptance by mobile devices, such as mobile telephones and wireless data devices. In 2007, we introduced the Visa Mobile Platform, a global initiative that provides a comprehensive suite of technology tools and applications designed to promote product development and commercialization of mobile payment services. The Visa Mobile Platform is designed to provide consumers with a consistent experience for all types of payments, regardless of phone type or geography, and is designed to work within the existing infrastructure established by mobile carriers and financial institutions. In addition to supporting the development of mobile payment solutions, such as contactless payments, mobile Internet payments and person-to-person payment, the platform also supports the development of payment-related services, such as account management services to enable consumers to monitor account activity through a mobile device, and mobile coupons that can be redeemed at the point of sale.

## **Payments Network Management**

We devote significant resources to ensure that Visa is the payments network of choice for customers, merchants and cardholders. We seek to accomplish this by promoting our brand through marketing and sponsorship activities, increasing acceptance of Visa branded cards around the world and ensuring that the system operates in a reliable and secure manner for all of our network participants.

## ***Brand Management and Promotion***

We engage in a variety of activities designed to maintain and enhance the value of our brand. Our integrated approach to brand management and promotion combines advertising, sponsorships, promotions and public relations to create programs that build active preference for products carrying our brand, promote product usage, increase product acceptance, and support cardholder acquisition and retention. For merchants, we work to ensure

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that the Visa brand represents timely and guaranteed payment, as well as a way to increase their business profitably. For our customers, our marketing is designed to support their card issuance, activation and usage efforts while complementing and enhancing the value of their own brands. For cardholders, we work to ensure that Visa is a symbol of security, convenience and acceptance. By emphasizing these core attributes of our brand, we aim to reinforce the recognition that Visa is the World's Best Way to Pay.

Advertising plays a critical role in building brand awareness and equity, as well as communicating the benefits of our brand and Visa branded payment products. Through our advertising campaigns, we strive to provide a consistent, recognizable and compelling message that supports our brand positioning. During 2006, we launched our "Life Takes Visa" brand campaign in the United States, reinforcing our brand promise to deliver innovative products and services that empower our cardholders to experience life and business their way and on their terms. In other regions, we promote these same brand messages through tailored regional and country-specific advertising campaigns, such as our "All It Takes" campaign in Visa AP and our "La Vida es Ahora" campaign in Visa LAC.

We establish global marketing relationships to promote the Visa brand and to allow customers to conduct marketing programs in conjunction with major sporting and entertainment events. Through these marketing relationships, our customers may develop marketing programs that include the Visa brand and mention our sponsorship status. Our primary global sponsorship platform is the Olympic Games, for which we have been the exclusive payment card sponsor since 1986. Approximately 1,200 customers in 46 countries, including 12 members of Visa Europe, executed Visa marketing programs in conjunction with the 2006 Torino Games. Our current commitment to the Olympic Games extends through the 2008 Beijing Olympic Games, the 2010 Vancouver Olympic Games, and the 2012 London Olympic Games. We also maintain major sponsorships with the Paralympic Games and the Rugby World Cup. In addition, we engage in marketing and sponsorship activities around other national and local events or with associations and companies to provide customized marketing platforms to customers in certain countries and regions.

Our customer and business partner marketing consulting services provide customized advice and support to improve our customers' cardholder acquisition, cardholder retention and product usage efforts. We conduct strategic reviews of our customers' marketing activities and portfolio management practices, help them develop acquisition and retention programs, develop marketing for new products, conduct market segmentation analysis, and perform other consultative services. In addition to customized consulting projects, we offer training to provide our customers with an understanding of best practices for managing their payments business.

We also provide marketing support to our customers through our support of Visa co-branded and affinity card programs. Co-branded cards are payment cards bearing the brand marks of an issuer and a marketing partner, usually a merchant, while affinity cards generally bear the marks or logos of charitable, professional, educational or civic organizations.

Our merchant marketing activities bring added value to our merchant partners through the development of marketing programs customized for specific merchants and industry segments. These programs, which we develop in conjunction with merchants, generate awareness for new acceptance channels and locations and increase cardholder spending and merchant sales revenue through special offers and promotions.

