VISA INC.

FORM 10-K
(Annual Report)

Filed 11/22/13 for the Period Ending 09/30/13

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Symbol	V
SIC Code	7389 - Business Services, Not Elsewhere Classified
Industry	Consumer Financial Services
Sector	Financial
Fiscal Year	09/30

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Visa Inc.:

We have audited the accompanying consolidated balance sheets of Visa Inc. and subsidiaries as of September 30, 2013 and 2012 , and the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended September 30, 2013 . We also have audited Visa Inc.'s internal control over financial reporting as of September 30, 2013 , based on criteria established in *Internal Control – Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Visa Inc.'s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Visa Inc. and subsidiaries as of September 30, 2013 and 2012 , and the results of its operations and its cash flows for each of the years in the three-year period ended September 30, 2013 , in conformity with U.S. generally accepted accounting principles. Also in our opinion, Visa Inc. maintained, in all material respects, effective internal control over financial reporting as of September 30, 2013 , based on criteria established in *Internal Control – Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ KPMG LLP
San Francisco, California
November 21, 2013

The following table presents earnings per share for fiscal 2012 . [1]

	Basic Earnings Per Share			Diluted Earnings Per Share		
	(in millions, except per share data)					
	Income Allocation (A) [2]	Weighted-Average Shares Outstanding (B)	Earnings per Share = (A)/(B)	Income Allocation (A) [2]	Weighted-Average Shares Outstanding (B)	Earnings per Share = (A)/(B)
Class A common stock	$ 1,664	524	$ 3.17	$ 2,144	678 [3]	$ 3.16
Class B common stock	343	245	$ 1.40	$ 341	245	$ 1.39
Class C common stock	130	41	$ 3.17	$ 129	41	$ 3.16
Participating securities [4]	7	Not presented	Not presented	$ 7	Not presented	Not presented
Net income attributable to Visa Inc.	$ 2,144					

The following table presents earnings per share for fiscal 2011 . [1]

	Basic Earnings Per Share			Diluted Earnings Per Share		
	(in millions, except per share data)					
	Income Allocation (A) [2]	Weighted-Average Shares Outstanding (B)	Earnings per Share = (A)/(B)	Income Allocation (A) [2]	Weighted-Average Shares Outstanding (B)	Earnings per Share = (A)/(B)
Class A common stock	$ 2,638	509	$ 5.18	$ 3,650	707 [3]	$ 5.16
Class B common stock	636	245	$ 2.59	$ 633	245	$ 2.58
Class C common stock	364	70	$ 5.18	$ 363	70	$ 5.16
Participating securities [4]	12	Not presented	Not presented	$ 12	Not presented	Not presented
Net income attributable to Visa Inc.	$ 3,650					

(1) Figures in the table may not recalculate exactly due to rounding. Earnings per share is calculated based on whole numbers, not the rounded numbers presented.

(2) Net income attributable to Visa Inc. is allocated based on proportional ownership on an as-converted basis. The weighted-average numbers of shares of as-converted class B common stock used in the income allocation were 103 million , 108 million and 123 million for fiscal 2013, 2012 and 2011 , respectively.

(3) Weighted-average diluted shares outstanding are calculated on an as-converted basis, and include incremental common stock equivalents, as calculated under the treasury stock method. The computation includes 2 million common stock equivalents for fiscal 2013 and 3 million for fiscal 2012 and fiscal 2011, because their effect would have been dilutive. The computation excludes less than 1 million of common stock equivalents for fiscal 2013 and 2012, and 2 million for fiscal 2011 because their effect would have been anti-dilutive.

(4) Participating securities are unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents, such as the Company's restricted stock awards, restricted stock units and earned performance-based shares.

