

GLOBAL PAYMENTS INC
Form DEF 14A
August 20, 2010

As filed with the Securities and Exchange Commission on August 20, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

SCHEDULE 14A

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES

EXCHANGE ACT OF 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-12

GLOBAL PAYMENTS INC.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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Payment of Filing Fee (Check the appropriate box):

No fee required.

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2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

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1) Amount previously paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

GLOBAL PAYMENTS INC.

10 GLENLAKE PARKWAY, NORTH TOWER

ATLANTA, GEORGIA 30328

NOTICE OF 2010 ANNUAL MEETING OF SHAREHOLDERS

To the Shareholders:

The 2010 annual meeting of shareholders (the Annual Meeting) of Global Payments Inc., or the Company, will be held at our offices at 10 Glenlake Parkway, North Tower, Atlanta, Georgia, 30328-3473 on September 30, 2010, at 11:00 a.m., Atlanta time, for the following purposes:

1. To elect three Class I directors to serve until the annual meeting of shareholders in 2013, or until their successors are duly elected and qualified or until their earlier resignation, retirement, disqualification, removal from office or death;
2. To ratify the reappointment of Deloitte & Touche LLP as the Company's independent public accountants; and
3. To transact any other business that may properly come before the Annual Meeting or any adjournments or postponements thereof. Only shareholders of record at the close of business on August 6, 2010 are entitled to receive notice of, and to vote at, the Annual Meeting or any adjournment or postponement thereof. You may vote your shares via the Internet or by telephone, as instructed in the Notice of Electronic Availability of Proxy Materials, or if you received your proxy materials by mail, you may also vote by mail.

YOUR VOTE IS IMPORTANT

Submitting your proxy does not affect your right to vote in person if you attend the Annual Meeting. Instead, it benefits us by reducing the expenses of additional proxy solicitation. Therefore, you are urged to submit your proxy as soon as possible, regardless of whether or not you expect to attend the Annual Meeting. You may revoke your proxy at any time before its exercise by (i) delivering written notice of revocation to our Corporate Secretary, Suellyn P. Tornay, at the above address, (ii) submitting to us a duly executed proxy card bearing a later date, (iii) voting via the Internet or by telephone at a later date, or (iv) appearing at the Annual Meeting and voting in person; provided, however, that no such revocation under clause (i) or (ii) shall be effective until written notice of revocation or a later dated proxy card is received by the Corporate Secretary at or before the Annual Meeting, and no such revocation under clause (iii) shall be effective unless received on or before 1:00 a.m., Central Time, on September 30, 2010.

When you submit your proxy, you authorize Paul R. Garcia or Suellyn P. Tornay or either one of them, each with full power of substitution, to vote your shares at the Annual Meeting in accordance with your instructions or, if no instructions are given, for the election of the Class I nominees and for the ratification of the reappointment of Deloitte & Touche LLP (Deloitte) as the Company's independent public accountants. The proxies, in their discretion, are further authorized to vote on any adjournments or postponements of the Annual Meeting, for the election of one or more persons to the Board of Directors if any of the nominees becomes unable to serve or for good cause will not serve, on matters which the Board does not know a reasonable time before making the proxy solicitations will be presented at the Annual Meeting, or any other matters which may properly come before the Annual Meeting and any postponements or adjournments thereto.

By Order of the Board of Directors,

SUELLYN P. TORNAY,

Executive Vice President,

General Counsel and Corporate Secretary

Dated: August 20, 2010

August 20, 2010

GLOBAL PAYMENTS INC.
10 GLENLAKE PARKWAY, NORTH TOWER
ATLANTA, GEORGIA 30328

PROXY STATEMENT

A. Introduction

This Proxy Statement is being furnished to solicit proxies on behalf of the Board of Directors of Global Payments Inc. (the Company or we) for use at the 2010 annual meeting of shareholders (the Annual Meeting), and at any adjournments or postponements thereof. The Annual Meeting will be held at our offices at 10 Glenlake Parkway, North Tower, Atlanta, Georgia, 30328-3473 on September 30, 2010, at 11:00 a.m., Atlanta time, for the following purposes:

1. To elect three Class I directors to serve until the annual meeting of shareholders in 2013, or until their successors are duly elected and qualified or until their earlier resignation, retirement, disqualification, removal from office or death,
2. To ratify the reappointment of Deloitte & Touche LLP as the Company's independent public accountants, and

3. To transact any other business that may properly come before the Annual Meeting or any adjournments or postponements thereof. *Notice of Electronic Availability of Proxy Statement and Annual Report.* As permitted by the Securities and Exchange Commission rules, we are making this proxy statement and our annual report available to our shareholders electronically via the Internet. The notice of electronic availability contains instructions on how to access this proxy statement and our annual report and vote online. You will not receive a printed copy of the proxy materials in the mail. Instead, the notice instructs you on how to access and review all of the important information contained in the proxy statement and annual report. The notice also instructs you on how you may submit your proxy over the Internet or by telephone. If you would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials contained on the notice.