### ***Merchant Acceptance Initiatives***

Merchants play a vital role in our payments network, and we work continuously to build our merchant acceptance and enhance our relationships with merchants that accept Visa branded cards. As of March 31, 2007, our customers reported that our cards were accepted at more than 27 million merchant outlets around the world.

We aim to maintain and expand our merchant base by focusing on the needs of merchants and consumers and enhancing our programs to increase acceptance in attractive and fast-growing segments, such as bill



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payment. Our efforts to address these needs include supporting the development of technological innovations, delivering value-added information services, such as the Visa Incentive Network, and evaluating potential modifications to our operating rules and interchange rates to enhance the value of our payments network compared to other forms of payment. In the United States for example, the Visa Small Ticket Payment Service provides a special interchange rate category and No Signature Required programs eliminate the requirement for a cardholder signature for certain small-value transactions in a number of everyday spend categories, including quick-service restaurants, movie theatres, and public transit. Under this program, the merchant will be protected against no signature chargebacks. We believe these initiatives have resulted in a faster check-out process, a reduction in merchants' operating expenses, increased merchant acceptance and greater transaction volume in these categories.

For certain merchant segments, we have modified our rules to accommodate their specific business practices and facilitate their acceptance of Visa cards. For example, the International Airline Program enables airlines with operations in multiple countries to consolidate their acquiring relationship and simplify the submission of transaction information.

We enter into arrangements with certain merchants under which these merchants receive monetary incentives and rebates for acceptance of products carrying our brands and increasing their payments volume of products carrying our brands or indicating a preference for our cards.

High volume merchants that operate in a multi-lane retail environment where speed and reliability at the point of sale are critical can use Visa Merchant Direct Exchange, which provides a single, secure and extensible Internet Protocol (IP)-based connection to the VisaNet network for all entities connected to Visa U.S.A. and Visa Canada, and which allows each of these entities or endpoints to securely exchange proprietary data with us and each other.

We continue to respond to the needs of merchants in order to enhance the efficiency of the Visa payments network for the benefit of all network participants. For example, in 2006, we enabled merchants in the United States to obtain copies of key provisions of our U.S. Operating Regulations, thereby increasing access to the rules and procedures that govern merchant participation in our system. We also published our U.S. interchange rate schedule and made our U.S. interchange rate qualification guide available to merchants in an effort to educate merchants about the structure of our customer interchange rates and the criteria that determine the specific rate for which a given transaction qualifies.

***Membership Standards***

Visa International, Visa U.S.A. and Visa Canada are non-stock corporations, which are directly or indirectly owned by their financial institution members. The membership interests carry not only voting and economic rights, but an important license right so that our financial institution members can participate in and benefit from the Visa payments system. As a result of the proposed restructuring, the membership interests in Visa International, Visa U.S.A. and Visa Canada will be split into two portions—an economic and voting interest, which will be exchanged in the restructuring for shares of Visa Inc. common stock and a continuing nonvoting, with limited exceptions, non-economic license right, which will enable the financial institution to continue to participate in the Visa payment network. While the membership interests will no longer have voting, with limited exceptions or economic rights, by retaining the membership structure at the subsidiary level, we believe that we retain important flexibility in operating our network through our operating regulations and rules, which benefits us, our member/customers, cardholders and merchants. Throughout this section, we refer to our financial institution customers as members.

Our members are generally required to be financial institutions or other deposit-taking institutions organized under local banking laws or wholly owned by such institutions. Principal members that are financial institutions may participate in the full range of membership functions, such as soliciting cardholders and issuing cards,

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soliciting and signing merchants and acquiring merchant transactions. Principal members may also sponsor other financial institutions for levels of membership that involve more limited participation in our network.

### *Rulemaking and Enforcement*

In general, our members are granted licenses to use our brands and access to our transaction processing systems. Our members are obligated to honor rules and standards established by us, which apply to their use of our branded programs and their participation in our transaction processing system. Variations on such rules and standards may exist in different regions and countries to meet the needs of local markets. We require our members to comply with these rules, which relate to such matters as the use of our brands and trademarks, the standards, design and features of payment cards and programs, merchant acquiring activities, including acceptance standards applicable to merchants, use of agents, disputes between members, risk management, guaranteed settlement, member financial failures and allocation of losses among members.