Note 16—Share-based Compensation

The Company's 2007 Equity Incentive Compensation Plan, or the EIP, authorizes the compensation committee of the board of directors to grant non-qualified stock options ("options"), restricted stock awards ("RSAs"), restricted stock units ("RSUs") and performance-based shares to its employees and non-employee directors, for up to 59 million shares of class A common stock. Shares available for award may be either authorized and unissued or previously issued shares subsequently acquired by the Company. The EIP will continue to be in effect until all of the common stock available under the EIP is delivered and all restrictions on those shares have lapsed, unless the EIP is terminated earlier by the Company's board of directors. No awards may be granted under the plan on or after 10 years from its effective date.

Share-based compensation cost is recorded net of estimated forfeitures on a straight-line basis for awards with service conditions only, and on a graded-vesting basis for awards with service, performance and market conditions. The Company's estimated forfeiture rate is based on an evaluation of historical, actual and trended forfeiture data. For fiscal 2013 , 2012 , and 2011 , the Company recorded share-based compensation cost of $179 million , $147 million and $154 million , respectively, in personnel on its consolidated statements of operations. The amount of capitalized share-based compensation cost was immaterial during fiscal 2013 , 2012 and 2011 .

Options

Options issued under the EIP expire 10 years from the date of grant and vest ratably over three years from the date of grant, subject to earlier vesting in full under certain conditions.

During fiscal 2013 , 2012 and 2011 , the fair value of each stock option was estimated on the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions:

	2013	2012	2011
Expected term (in years) [(1)]	**6.08**	6.02	5.16
Risk-free rate of return [(2)]	**0.8%**	1.2%	1.2%
Expected volatility [(3)]	**29.3%**	34.9%	33.4%
Expected dividend yield [(4)]	**0.9%**	0.9%	0.8%
Fair value per option granted	**$ 39.03**	$ 29.65	$ 27.50

(1) Based on a set of peer companies that management believes is generally comparable to Visa.
(2) Based upon the zero coupon U.S. treasury bond rate over the expected term of the awards.
(3) Based on the average of the Company's implied and historical volatility. As the Company's publicly-traded stock history is relatively short, historical volatility relies in part on the historical volatility of a group of peer companies that management believes is generally comparable to Visa. The relative weighting between Visa historical volatility and the historical volatility of the peer companies is based on the percentage of years Visa stock price information has been available since its initial public offering compared to the expected term. The expected volatilities ranged from 27% to 29% in fiscal 2013 .
(4) Based on the Company's annual dividend rate on the date of grant.

The following table summarizes the Company's option activity for fiscal 2013 :

	Options	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (1) (in millions)
Outstanding at October 1, 2012	5,185,675	$ 59.46		
Granted	579,318	$ 147.37		
Forfeited	(51,766)	$ 109.35		
Exercised	(1,796,021)	$ 58.56		
Outstanding at September 30, 2013	3,917,206	$ 72.21	5.7	$466
Options exercisable at September 30, 2013	2,973,421	$ 57.74	4.8	$397
Options exercisable and expected to be vested at September 30, 2013 [(2)]	3,822,828	$ 71.08	5.6	$459

(1) Calculated using the closing stock price on the last trading day of fiscal 2013 of $191.10 , less the option exercise price, multiplied by the number of instruments.
(2) Applies a forfeiture rate to unvested options outstanding at September 30, 2013 to estimate the number expected to vest in the future.

For the options exercised during fiscal 2013 , 2012 and 2011 , the total intrinsic value was $176 million , $247 million and $77 million , respectively, and the tax benefit realized was $59 million , $86 million and $28 million , respectively. As of September 30, 2013 , there was $15 million of total unrecognized compensation cost related to unvested options, which is expected to be recognized over a weighted-average period of approximately 1.2 years.

Restricted Stock Awards and Restricted Stock Units

RSAs and RSUs issued under the EIP primarily vest ratably over three years from the date of grant, subject to earlier vesting in full under certain conditions.