The Notice of Electronic Availability of Proxy Materials and this Proxy Statement are first being mailed to shareholders on or about August 20, 2010.

B. Quorum and Voting

(1) *Voting Shares.* Pursuant to our Amended and Restated Articles of Incorporation, only the Company's common shares, no par value (the Common Stock), may be voted at the Annual Meeting.

(2) *Record Date.* Only those holders of Common Stock of record at the close of business on August 6, 2010, are entitled to receive notice and to vote at the Annual Meeting or any adjournment or postponement thereof. On that date, there were 79,713,654 shares of Common Stock issued and outstanding, held by approximately 2,358 shareholders of record. These holders are entitled to one vote per share.

(3) *Quorum.* In order for any business to be conducted, the holders of a majority of the shares entitled to vote at the Annual Meeting must be present (a Quorum), either in person or represented by proxy. Abstentions and votes withheld, and shares represented by proxies reflecting abstentions or votes withheld, will be treated as present for purposes of determining the existence of a Quorum at the Annual Meeting. They will not be considered as votes for or against any matter for which the respective shareholders have indicated their intention to abstain or withhold their votes. Broker or nominee non-votes, which occur when shares held in street name by brokers or nominees who indicate that they do not have discretionary authority to vote on a particular matter, will not be considered as votes for or against that particular

matter. Broker and nominee non-votes will be treated as present for purposes of determining the existence of a Quorum and may be entitled to vote on other matters at the Annual Meeting.

(4) Voting Options. The first proposal, which is the election of three directors in Class I, will require the vote of the holders of a plurality of the shares of Common Stock represented and entitled to vote at the Annual Meeting at which a Quorum is present. Shareholders may (i) vote for each nominee, or (ii) withhold authority to vote for any nominee. If a Quorum is present, a vote to withhold and a broker non-vote will have no effect on the outcome of the election of directors. The three nominees receiving the most votes will be elected to serve as the Class I Directors for a three-year term.

With respect to the second proposal, the ratification of the reappointment of Deloitte as the Company's independent public accountants, shareholders may (i) vote for, (ii) vote against, or (iii) abstain from voting on the proposal. An abstention will have the same effect as a vote against, while a broker non-vote will have no effect on the outcome of the reappointment of Deloitte as the Company's independent public accountants.

(5) How to Vote. If you received a notice of electronic availability, you cannot vote your shares by filling out and returning the notice. The notice, however, provides instructions on how to vote by Internet, by telephone, or by requesting and returning a paper proxy card.

(6) Internet and Telephone Voting. Shareholders of record can simplify their voting and reduce our costs by voting their shares via the Internet or by telephone. Shareholders may submit their proxy voting instructions via the Internet or telephone by following the instructions provided in the notice of electronic availability. The Internet and telephone voting procedures are designed to authenticate shareholders' identities, to allow shareholders to vote their shares, and to confirm that their instructions have been properly recorded. If your shares are held in the name of a bank or broker, the availability of Internet and telephone voting will depend on the voting processes of the applicable bank or broker; therefore, it is recommended that you follow the voting instructions on the form you receive. If you received a printed version of the proxy materials by mail, you may vote by following the instructions provided with your proxy materials and on your proxy card.

(7) Default Voting. When a proxy is timely executed and not revoked, the shares represented by the proxy will be voted in accordance with the instructions indicated in the proxy. **IF NO INSTRUCTIONS ARE INDICATED, HOWEVER, PROXIES WILL BE VOTED FOR THE ELECTION OF EACH OF THE DIRECTOR NOMINEES NAMED IN PROPOSAL 1 AND FOR PROPOSAL 2 RELATING TO THE RATIFICATION OF THE REAPPOINTMENT OF DELOITTE AS THE COMPANY'S INDEPENDENT PUBLIC ACCOUNTANTS.**

The Board of Directors is not presently aware of any business to be presented for a vote at the Annual Meeting other than the proposals noted above. If any other matter properly comes before the meeting, the proxy holders will vote as recommended by the Board or, if no recommendation is made, in their own discretion.

(8) Revocation of a Proxy. A shareholder's submission of a proxy via the Internet, by telephone, or by mail does not affect the shareholder's right to attend in person. A shareholder who has given a proxy may revoke it at any time prior to its being voted at the Annual Meeting by (i) delivering written notice of revocation to our Corporate Secretary, Suellyn P. Tornay, at our address listed on the first page of this proxy statement, (ii) properly submitting to us a duly executed proxy card bearing a later date, (iii) voting via the Internet or by telephone at a later date, or (iv) appearing at the Annual Meeting and voting in person; provided, however, that no such revocation under clause (i) or (ii) shall be effective until written notice of revocation or a later dated proxy card is received by the Corporate Secretary at or before the Annual Meeting, and no such revocation under clause (iii) shall be effective unless received on or before 1:00 a.m. Central Time on September 30, 2010.