We establish dispute resolution procedures between members relating to specific transactions. For example, after a transaction is presented to an issuer, the issuer may determine that the transaction is invalid for a variety of reasons, including fraud. If the issuer believes there is a defect in a transaction, the issuer may return, or charge back, the transaction to the acquirer. We enforce rules relating to chargebacks and act as an arbitrator of last resort with respect to chargeback disputes.

### *Member Risk Management*

We indemnify our members for any loss suffered due to the failure of a member to fund its daily settlement obligations because of technical problems, liquidity shortfall, insolvency or other reasons. In certain instances we indemnify members even in situations in which a transaction is not processed by our system. No material loss related to settlement risk was incurred for fiscal 2006, 2005 or 2004.

To manage our exposure in the event our members fail to fund their settlement obligations, we have a member risk policy with a formalized set of credit standards and risk control measures. Members with significant settlement exposure are evaluated regularly to assess risk. In certain instances, we may require a member to post collateral, typically in cash equivalents, government securities, letters of credit or guarantees in order to ensure their performance of settlement obligations. If a member becomes unable or unwilling to meet its obligations, we are able to draw upon such member's collateral in order to minimize any potential loss. We may also apply other risk control measures, such as blocking the authorization and settlement of transactions, limiting the use of certain types of agents, prohibiting initiation of acquiring relationships with certain high risk merchants or suspending or terminating a membership. The exposure to settlement losses not covered by member collateral is accounted for as a settlement risk guarantee. The fair value of the settlement risk guarantee is estimated using a proprietary model. Key inputs to the model include statistically derived loss factors based on historical experience, estimated settlement exposures at period end and a standardized grading process for members and country exposures.

### *Payment System Integrity*

The integrity of our payments system is affected by fraudulent activity and other illegal uses of our products. Fraud is most often committed in connection with lost, stolen or counterfeit cards or stolen account information resulting from security breaches of systems that store cardholder or account data, including systems operated by merchants, financial institutions and other third-party data processors. Fraud is also more likely to occur in association with transactions where the card is not present at the point of sale, such as electronic commerce, mail order and telephone order transactions. Security and cardholder authentication for these remote channels are particularly critical issues facing our members and merchants that engage in these forms of commerce, where a signed cardholder sales receipt is generally unavailable.

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Our fraud detection and prevention offerings include Verified by Visa, a global Internet authentication product, which permits cardholders to authenticate themselves to their issuing financial institution using a unique personal code; Visa Advanced Authorization, which adds additional fraud detection capability by adding real-time risk scores to authorization messages; and chip and pin programs that have been demonstrated to reduce the incidence of certain types of fraud at physical point of sale locations. We have also implemented rules that require the use of more secure PIN encryption standards for ATMs and point-of-sale PIN entry devices installed after 2002 and 2003, and we have recently mandated that all PINs transmitted through VisaNet to the issuer be encrypted by the Triple DES, or Data Encryption Standard by July 1, 2010.

We also operate several merchant compliance programs to help ensure the integrity of our payments system. In a cooperative industry effort, we co-founded the Payment Card Industry, or PCI, Data Security Standards Council in 2006, an independent council that is chartered with leading and managing the evolution of data security standards for the payments industry. In December 2006, we announced that in the United States we would offer \$20 million in financial incentives and create new sanctions in an effort to further merchant compliance with this industry standard. The new effort, called the Visa PCI Compliance Acceleration Program, targets the acquirers responsible for the largest 1,200 merchants in the United States known as Level 1 and 2 merchants which each process more than one million Visa transactions a year. These merchants accounted for approximately two-thirds of Visa's U.S. transaction volume in calendar year 2006. The initiative's goal is to eradicate the storage of full-track data all of the data on the magnetic stripe on a payment card, including account number, issuer and, often, the name of the cardholder, CVV2 data the 3 digit code on the back of the card and PIN data and improve PCI compliance among this group of merchants.

In 2006, we began upgrading all connections to VisaNet with encryption capabilities to protect data that is transferred to and from VisaNet, and began performing data content analysis to ensure proper data safe-keeping and purging of obsolete data. In 2006, we also began developing a web-based tool that will replace our legacy risk-identification system to better assist members in their identification and monitoring of high-risk relationships.