Upon vesting, the RSAs are settled in class A common stock on a one-for-one basis. During the vesting period, RSA award recipients are eligible to receive dividends and participate in the same voting rights as those granted to the holders of the underlying class A common stock. Upon vesting, RSUs can be settled in class A common stock on a one-for-one basis or in cash, or a combination thereof, at the Company's option. The Company does not currently intend to settle any RSUs in cash. During the vesting period, RSU award recipients are eligible to receive dividend equivalents, but do not participate in the voting rights granted to the holders of the underlying class A common stock.

The fair value and compensation cost before estimated forfeitures for RSAs and RSUs is calculated using the closing price of class A common stock on the date of grant. The weighted-average grant-date fair value of RSAs granted during fiscal 2013 , 2012 and 2011 was $147.18 , $96.39 and $79.80 , respectively. The weighted-average grant-date fair value of RSUs granted during fiscal 2013 , 2012 and 2011 was $146.18 , $96.97 and $79.97 , respectively. The total grant-date fair value of RSAs and RSUs vested during fiscal 2013 , 2012 and 2011 was $98 million , $81 million and $55 million , respectively.

The following table summarizes the Company's RSA and RSU activity for fiscal 2013 :

	Restricted Stock		Weighted-Average Grant Date Fair Value		Weighted-Average Remaining Contractual Term (in years)		Aggregate Intrinsic Value [1] (in millions)	
	Awards	Units	RSA	RSU	RSA	RSU	RSA	RSU
Outstanding at October 1, 2012	1,736,989	637,645	$ 88.77	$ 91.17				
Granted	895,659	329,322	$ 147.18	$ 146.18				
Vested	(834,269)	(289,821)	$ 87.02	$ 88.22				
Forfeited	(100,398)	(27,464)	$ 109.62	$ 112.27				
Outstanding at September 30, 2013	1,697,981	649,682	$ 119.20	$ 119.49	1.5	1.3	$324	$124

(1) Calculated by multiplying the closing stock price on the last trading day of fiscal 2013 of $191.10 by the number of instruments.

At September 30, 2013 , there was $117 million and $38 million of total unrecognized compensation cost related to unvested RSAs and RSUs, respectively, which is expected to be recognized over a weighted-average period of approximately 1.5 years for RSAs and 1.3 years for RSUs.

Performance-based Shares

The following table summarizes the maximum number of performance-based shares which could be earned and related activity for fiscal 2013 :

	Shares	Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (1) (in millions)
Outstanding at October 1, 2012	526,227	$ 88.56		
Granted [2]	230,518	$ 164.14		
Vested and earned	(271,418)	$ 85.87		
Unearned	(9,928)	$ 85.05		
Forfeited	(15,500)	$ 129.36		
Outstanding at September 30, 2013	459,899	$ 126.24	1.0	$88

(1) Calculated by multiplying the closing stock price on the last trading day of fiscal 2013 of $191.10 by the number of instruments.
(2) Represents the maximum number of performance-based shares which could be earned.

For the Company's performance-based shares, in addition to service conditions, the ultimate number of shares to be earned depends on the achievement of both performance and market conditions. The performance condition is based on the Company's earnings per share target. The market condition is based on the Company's total shareholder return ranked against that of other companies that are included in the Standard & Poor's 500 Index. The fair value of the performance-based shares, incorporating the market condition, is estimated on the grant date using a Monte Carlo simulation model. The grant-date fair value of performance-based shares in fiscal 2013 , 2012 and 2011 was $164.14 , $97.84 and $85.05 per share, respectively. Earned performance shares granted in fiscal 2013 and 2012 vest approximately three years from the initial grant date. Earned performance shares granted in fiscal 2011 vest in two equal installments approximately two and three years from their respective grant dates. All performance awards are subject to earlier vesting in full under certain conditions.

Compensation cost for performance-based shares is initially estimated based on target performance. It is recorded net of estimated forfeitures and adjusted as appropriate throughout the performance period. At September 30, 2013 , there was $15 million of total unrecognized compensation cost related to unvested performance-based shares, which is expected to be recognized over a weighted-average period of approximately 1.0 years.