(9) Adjourned Meeting. If a Quorum is not present, the Annual Meeting may be adjourned by the holders of a majority of the shares of Common Stock represented at the Annual Meeting. The Annual Meeting may be rescheduled at the time of the adjournment with no further notice of the reconvened meeting if the date, time and place of the reconvened meeting are announced at the adjourned meeting before its adjournment; provided, however, that if a new record date is or must be fixed, notice of the reconvened

meeting must be given to the shareholders of record as of the new record date. An adjournment will have no effect on the business to be conducted at the meeting.

PROPOSAL ONE:

ELECTION OF DIRECTORS; NOMINEES

Our Bylaws provide that the number of directors constituting the Board of Directors shall be not less than two nor more than twelve, as determined from time to time by resolution of the shareholders or of the Board of Directors. Our Board of Directors has adopted a resolution that the Board should have nine members. The Board of Directors currently consists of nine members, who are divided into three classes, with the term of office of each class ending in successive years. Each class of directors serves staggered three-year terms.

The three directors in Class I, Edwin H. Burba, Jr., Raymond L. Killian, and Ruth Ann Marshall have been nominated for election at the Annual Meeting. The Class I Directors will be elected to hold office until the 2013 annual meeting of shareholders, or until their respective successors have been duly elected and qualified, or until their respective earlier resignation, retirement, disqualification, removal from office or death. In the event that any of the nominees is unable to serve (which is not anticipated), the persons designated as proxies will cast votes for such other person(s) as they may select.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE ELECTION OF ALL OF THE NOMINEES FOR DIRECTOR.

The affirmative vote of the holders of a plurality of the shares of Common Stock represented and entitled to vote at the Annual Meeting at which a quorum is present is required for the election of each of the nominees. If a choice is specified on the proxy card by a shareholder, the shares will be voted as specified. If no specification is made, the shares will be voted FOR each of the three nominees.

A. Certain Information Concerning the Nominees and Directors

The following table sets forth the names of the nominees and the directors continuing in office, their ages, the month and year in which they first became directors of the Company, their positions with the Company, their principal occupations and employers for at least the past five years, any other directorships held by them in the last five years in companies that are subject to the reporting requirements of the Securities Exchange Act of 1934 or any company registered as an investment company under the Investment Company Act of 1940, as well as additional information. The following table includes the experience that led the Board of Directors to conclude that the individual should continue to serve as a director of the Company. There is no family relationship between any of our executive officers or directors. There are no arrangements or understandings between any of our directors and any other person pursuant to which any of them was elected as a director, other than arrangements or understandings with the directors solely in their capacities as such. For information concerning membership on committees of the Board of Directors, see Other Information about the Board and its Committees below.

NOMINEES FOR DIRECTOR

Class I

Term Expiring Annual Meeting 2010

Month and Year First Became Director, Positions with the Company,

Name and Age	Principal Occupations During at Least the Past Five Years, and Other Directorships
Edwin H. Burba, Jr.	Director of the Company (since February 2001)
(73)	National Security Leadership and Business Consultant (since 1993); Commander in Chief, Forces Command, United States Army (1989-1993); Commanding General, Combined Field Army of the Republic of Korea and United States (1988-1989). General Burba had an extensive career in the military and retired from the army in 1993 as the Commander-in-Chief, Forces Command, Fort McPherson, Georgia. His leadership skills and experience managing people brings a unique perspective and useful insight to our Board which we have found to be invaluable. General Burba serves as the Chairman of our Compensation Committee.
Raymond L. Killian	Director of the Company (since September 2003)
(73)	Chairman Emeritus, Investment Technology Group, Inc. (since March 2007) (1); Chairman, Investment Technology Group, Inc. (1997-2007); President and Chief Executive Officer, Investment Technology Group, Inc. (1995-2002 and 2004-2007); Executive Vice President, Jefferies Group, Inc. (1985-1995); Vice President, Institutional Sales, Goldman Sachs & Co. (1982-1985). In addition to the specific experience described above, Mr. Killian brings to our Board his experience managing a complex, publicly traded company. With his skills and expertise in information technology issues, he serves as the Chairman of our Technology Committee.
Ruth Ann Marshall	Director of the Company (since September 2006)
(56)	President, Americas for MasterCard International (2000-2006) (2); Senior Executive Vice President, Concord, EFS (1995-1999); Director, Pella Corporation and ConAgra, Inc. Because of Ms. Marshall's deep knowledge of our business and industry as well as her detailed and in-depth knowledge of the issues, opportunities and challenges facing us, we believe that she is an invaluable member of our Board of Directors.