### ***Interchange***

Interchange represents the transfer of value between the financial institutions participating in an open-loop payments network such as ours. On purchase transactions, interchange passes from acquirers to issuers reflecting the costs issuers bear and the value they provide to the Visa system with respect to bringing cardholders into the Visa system, guaranteeing payments, servicing accounts and performing other activities that support cardholder spending. In ATM transactions, the situation is typically reversed and interchange fees pass from issuers to acquirers to offset the acquirers' costs of ATM deployment and the value they provide in establishing ATM networks of attractive geographic scale and functionality. We establish default interchange rates, although our customers may choose to establish different bilateral or multilateral interchange rates. Although we administer the collection and remittance of interchange fees through the settlement process, we generally do not receive any portion of the interchange fees.

We believe the default interchange rates we use promote the efficient operation of our payments network by enabling both the issuer and acquirer to understand the economics of a given transaction before entering into it, and by eliminating the need for each of our customers to negotiate transfer pricing with each other. By establishing and modifying default interchange rates in response to marketplace conditions and strategic demands, we seek to ensure a competitive value proposition for transactions using our cards in order to encourage electronic transactions and to maximize participation in the Visa payments system by issuers and acquirers and, ultimately, consumers and merchants. Proper management of interchange rates benefits consumers, merchants, our customers and us by promoting the overall growth of our payments network in competition with other payment card systems and other forms of payment, and creating incentives for innovation, enhanced data quality and security.

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Interchange rates, including our default interchange rates, have become subject to increased regulatory scrutiny in recent years. In certain countries, such as Australia and Mexico, interchange rates have been adjusted in advance of, or in response to, government regulation. We are currently devoting substantial management and financial resources to explain the importance of and defend interchange fees and other legal and regulatory challenges we face relating to interchange fees. See *Legal and Regulatory Proceedings Global Interchange Proceedings* and *Risk Factors Interchange fees are subject to significant legal and regulatory scrutiny worldwide, which may have a material adverse impact on our revenue, our prospects for future growth and our overall business.*

*Merchant Discount Rates.* Acquirers generally charge merchants a fee for each transaction, called the merchant discount. Acquirers charge a merchant discount, which would typically cover costs they incur for participation in four-party payments networks, including those relating to interchange, and compensate them for various other services they provide to merchants. Merchant discount rates and other merchant fees are set by our acquirers without our involvement and by agreement with their merchant customers and are established in competition with other acquirers, other payment card systems and other forms of payment. We do not establish or regulate merchant discount rates or any other fees charged by our acquirers.

## **Intellectual Property**

We rely on a combination of patent, trademark, copyright and trade secret laws in the United States and other jurisdictions, as well as confidentiality procedures and contractual provisions, to protect our proprietary technology.

We own a number of valuable trademarks and designs, which are essential to our business, including Visa, Interlink, PLUS, Visa Electron, the Winged V design, the Dove design and the Bands Design Blue, White & Gold design. We also own numerous other valuable trademarks and designs covering various brands, programs and services we offer to support our payment programs and related services. Through agreements with our customers, we authorize and monitor the use of our trademarks in connection with participation in our payments network.

In addition, we own a number of patents and patent applications relating to payments solutions, transaction processing, security systems and other matters.

## **Competition**

We compete in the global payment marketplace against all forms of payment, including paper-based forms (principally cash and checks) card-based payments credit cards, charge cards, deferred debit, debit cards, including ATM cards, prepaid cards, private label cards and other types of general-purpose and limited-use cards and other electronic payments wire transfers, electronic benefits transfers, Automated Clearing House payments, electronic data interchange, and other forms of electronic payment not typically tied to a payment card or similar access device.

Within the general purpose payment card industry, we face substantial and intense competition worldwide. The leading global card brands in the general purpose payment card industry include Visa, MasterCard, American Express and Diners Club. Other general purpose card brands are more concentrated in specific geographic regions, such as JCB in Asia and Discover in the United States. In certain countries, our competitors have leading positions, such as JCB in Japan and China Union Pay in China, which is the sole domestic payment processor and operates the sole domestic acceptance mark in China due to local regulation. We also compete against private-label cards, which can generally be used to make purchases solely at the sponsoring retail store, gasoline retailer or other merchant.