Note 17—Commitments and Contingencies

Commitments. The Company leases certain premises and equipment throughout the world with varying expiration dates. The Company incurred total rent expense of $94 million , $89 million and $76 million in fiscal 2013 , 2012 and 2011 , respectively. Future minimum payments on leases, and marketing and sponsorship agreements per fiscal year, at September 30, 2013 , are as follows:

(in millions)	2014	2015	2016	2017	2018	Thereafter	Total
Operating leases	$ 100	$ 77	$ 43	$ 35	$ 20	$ 82	$ 357
Marketing and sponsorships	116	117	61	54	54	178	580
Total	**$ 216**	**$ 194**	**$ 104**	**$ 89**	**$ 74**	**$ 260**	**$ 937**

Select sponsorship agreements require the Company to spend certain minimum amounts for advertising and marketing promotion over the life of the contract. For commitments where the individual years of spend are not specified in the contract, the Company has estimated the timing of when these amounts will be spent. In addition to the fixed payments stated above, select sponsorship agreements require the Company to undertake marketing, promotional or other activities up to stated monetary values to support events which the Company is sponsoring.

VISA INC.

FORM DEF 14A
(Proxy Statement (definitive))

Filed 12/13/13 for the Period Ending 01/29/14

Address	P.O. BOX 8999 SAN FRANCISCO, CA 94128-8999
Telephone	(415) 932-2100
CIK	0001403161
Symbol	V
SIC Code	7389 - Business Services, Not Elsewhere Classified
Industry	Consumer Financial Services
Sector	Financial
Fiscal Year	09/30

COMPENSATION COMMITTEE REPORT

The Compensation Committee has:

- reviewed and discussed the above section titled *Compensation Discussion and Analysis* with management; and
- based on this review and discussion, the Compensation Committee recommended to the board of directors that the *Compensation Discussion and Analysis* section be included in this proxy statement.

COMPENSATION COMMITTEE

William S. Shanahan (Chair)
Suzanne Nora Johnson
David J. Pang
John A. C. Swainson

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

None of the members of the Compensation Committee (William S. Shanahan, Suzanne Nora Johnson, David J. Pang and John A. C. Swainson) is or has ever been one of our officers or employees. In addition, during the last fiscal year, none of our executive officers served as a member of the board of directors or the compensation committee of any other entity that has one or more executive officers serving on our board of directors or Compensation Committee.

RISK ASSESSMENT OF COMPENSATION PROGRAMS

The Compensation Committee annually considers potential risks when reviewing and approving our compensation programs. We have designed our compensation programs, including our incentive compensation plans, with specific features to address potential risks while rewarding employees for achieving long-term financial and strategic objectives through prudent business judgment and appropriate risk taking. The following elements have been incorporated in our compensation programs for executive officers:

- A Balanced Mix of Compensation Components – The target compensation mix for our executive officers is composed of salary, annual cash incentives and long-term equity incentives, representing a mix that is not overly weighted toward short-term cash incentives.
- Multiple Performance Factors – Our incentive compensation plans use both Company-wide metrics and individual performance goals, which encourage focus on the achievement of objectives for the overall benefit of the Company. The annual cash incentive is dependent on multiple performance metrics including Net Income and Net Revenue Growth, both as adjusted for unusual or non-recurring items, as well as individual goals related to specific strategic or operational objectives.
- Long-term Incentives – Our long-term incentives are equity-based, with a three-year vesting schedule to complement our annual cash based incentives.
- Capped Incentive Awards – Annual incentive awards and performance share awards are capped at 200% of target.
- Stock Ownership Guidelines – Our guidelines call for significant share ownership, which aligns the interests of our executive officers with the long-term interests of our stockholders.
- Clawback Policy – Our Clawback Policy authorizes the board of directors to recoup past incentive compensation in the event of a material restatement of the Company’s financial results due to fraud, intentional misconduct or gross negligence of the executive officer.