(1) Specialized agency brokerage and technology firm

(2) A global payment solutions company

MEMBERS OF THE BOARD OF DIRECTORS CONTINUING IN OFFICE

Class II

Term Expiring Annual Meeting 2011

Month and Year First Became Director, Positions with the Company,

Name and Age

Principal Occupations During at Least the Past Five Years, and Other Directorships

Paul R. Garcia

Chairman of the Board of the Company (since October 2002); Director and Chief Executive Officer of the Company (since February 2001); Chief Executive Officer of NDC eCommerce, a division of National Data

(58)

Corporation (July 1999 - January 2001); President and Chief Executive Officer of Productivity Point International (March 1997 - September 1998); Group President of First Data Card Services (1995 - 1997); Chief Executive Officer of National Bancard Corporation (NaBANCO) (1989 - 1995).

Mr. Garcia's leadership skills, extensive knowledge of and experience in the payment services and financial services industries and understanding of our business and historical development give him unique insight into our company's challenges, opportunities, and business.

Gerald J. Wilkins

Director of the Company (since November 2002)

(52)

President, WJG Consulting, Inc. (2003-2007 and 2008 to present) (1); Chief Financial Officer, Habitat for Humanity International (2007-2008) (2); Executive Vice President and Chief Financial Officer of AFC Enterprises, Inc. (2000-2003) (3); Chief Financial Officer of AFC Enterprises, Inc. (1995-2000); Vice President, International Business Planning, KFC International (1993-1995).

Mr. Wilkins' experience as a principal financial officer of several organizations provides an important perspective to our Board regarding finance and accounting matters.

Michael W. Trapp

Director of the Company (since July 2003)

(70)

President, Sands Partners, Inc. (since 2000) (4); Managing Partner, Southeast area, Ernst & Young LLP (1993-2000); Director, The Ann Taylor Stores Corporation.

Mr. Trapp brings to the Board expertise and knowledge regarding finance and accounting matters, enabling him to provide valuable leadership to the Board's oversight of financial reporting. He serves as the Chairman of our Audit Committee and qualifies as an audit committee financial expert under the applicable SEC rules.

(1) Independent consulting firm.

(2) Nonprofit housing ministry.

(3) Franchisor and operator of quick-service restaurants.

(4) Investment business.

Class III

Term Expiring Annual Meeting 2012

Month and Year First Became Director, Positions with the Company,

Name and Age

Principal Occupations During at Least the Past Five Years, and Other Directorships

Alex W. Hart

Director of the Company (since February 2001)

(70)

Business Consultant (since October 1997); Chief Executive Officer of Advanta Corporation (1995-1997); Executive Vice Chairman of Advanta Corporation (1994); President and Chief Executive Officer of MasterCard International (1988-1994); Director, Fair Isaac Corporation and VeriFone, Inc.; Chairman of the Board and Director, SVB Financial Group.

Mr. Hart brings to our Board substantial experience in our industry, having served as the President and Chief Executive Officer of MasterCard and has served as a director of several companies. Because of such experience, we believe Mr. Hart has a deep understanding of the strategic and operational issues we face and provides useful insight to our Board as we review our strategic initiatives. Mr. Hart serves as the Chairman of our Governance, Nominating, and Risk Oversight Committee.

William I Jacobs

Director of the Company (since February 2001)

(68)

Business Advisor (since August 2002); Managing Director and Chief Financial Officer of The New Power Company (2000-2002) (1); Senior Executive Vice President, Strategic Ventures for MasterCard International (1999-2000); Executive Vice President, Global Resources for MasterCard International (1995-1999); Executive Vice President, Chief Operating Officer, Financial Security Assurance, Inc. (1984-1994); Director, Asset Acceptance Capital Corp.

Mr. Jacobs' executive management experience, leadership skills, board expertise, and legal training provide our Board with leadership and consensus building skills on matters of strategic importance. Mr. Jacobs serves a vital role as our lead director.

Alan M. Silberstein

Director of the Company (since September 2003)

(62)

President, Allston Associates LLP (previously Silco Associates Inc.) (since October 2004) (2); President and Chief Operating Officer, Debt Resolve, Inc. (2003-2004) (3); President and Chief Executive Officer, Western Union (2000-2001); Chairman and Chief Executive Officer, Claim Services, Travelers Property Casualty Insurance (1996-1997); Executive Vice President, Retail Banking, Midlantic Corporation (1992-1995); Director, Capital Access Network, Inc.

Mr. Silberstein's experience in the financial services industry and his experience managing several diverse companies provide an important point-of-view to our Board.

(1) National residential and small business energy provider

(2) Management services firm

(3) Provider of online collections services

B. Other Information about the Board and its Committees

(1) *Meetings.* During the fiscal year ended May 31, 2010 (the 2010 fiscal year), our Board of Directors held seven meetings. All directors attended 100% of the combined total of the Board of Directors meetings and meetings of the committees on which they served during the period for which the respective director served on the Board of Directors or the applicable committee.

(2) *Fiscal Year 2010 Director Compensation.* The following table reflects the compensation payable to the outside directors of the Company. Since we do not offer any non-equity incentive plan compensation or any pension benefits to our directors, and there was no other compensation required to be disclosed, columns (e), (f), and (g) have been eliminated.