In the debit card market segment, Visa and MasterCard are the primary global brands. In addition, our Interlink and Visa Electron brands compete with Maestro, owned by MasterCard and various regional and

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country-specific debit network brands, such as STAR, owned by First Data, PULSE, owned by Discover, NYCE, owned by Metavante, and others in the United States; Interac in Canada; and EFTPOS in Australia. In addition to our PLUS brand, the primary cash access card brands are Cirrus, owned by MasterCard, and many of the online debit network brands referenced above. In many countries, local debit brands are the primary brands, and our brands are used primarily to enable cross-border transactions, which typically constitute a small portion of overall transaction volume.

Some of our major competitors, including American Express and Discover, operate closed-loop systems. Closed-loop systems can benefit from direct access to consumer and merchant information, and they tend to have greater control over cardholder service than do operators of open-loop payments networks, like Visa, which depend on their financial institution customers to provide products and services directly to the cardholder. In recent years, the major closed-loop systems, American Express and Discover, have begun working directly with issuing and acquiring financial institutions, thus emulating certain aspects of the open loop system, including setting transfer pricing.

In addition, we compete against companies that are developing and implementing alternative payments networks. Among other things, these competitors provide Internet currencies that can be used to buy and sell goods online, virtual checking programs that permit the direct debit of consumer checking accounts for both online and point-of-sale transactions and services that support payments to and from proprietary accounts for Internet, mobile commerce and other applications. A number of these new entrants rely principally on the Internet to support their services, and may enjoy lower costs than we do. In mobile commerce, we also face competition from established network operators who may be in a position to enable mobile devices to process electronic payments or transfer money, and to use their existing billing systems to process these payments and transfers between their customers and third parties without our involvement.

Our Visa Debit Processing Service is a major provider of issuer processing services for United States issuers of Visa debit, prepaid and ATM products, and thus also competes with third party processors, such as First Data Corporation and Total System Services.

We believe that the primary factors affecting our competitive position in the payments industry include:

our ability to maintain the quality and integrity of our transaction processing systems;

our relationships with our customers;

our relationships with merchants;

the impact of existing litigation, legislation and government regulation;

pricing to our customers;

the impact of globalization and consolidation of financial institutions and merchants; and

our ability to develop and implement new payment programs, systems and technologies.

Litigation has and may continue to affect our ability to compete in the global payments industry. For example, as a result of the June 2003 settlement of a U.S. merchant lawsuit against Visa U.S.A. and MasterCard, merchants may choose not to accept U.S.-issued Visa debit cards in the United States while still accepting Visa-branded credit cards, and vice versa. In addition, following the final judgment in our DOJ litigation, members of Visa U.S.A. may issue certain payment cards that compete with Visa-branded cards, such as American Express or Discover, while remaining Visa members. Since this final judgment, several members of Visa U.S.A., including, but not limited to, Bank of America, Citibank, HSBC/Metris, U.S.A.A., Barclaycard U.S., GE Consumer Finance, First Bank & Trust, Credit One, Central National Bank & Trust, and Brenham National Bank, have begun to issue, or have announced that they will issue, American Express or Discover-branded cards. Outside of the U.S., our customers have historically been permitted to issue American Express cards, as well as the cards of other competing general

purpose card networks.

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The banking industry has undergone consolidation, and we expect this trend to continue. A customer financial institution with a substantial part of our portfolio may be acquired by an institution that has a strong relationship with a competitor, resulting in a substantial loss of business. Because continued consolidation in the banking industry results in fewer financial institutions of increased size, the bargaining power of the remaining financial institutions increases.

### **Government Regulation**

Government regulation impacts key aspects of our business. We are subject to government regulation of the payments industry in the many countries in which our cards are used. Our customers are also subject to numerous regulations applicable to banks and other financial institutions in the United States and elsewhere, and as a consequence our business is affected by such regulations. In recent years our business has come under increasing regulatory scrutiny. In particular, interchange fees associated with open loop payments systems such as ours are being reviewed or challenged in various jurisdictions in which our cards are used.