Additionally, the Compensation Committee annually considers an assessment of compensation-related risks for all of our employees. Based on this assessment, the Compensation Committee concluded that our compensation programs do not create risks that are reasonably likely to have a material adverse effect on Visa. In making this determination, the Compensation Committee reviewed the key design elements of our compensation programs in relation to industry "best practices" as presented by Cook & Co, as well as the means by which any potential risks may be mitigated, such as through our internal controls and oversight by management and the board of directors. In addition, management completed an inventory of incentive programs below the executive level and reviewed the design of these incentives both internally and with Cook & Co. to conclude that such programs do not encourage excessive risk-taking.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table and related footnotes describe the total compensation earned for services rendered during fiscal years 201□, 2012 and 2011 by our named executive officers. The primary elements of each named executive officer's total compensation as reported in the table are base salary, annual incentive compensation and long-term incentive compensation in the form of stock options, restricted stock awards□units and performance shares. Certain other benefits are listed in the □All Other Compensation□column and additional detail about these benefits is provided in the *All Other Compensation in Fiscal Year 2013 Table* .

Name and Principal Position [1]	Year	Salary ($)	Bonus ($)	Stock Awards ($) [2]	Option Awards ($) [3]	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Non-qualified Deferred Compensation Earnings ($) [4]	All Other Compensation ($) [5]	Total ($)
Charles W. Scharf *Chief Executive Officer*	201□	□70,□□7	□	12,□□□,□□1[□]	□,000,00□[□]	□,574,□75[7]	47,□10	70□,□02	24,201,□51
Ryan McInerney *President*	201□	250,010	1,015,□25[□]	4,270,50□[□]	1,0□5,005[□]	5□4,□75[7]	11,□45	1□5,□□□	7,□□2,□5□
Byron H. Pollitt *Executive Vice President and Chief Financial Officer*	201□	□□□,□□0	□	4,□□2,120	□4□,□□1	1,410,□□□[7]	□5,410	77,□11	7,57□,420
	2012	□50,025	□	□,0□5,01□	□25,002	1,441,700	2□□,□□□	□2,07□	□,11□,520
	2011	□50,025	□	2,1□2,12□	□□□,□□□	1,0□□,000	2□□,□□2	□□,5□□	4,□70,0□2
Elizabeth Buse *Executive Vice President, Solutions*	201□	541,□□7	□	7,0□□,4□□	412,51□	1,0□1,71□[7]	□ [10]	□,4□0,□□□[11]	15,5□□,07□
	2012	525,020	□	□,5□2,5□0	□12,4□□	□□1,5□0	□24,0□4	□4□,25□	□,571,□□□
William M. Sheedy *Executive Vice President, Corporate Strategy, M&A and Government Relations*	201□	525,020	□	7,0□□,4□□	412,51□	□□7,□5□[7]	□ [10]	52,514	□,0□7,171
	2012	525,020	□	□,5□2,5□0	□12,4□□	□□1,5□0	□72,□72	□1,12□	□,0□5,421
	2011	525,020	□	1,0□□,0□2	□50,00□	□□□,□00	4□□,0□0	□4,51□	□,2□0,4□7
Joseph W. Saunders *Former Executive Chairman and Former Chief Executive Officer*	2013	475,018	—	3,095,668[12]	822,350 [12]	1,187,500[7]	436,762	181,004	6,198,302
	2012	950,037	—	2,337,216	1,371,550	4,214,200	712,949	114,162	9,700,114
	2011	950,037	—	5,169,096	1,650,613	3,116,000	776,895	161,449	11,824,090

(1) On November 1, 2012, Mr. Scharf became our Chief Executive Officer and Mr. Saunders stepped down from the position of Chief Executive Officer. Mr. Saunders continued to serve as the Company's Executive Chairman providing succession services until the expiration of the term of his employment agreement on March 31, 2013. Mr. McInerney became our President on June 3, 2013. In addition, during fiscal year 2013, Ms. Buse transitioned from the role of Group President – APCEMEA to the role of Executive Vice President, Solutions and Mr. Sheedy transitioned from the role of Group President – Americas to the role of Executive Vice President, Corporate Strategy, M&A and Government Relations. Mr. Scharf and Mr. McInerney were not named executive officers in fiscal years 2011 and 2012 and Ms. Buse was not a named executive officer in fiscal year 2011.