2010 DIRECTOR COMPENSATION

Name (a)	Fees Earned or Paid in Cash (\$) (b)	Stock Awards \$(1) (c)	Option Awards \$(2) (d)	Total (h)
Edwin H. Burba, Jr.	\$ 65,500	\$ 45,006	\$ 80,008	\$ 190,514
Paul R. Garcia (3)				
Alex W. Hart	\$ 68,000	\$ 45,006	\$ 80,008	\$ 193,014
William I Jacobs	\$ 93,500	\$ 70,025	\$ 80,008	\$ 243,533
Raymond L. Killian	\$ 70,000	\$ 45,006	\$ 80,008	\$ 195,014
Ruth Ann Marshall	\$ 58,000	\$ 45,006	\$ 80,008	\$ 183,014
Alan M. Silberstein	\$ 64,500	\$ 45,006	\$ 80,008	\$ 189,514
Michael W. Trapp	\$ 73,000	\$ 45,006	\$ 80,008	\$ 198,014
Gerald J. Wilkins	\$ 60,000	\$ 45,006	\$ 80,008	\$ 185,014

(1) The amounts shown in the Stock Awards column reflect aggregate grant date fair value of such awards computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation – Stock Compensation (FASB ASC Topic 718). The amount shown in this column is the number of shares received multiplied by the value of the Common Stock on the date of the grant. Additional details are set forth in the section entitled *Compensation Policy* below. Such shares are entitled to receive dividends once issued but at the same rate as all of the Company's shareholders. As of May 31, 2010, the outside directors did not hold any unvested stock awards.

(2) The amounts shown in the Option Awards column reflect the aggregate grant date fair value of such awards computed in accordance with FASB ASC Topic 718. Assumptions made in the calculation of these amounts are included in Note 11 to the Company's audited Financial Statements for the fiscal year ended May 31, 2010 included in the Company's Annual Report on Form 10-K filed with the SEC on July 28, 2010. Additional details regarding the grant are set forth in the section entitled *Amended and Restated 2000 Non-Employee Director Stock Option Plan* below. See paragraph five below regarding the number of outstanding options for each non-employee director as of May 31, 2010.

(3) Mr. Garcia is a member of the Board of Directors and is also an employee of the Company and does not receive any additional compensation for his role as a director.

(3) *Compensation Policy.* During fiscal year 2010, our policy regarding the compensation of directors provided that a non-employee director who served as the lead director was compensated at a rate of \$75,000 per year in cash and received fully-vested shares of Common Stock worth approximately \$70,000. A non-employee director who served as the chairperson of the audit committee received \$55,000 in cash and fully-vested shares of Common Stock worth approximately \$45,000. A non-employee director who served as a chairperson of any other committee received \$50,000 in cash and fully-vested shares of Common Stock worth approximately \$45,000. Each other non-employee director received an annual retainer of \$45,000 in cash and fully vested shares of Common Stock worth approximately \$45,000. All Common Stock granted pursuant to the director compensation policy is valued at the market price as of the date of grant and is issued under our Amended and Restated 2005 Incentive Plan. Pursuant to the foregoing policy, Mr. Jacobs received

1,517 shares of Common Stock, and each of the other non-employee directors received 975 shares of Common Stock. Such Common Stock was issued and cash was paid on the business day following the annual meeting of shareholders. By paying part of the annual consideration in Common Stock, we believe that this encourages ownership of our Common Stock by our directors.

In addition, all non-employee directors received \$1,500 per Board meeting attended, except for the lead director who received \$2,500 per Board meeting. Non-employee directors who served on a committee received \$1,500 per committee meeting, while the chairperson of such committee received \$2,500 per committee meeting. Telephonic meetings and telephonic participation for both Board meetings and committee meetings are compensated at \$1000 per meeting. We do not compensate a director who is also an employee of the Company for his or her services as a director. Directors were also compensated for their out-of-pocket expenses incurred in connection with attendance at Board and committee meetings. The spouses of the Board members were invited to attend one of the meetings held in Pine Mountain, Georgia and we paid or reimbursed the two outside directors whose spouses attended for the applicable out-of-pocket expenses incurred.

(4) *Amended and Restated 2000 Non-Employee Director Stock Option Plan.* We maintain the Amended and Restated 2000 Non-Employee Director Stock Option Plan (the 2000 Director Plan), which provides for the grant to each of our non-employee directors of an option to purchase shares of Common Stock having a valuation according to the Black-Scholes option pricing model of \$80,000. The purpose of the 2000 Director Plan is to advance the interests of the Company by encouraging ownership of our Common Stock by non-employee directors, thereby giving such directors an increased incentive to devote their efforts to our success. The options are granted to non-employee directors upon election or appointment to the Board and on the business day following each annual meeting of shareholders. Option grants under the 2000 Director Plan are pro-rated for partial years of service. All options granted in fiscal year 2010 under the 2000 Director Plan will become exercisable as to 25% of the shares after the first year, 25% after the second year, 25% after the third year, and 25% after the fourth year of service from the grant date, except that such options will become fully exercisable upon the death, disability or retirement of the grantee, or upon the grantee's failure to be re-nominated or re-elected as a director. Upon a grantee's termination as a director for any reason, the options held by such person under the 2000 Director Plan will remain exercisable for five years or until the earlier expiration of the option. The exercise price for each option granted under the 2000 Director Plan will be the fair market value of the shares of Common Stock subject to the option on the date of the grant. Each option granted under the 2000 Director Plan will, to the extent not previously exercised, terminate and expire on the date which is 10 years after the grant date of the option unless the 2000 Director Plan provides for earlier termination. During the fiscal year ended May 31, 2010, the eight non-employee directors received a stock option grant for the purchase of 5,490 shares of Common Stock at an exercise price of \$46.16 per share.