As the volume of card-based payments has grown rapidly in recent years, interchange fees, including our default interchange rates, have become subject to increased regulatory scrutiny worldwide. We believe that regulators are increasingly adopting a similar approach to interchange fees and, as a result, developments in any one jurisdiction may influence regulators in other jurisdictions. Interchange fees and related practices are being or have been reviewed by regulatory authorities and/or central banks in a number of jurisdictions, including the United States, the European Union, Australia, Brazil, Colombia, Hungary, Mexico, Norway, Poland, Portugal, Romania, Singapore, South Africa, Spain, Sweden, Switzerland and the United Kingdom. In certain countries, such as Australia and Mexico, interchange rates have been adjusted in anticipation of, or in response to, government regulation. Interchange fees have been the topic of recent committee hearings in the U.S. House of Representatives and the U.S. Senate. Individual state legislatures in the United States are also reviewing interchange fees, and legislators in a number of states have proposed bills that purport to limit interchange fees or merchant discount rates or to prohibit interchange fees or merchant discount rates from being applied to portions of a transaction. The topic of interchange fees has also been raised in conferences held by a number of Federal Reserve Banks. In addition, the Merchants Payment Coalition, a coalition of trade associations representing businesses that accept credit and debit cards, is mounting a challenge to interchange fees in the United States by seeking legislative and regulatory intervention.

Most jurisdictions in which our customers and we operate have implemented, amended or have pending anti-money laundering regulations. In 2002, we and our customers became subject to the provisions of the U.S.A. PATRIOT Act, which requires the creation and implementation of comprehensive anti-money laundering programs. Our anti-money laundering program must be reasonably designed to prevent our payments system from being used to facilitate money laundering and the financing of terrorist activities. Our program must, at a minimum, include the designation of a compliance officer; provide for the training of employees regarding anti-money laundering responsibilities; provide internal policies, procedures and controls to mitigate money laundering risks; and be independently audited.

Visa International and Visa U.S.A. are subject to regulations imposed by the OFAC. OFAC restricts financial dealings with Cuba, Iran, Myanmar and Sudan, as well as financial dealings with certain third parties, such as identified money laundering fronts for terrorists or narcotics traffickers. While Visa prohibits financial institutions that are domiciled in those countries or are restricted parties from being Visa members, many Visa International members are non-U.S. financial institutions, and thus are not subject to OFAC restrictions. Accordingly, our payments network may be used with respect to transactions in or involving countries or parties subject to OFAC-administered sanctions.

In recent years, a number of regulations relating to the price of credit have been implemented in some jurisdictions in which our cards are used. In the United States, regulators and the U.S. Congress have increased their scrutiny of our customers' pricing and underwriting standards relating to credit. For example, a number of

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regulations have been issued to implement the U.S. Fair and Accurate Credit Transactions Act, and other regulations are expected to be issued in 2007. One such regulation pertaining to risk-based pricing could have a significant impact on the application process for credit cards and result in increased costs of issuance and/or a decrease in the flexibility of card issuers to set the price of credit. In addition, the U.S. Senate Permanent Subcommittee on Investigations is expected to consider the methods used to calculate finance charges and allocate payments received from cardholders and the methods by which default interest rates, late fees and over-the-credit-limit fees are determined, imposed and disclosed. Any regulation in this regard could impact our customers' ability to issue profitably cards in certain segments and impact our payments volume and revenue.

Our customers and we are subject to regulations related to privacy, data use and security in the jurisdictions in which we do business. For example, in the United States, our customers and we are respectively subject to the banking regulators' information safeguard rules and the Federal Trade Commission's rules under the Gramm-Leach-Bliley Act. These rules require that our customers and we develop, implement and maintain a written, comprehensive information security program containing safeguards that are appropriate to our size and complexity, the nature and scope of our activities and the sensitivity of any customer information at issue.

In recent years, there has been a heightened legislative and regulatory focus on data security, including requiring consumer notification in the event of a data breach. In the United States, a number of bills have been introduced in Congress and there have been several Congressional hearings to address these issues. Congress is considering data security/data breach legislation which, if implemented, could affect our customers and us. In addition, a number of U.S. states have enacted security breach legislation, requiring varying levels of consumer notification in the event of a security breach, and several other states are considering similar legislation.

Governments in certain countries have acted, or could act, to provide resources or protection to selected national payment card providers or national payment processing providers to support domestic competitors or to displace us from, prevent us from entering into, or substantially restrict us from participating in, particular geographic markets. For example, our customers in China are not permitted to issue cards carrying our brands for domestic use in China. Governments in certain countries that were formerly part of the Soviet Union have considered similar restrictions from time to time.