(2) Represents restricted stock awards or restricted stock units awarded and performance shares granted in each of fiscal years 2013, 2012 and 2011. The amounts represent the aggregate grant date fair value of the awards granted to each named executive officer computed in accordance with stock-based accounting rules (Financial Standards Accounting Board ("FASB") ASC Topic 718). Assumptions used in the calculation of these amounts are included in *Note 16 – Share-based Compensation* to our fiscal year 2013 consolidated financial statements, which is included in our Annual Report on Form 10-K filed with the SEC on November 22, 2013 (the "Form 10-K"). The table below sets forth the details of the components that make up the fiscal year 2013 stock award for our named executive officers other than Mr. Scharf and Mr. McInerney. Restricted stock awards and restricted stock units vest in three substantially equal installments on each of the three anniversaries of the date of grant. Consistent with the requirements of ASC Topic 718, the value of the performance shares displayed in the table below, at their expected and maximum levels, is based on the one-third of the full number of shares for which an EPS goal was established in fiscal year 2013 under the awards made on: (1) November 5, 2011, which are scheduled to vest on November 30, 2014; and (2) November 19, 2012, which are scheduled to vest on November 30, 2015. Remaining portions of these awards will be linked to EPS goals established for fiscal year 2014 and fiscal year 2015 and will be reported in the Summary Compensation Table for those fiscal years. Also included in the table below is the value of

the retention grants made in November 2012, which vest in three substantially equal installments on each of the three anniversaries of the date of grant.

	Retention Grant	Components of Annual Stock Awards		Additional Information
	Restricted Stock/Units Value ($)	Restricted Stock/Units Value ($)	Value of Performance Shares – Expected ($)	Value of Performance Shares – at Maximum ($)
Byron H. Pollitt	2,000,066	949,929	1,442,125	2,884,250
Elizabeth Buse	6,000,052	412,481	676,936	1,353,871
William M. Sheedy	6,000,052	412,481	676,936	1,353,871
Joseph W. Saunders	—	822,340	2,273,328	4,546,656

(3) Represents stock option awards granted in each of fiscal years 2013, 2012 and 2011. The amounts represent the aggregate grant date fair value of the awards granted to each named executive officer computed in accordance with stock-based accounting rules (FASB ASC Topic 718). Assumptions used in the calculation of these amounts are included in *Note 16 – Share-based Compensation* to our fiscal year 2013 consolidated financial statements, which are included in our Form 10-K. Stock options vest in three substantially equal installments on each of the three anniversaries of the date of grant.

(4) Represents the aggregate positive change in the actuarial present value of accumulated benefits under all pension plans (except the Visa 401k Plan) during fiscal year 2013. These amounts were determined using interest rate and mortality rate assumptions consistent with those used in *Note 10 – Pension, Postretirement and Other Benefits* to our fiscal year 2013 consolidated financial statements, which are included in our Form 10-K. There are no above market or preferential earnings on non-qualified deferred compensation.

(5) Additional detail describing the “All Other Compensation” is included in the *All Other Compensation in Fiscal Year 2013 Table* on page 80.