(5) *Outstanding Options for Directors.* The following table reflects the outstanding options (vested and unvested) for each non-employee director as of May 31, 2010. The spread value is calculated by multiplying the number of options outstanding by the difference between the value of the Common Stock on the first business day after May 31, 2010, which was \$41.44, and the exercise price of the option.

Non-employee	Options Outstanding as of May 31, 2010 (includes vested and unvested)	Value as of the first business day following May 31, 2010 (includes vested and unvested)
Directors		
Edwin H. Burba, Jr.	37,680	\$ 278,839
Alex W. Hart	51,062	\$ 639,587
William I Jacobs	66,802	\$ 1,110,643
Raymond L. Killian	37,680	\$ 278,839
Ruth Ann Marshall	21,512	\$ 10,925
Alan M. Silberstein	37,680	\$ 278,839
Michael W. Trapp	33,968	\$ 220,233
Gerald J. Wilkins	26,282	\$ 47,582

(6) *Board Leadership Structure.* The Board of Directors does not have a formal policy on whether the same person should serve as the Chairman of the Board and the Chief Executive Officer. Since 2002,

however, Mr. Garcia has served in both roles. The Board believes the combined role of Chief Executive Officer and Chairman, together with a lead independent director having the duties described below, is in the best interest of the shareholders because it provides the appropriate balance between strategy development and independent oversight of management. The Board of Directors believes that having our Chief Executive Officer as Chairman of the Board facilitates the Board's decision-making process because Mr. Garcia possesses detailed and in-depth knowledge of the issues, opportunities, and challenges facing the Company and its business and is thus best positioned to develop agendas (with input from the lead independent director) that ensure that the Board's time and attention are focused on the most critical matters. His combined role enables decisive leadership, ensures clear accountability, and enhances the Company's ability to communicate its message and strategy clearly and consistently to the Company's shareholders, employees, customers, and suppliers.

Mr. Jacobs serves as our lead independent director. The lead independent director's duties include providing input on the Board meeting agenda items, serving as the chairperson for all executive sessions of the independent directors, and communicating to the Chief Executive Officer the results of the independent executive Board sessions. Executive sessions of the independent directors are generally held immediately after each regularly scheduled meeting of the Board and do not include our only non-independent director. The independent directors of the Board met in executive session 6 times during our fiscal year ended May 31, 2010.

Any interested party may contact the lead director by directing such communications to Mr. Jacobs in care of the Corporate Secretary at our address (10 Glenlake Parkway, North Tower, Suite 1068, Atlanta, Georgia 30328-3473). Any such correspondence received by us will be forwarded to him.

(7) Director Independence. Each year the Board of Directors undertakes a review of director independence based on the standards for director independence included in the New York Stock Exchange corporate governance rules. The Board considers whether or not there existed any relationships and transactions during the past three years between each director or any member of his or her immediate family, on the one hand, and the Company and its subsidiaries and affiliates, on the other hand. The purpose of the review was to determine whether or not any such relationships and transactions existed and, if so, whether any such relationships or transactions were inconsistent with a determination that the director is independent. In fiscal year 2010, there were no such relationships or transactions between the non-employee directors and the Company to review and, as a result, the Board of Directors has determined that all of the directors, except Mr. Garcia (who serves as the Company's Chief Executive Officer), are independent of the Company and its management.

(8) Committees. Our Board of Directors has a separately-designated Audit Committee, a Compensation Committee, a Governance, Nominating, and Risk Oversight Committee, and a Technology Committee. The Audit Committee has been established in accordance with Section 3(a)(58)(A) of the Exchange Act. The Board of Directors has determined that all members of the four committees satisfy the independence requirements of the SEC and the New York Stock Exchange. Each of the committee charters and our corporate governance guidelines are available on our website (www.globalpaymentsinc.com), and will be provided free of charge, upon written request of any shareholder addressed to Global Payments Inc., 10 Glenlake Parkway, North Tower, Atlanta, Georgia 30328-3473, Attention: Investor Relations. Certain information regarding the functions of the Board's committees and their present membership is provided below.