Many jurisdictions in which our customers and we operate are considering, or are expected to consider, legislation with regard to Internet transactions, and in particular with regard to choice of law, the legality of certain e-commerce transactions, the collection of applicable taxes and copyright and trademark infringement. If implemented, these initiatives could require our customers and us to monitor, filter, restrict or otherwise oversee various categories of payment card transactions or to take other actions. For example, we expect regulations to be promulgated in 2007 pursuant to recently enacted U.S. legislation regarding Internet gambling, which will require our customers and us to code and block certain types of Internet gambling transactions. Various U.S. regulatory agencies are also considering additional regulation covering capital requirements, privacy, disclosure rules, security and marketing, which could impact our customers and us directly. Increases in fraud or other illegal activity involving our cards could also lead to regulatory intervention, such as mandatory card re-issuance.

Certain of our operations in the United States are periodically reviewed by the Federal Financial Institution Examination Council to ensure our compliance with applicable data integrity and security requirements. In recent years, the federal banking regulators in the United States have adopted a series of regulatory measures intended to require more conservative accounting, greater risk management and higher capital requirements for bank credit card activities, particularly in the case of banks that focus on subprime cardholders. Government regulators may determine that we are a systemically important payments system and impose settlement risk management requirements on us, including new settlement procedures or other operational rules to address credit and operational risks or new criteria for customer participation and merchant access to our payments system. In addition, outside of the United States, a number of jurisdictions have implemented legal frameworks to regulate their domestic payments systems. For example, regulators in Australia, Mexico, Colombia, Singapore, and Malaysia have been given statutory authority to regulate certain aspects of the payments systems in those countries.



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### **Properties**

As of March 31, 2007, we owned and leased approximately 2.1 million square feet of office and processing center space in 30 countries around the world, of which approximately 1.4 million square feet is owned and the remaining 700,000 square feet is leased. Our corporate headquarters is located in the San Francisco Bay Area and consists of four buildings that we own, totaling 940,000 square feet. We also own a 168,000 square foot office building in Miami, which serves as our Latin America regional headquarters.

In addition, we operate three processing centers: a processing center and an office facility in Colorado totaling 268,000 square feet, which we own, a processing center and office facility in Virginia, totaling 137,500 square feet, which we lease, and an 11,000-square-foot leased facility in Japan. In July 2006, we approved a plan to replace our leased processing center in the eastern United States by building a new 140,000 square foot processing center and a new 113,000-square-foot office building.

These facilities are believed to be suitable and adequate to support our business needs.

### **Employees**

As of March 31, 2007, Visa International, Visa U.S.A., its majority controlled subsidiary Inovant, and Visa Canada had 5,581 employees worldwide. We consider our relationships with our employees to be good.

### **Customers**

As of March 31, 2007, we had approximately 16,400 customer financial institutions. Operating revenues recognized as a result of fees paid, net of incentives, from our largest customer, JPMorgan Chase and its affiliates, were approximately \$408.5 million in fiscal 2006 and \$367.6 million in the nine months ended June 30, 2007, or 10% and 10%, respectively, of Visa Inc.'s pro forma operating revenue. No other customer represented more than 10% of pro forma operating revenue.

### **Legal and Regulatory Proceedings**

We are a party to legal and regulatory proceedings with respect to a variety of matters in the ordinary course of business. Some of these proceedings involve complex claims that are subject to substantial uncertainties and unspecified damages, therefore, the probability of loss and an estimation of damages are not possible to ascertain at present. Accordingly, we have not established reserves for any of these proceedings other than for the Currency Conversion Litigation and the GMRI, Inc. case, see *Currency Conversion Litigation* and *U.S. Merchant Opt-Out and Consumer Litigations*. Except for those matters described below, we do not believe that any legal or regulatory proceedings to which we are a party would have a material impact on our results of operations, financial position, or cash flows. Although we believe that we have strong defenses for the litigations and regulatory proceedings described below, we could in the future incur judgments or fines or enter into settlements of claims that could have a material adverse effect on our results of operations, financial position or cash flows.