(6) In connection with his hiring, Mr. Scharf received a one-time make-whole equity award comprised of restricted stock with a grant date value of $13,000,000, which converted into 89,255 shares, and stock options with a grant date value of $6,000,000, which converted into options to purchase 154,759 shares. The make-whole award vested immediately on the date of grant, with respect to that number of restricted shares having a grant date value of $4,447,368, which converted into 30,535 shares, and that number of stock options having a grant date value of $2,052,632, which converted into options to purchase 52,944 shares. The unvested remainder of the make-whole award, or 58,720 shares of restricted stock and options to purchase 101,815 shares, will vest in three substantially equal installments on each of the three anniversaries of the date of grant, assuming Mr. Scharf’s continued employment by the Company through each such date. Upon the occurrence of a qualifying termination of employment at any time following the first anniversary of the date of grant (and conditioned upon the execution and nonrevocation of a release of claims by Mr. Scharf), the make-whole award will become vested, and as applicable, exercisable, with respect to that number of shares that would have become vested and/or exercisable had Mr. Scharf continued his employment with Visa for the twelve month period following his termination of employment. In addition, in the event of such termination of employment, all vested make-whole award stock options will remain exercisable for the remainder of the ten-year term from their date of grant.

(7) Amounts for fiscal year 2013 represent cash awards earned under the annual incentive plan based on: (i) actual performance measured against the corporate objectives established for Net Income and Net Revenue Growth; and (ii) actual individual named executive officer performance against his or her individual goals. The table below includes the amount of the total award to each named executive officer and the portion of the award attributable to each component. The payments to Mr. McInerney and Mr. Saunders were prorated based on their partial year of service in fiscal year 2013 (and based on target level performance for Mr. Saunders pursuant to the terms of his employment agreement) as described under the heading *Actual Annual Incentive Plan Awards for Fiscal Year 2013* on page 65.

	Total Annual Incentive Award ($)	Corporate Performance ($)	Individual Performance ($)
Charles W. Scharf	3,574,375	2,859,500	714,875
Ryan McInerney	564,375	451,500	112,875
Byron H. Pollitt	1,410,938	1,128,750	282,188
Elizabeth Buse	1,081,719	865,375	216,344
William M. Sheedy	987,656	790,125	197,531

(8) Represents the cash portion of the sign-on bonus paid to Mr. McInerney pursuant to the terms of his offer letter. In connection with his employment, Mr. McInerney received a one-time sign-on bonus of $2,031,250, payable fifty percent, or $1,015,625, in cash and fifty percent in restricted stock with a grant date value of $1,015,625. Mr. McInerney is obligated to repay a pro-rata portion of the cash portion of the sign-on bonus in the event he voluntarily terminates his employment or he is terminated for cause prior to June 3, 2014, the one year anniversary of his commencement of employment with Visa.

(9) In connection with his employment, on June 3, 2013, Mr. McInerney received a one-time make-whole equity award comprised of restricted stock with a grant date value of $3,255,000, which converted into 18,064 shares, and stock options with a grant date value of $1,085,000, which converted into options to purchase 24,581 shares. The shares subject to the make-whole award will vest in three substantially equal installments on each of the three anniversaries of the date of grant. Also includes the restricted stock portion of Mr. McInerney's sign-on bonus, which had a grant date value of $1,015,625 and converted into 5,636 shares. The equity portion of the sign-on bonus will vest in full on the third anniversary of the date of grant, assuming Mr. McInerney's continued employment by the Company through such date.

(10) The aggregate change in the actuarial present value of accumulated benefits under all pension plans (except the Visa 401k Plan) resulted in negative values during fiscal year 2013 for each of Ms. Buse and Mr. Sheedy in the amounts of $(292,262) and $(379,205), respectively.

(11) Includes the Singapore foreign exit tax payment which was paid by the Company on Ms. Buse's behalf pursuant to the Company's tax equalization policy as further described in footnote 8 to the *All Other Compensation in Fiscal Year 2013 Table* on page 80.

(12) Mr. Saunders' equity awards were prorated based on his partial year of service in fiscal year 2013. There was no incremental increase in the fair value of Mr. Saunders' equity awards in connection with the vesting of his equity awards upon his retirement on March 31, 2013.