(9) Audit Committee. As of the end of fiscal year 2010, the members of the Audit Committee were Mr. Trapp (Chairperson), Mr. Wilkins, and Mr. Silberstein. The Audit Committee operates under a written charter adopted by the Board of Directors which is available on our website (www.globalpaymentsinc.com). The Audit Committee annually reviews a report by the independent auditors describing the firm's internal quality control procedures; reviews the scope, plan and results of the annual audit of the financial statements by our independent auditors; reviews the scope, plan and results of the internal audit program; reviews the nature and extent of non-audit professional services performed by the independent auditors; and annually recommends to the Board of Directors the firm of independent public accountants to be selected as our independent auditors for the next fiscal year. During fiscal year 2010, the Audit Committee held four meetings, each of which was separate from a regular Board meeting.

(10) Audit Committee Financial Expert. The Board of Directors has determined that the chairman of the Audit Committee, Mr. Trapp, is an audit committee financial expert and is independent as independence

for audit committee members is defined under the rules established by the SEC and the New York Stock Exchange.

(11) *Compensation Committee.* As of the end of fiscal year 2010, the members of the Compensation Committee were General Burba (Chairperson), Mr. Hart, Mr. Jacobs, Mr. Killian, and Ms. Marshall. The Committee operates under a written charter which is available on our website (www.globalpaymentsinc.com). This Committee reviews levels of compensation, benefits, and performance criteria for our executive officers and administers the Amended and Restated 2000 Long Term Incentive Plan, the 2000 Employee Stock Purchase Plan, the 2000 Director Plan, and the Amended and Restated 2005 Incentive Plan. They also consider our compensation programs from a risk perspective. Additional information regarding risk consideration is contained in the Compensation Tables and Narratives section under the heading Consideration of Risk.

The Compensation Committee charter allows the Committee to delegate certain matters within its authority to individuals, and the Committee may form and delegate authority to subcommittees as appropriate. In addition, the Committee has the authority under its charter to retain outside advisors to assist the Committee in the performance of its duties, and for fiscal year 2010 the Committee retained the services of Hewitt Associates, or Hewitt, an independent compensation consulting firm. The individual consultant that the Committee has used for several years changed employers from Hewitt to Meridian Compensation Partners LLC, or Meridian, so the Committee now utilizes the services of Meridian instead. The Compensation Discussion and Analysis section of this proxy statement describes our processes and procedures for the consideration and determination of executive compensation, including the role of the executive officers in determining compensation, and describes the role of the independent consultant in more detail.

During fiscal year 2007, the Compensation Committee also hired Hewitt to assist with a review of the director compensation. The Compensation Committee, with Hewitt's assistance, made recommendations to the full Board, which were approved on July 24, 2007 and which took effect on September 27, 2007 and will remain in effect through September 30, 2010. The executives have no role in determining Board compensation. During fiscal year 2010, the Compensation Committee held four meetings, all of which were separate from regular Board meetings.

(12) *Compensation Committee Interlocks and Insider Participation.* None of the members of the Compensation Committee (a) has ever served as an officer or an employee of the Company or any of its subsidiaries and (b) has ever had any relationship requiring disclosure by the Company under Item 404 of Regulation S-K.

(13) *Technology Committee.* As of the end of fiscal year 2010, the members of the Technology Committee were Mr. Killian (Chairperson), Mr. Hart, and Mr. Silberstein. The Committee operates under a formal charter which is available on our website (www.globalpaymentsinc.com). This committee is to serve as a liaison between the Board and management with regard to matters related to information technology and information security and to review the practices and key initiatives of the Company related to information technology and information security. During fiscal year 2010, the Technology Committee held three meetings, all of which were separate from regular Board meetings.

(14) *Governance, Nominating, and Risk Oversight Committee.* As of the end of fiscal year 2010, the members of the Governance, Nominating, and Risk Oversight Committee (the Governance Committee) were Mr. Hart (Chairperson), General Burba, Mr. Jacobs, and Ms. Marshall. The Committee operates under a formal charter which is available on our website (www.globalpaymentsinc.com). This committee is responsible for developing and recommending to the Board of Directors a set of corporate governance principles applicable to us, determining the structure of the Board and its committees, for overseeing the Company's enterprise risk management process (as described in more detail below), and for identifying, nominating, proposing, and qualifying nominees (including incumbent directors) for open seats on the Board of Directors, based primarily on the following criteria:

Experience as a member of senior management or director of a significant business corporation, educational institution, or not-for-profit organization;

Particular skills or experience that enhances the overall composition of the Board of Directors;

Serves on no more than five other publicly-held corporation boards of directors; and

Serves on no more than three other audit committees of boards of directors of publicly-held corporations.

We do not have a formal diversity policy. However, as part of its evaluation of director candidates and in addition to other standards the Governance Committee may deem appropriate from time to time for the overall structure and composition of the Board, the Committee considers whether each candidate, if elected, assists in achieving a mix of board members that represent a diversity of background and experience. Accordingly, the Board seeks members from diverse professional backgrounds who combine a broad spectrum of relevant industry and strategic experience and expertise that, in concert, offer the Company and its shareholders diversity of opinion and insight in the areas most important to us and our corporate mission. The Committee also considers the independence of candidates for director nominees, including the appearance of any conflict in serving as a director. Candidates for director nominees who do not meet all of these criteria may still be considered for nomination to the Board if the Committee believes the candidate will make an exceptional contribution to the Company and its shareholders. In evaluating nominees, the Committee will also take into account the consideration that members of the Board of Directors should collectively possess a broad range of skills, expertise, industry knowledge and other knowledge, business experience and other experience useful to the effective oversight of our business.

The Governance Committee considers candidates for director who are recommended by other members of the Board of Directors and by management, as well as those identified by any outside consultants who are periodically retained by the committee to assist in identifying possible candidates. The Governance Committee will evaluate potential nominees for open Board positions suggested by shareholders on the same basis as all other potential nominees. To recommend a potential nominee, you may send a letter to the Corporate Secretary, Global Payments Inc., 10 Glenlake Parkway, North Tower, Suite 1068, Atlanta, Georgia, 30328. Such letter should include the following information:

Name and address of the shareholder making the recommendation, as it appears on our books and records;

Number of shares of our capital stock that are owned by such shareholder;

Name, age, business and residential address, educational background, current principal occupation or employment, and principal occupation or employment for the preceding five full fiscal years of the individual recommended for consideration as a director nominee;

All other information relating to the recommended candidate that would be required to be disclosed in solicitations of proxies for the election of directors or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act, including the recommended candidate's written consent to being named in the proxy statement as a nominee and to serving as a director if approved by the board of directors and elected; and

A written statement from the shareholder making the recommendation stating why such recommended candidate meets our criteria and would be able to fulfill the duties of a director.

Members of the Governance Committee must discuss and evaluate possible candidates prior to recommending them to the Board. This committee had no formal meetings during fiscal year 2010 but will meet twice before the end of calendar year 2010.

(15) Role in Risk Oversight by the Board of Directors. Managing risk is an ongoing process inherent in all decisions made by management. The Board of Directors discusses risk throughout the year, particularly at Board and Committee meetings when specific actions are considered for approval. The Board of Directors has ultimate responsibility to oversee the Company's enterprise risk management program (ERM). The Governance Committee has been appointed by our Board of Directors to coordinate the oversight of ERM by the Board.

In connection with the Company's ERM, the Company has formed a management risk committee which is comprised of the Company's senior management and which is responsible for identifying, assessing, prioritizing, and developing action plans to mitigate the material risks affecting the Company including monitoring the business environment for changes in and emergence of significant risks. The Governance

Committee's role in overseeing the management of the process is primarily accomplished through the management reporting process, including receiving reports from the chairman of the management risk committee and other members of senior management on areas of material risk to the Company. The Chairman of the Governance Committee will update the full Board of Directors on the process after each Committee meeting and, annually, the chairman of the management risk committee will also present directly to the full board and seek their input and direction on the process.

The Audit Committee receives reports from the Chairman of the Governance Committee regarding the Company's ERM, receives a report annually from the chairman of the management risk committee as described above, and receives reports regularly from the internal auditor, who has responsibility for providing an independent assessment of the effectiveness of management's risk mitigation activities developed by management. The Audit Committee directly provides oversight of risks related to the integrity of the consolidated financial statements, internal control over financial reporting, and the internal audit function. The Compensation Committee oversees the management of risks related to management succession planning and the Company's executive compensation program.

(16) Communications from Security Holders. Any security holder may contact any member of the Board of Directors by directing such communication to such Board member in care of the Corporate Secretary at our address (10 Glenlake Parkway, North Tower, Suite 1068, Atlanta, Georgia 30328-3473). Any such correspondence received by us shall be forwarded to the applicable Board member.

(17) Attendance at Annual Meeting. All directors are expected to attend our annual meeting of shareholders. All nine members of our Board of Directors attended our fiscal year 2009 annual shareholder meeting.

(18) Certain Legal Proceedings. William I Jacobs, a member of the Board of Directors, was the Chief Financial Officer and Managing Director of The New Power Company, a subsidiary of NewPower Holdings, Inc. Both The New Power Company and NewPower Holdings, Inc. filed for Chapter 11 bankruptcy in the U.S. Bankruptcy Court for the Northern District of Georgia on June 11, 2002.

PROPOSAL TWO:

RATIFICATION OF THE REAPPOINTMENT OF AUDITORS

A. Deloitte & Touche LLP

The Audit Committee recommends, and the Board of Directors selects, independent public accountants for the Company. The Audit Committee has recommended that Deloitte & Touche LLP, or Deloitte, who served during the fiscal year ended May 31, 2010, be selected for the fiscal year ending May 31, 2011, and the Board has approved the selection. Unless a shareholder directs otherwise, proxies will be voted for the approval of the selection of Deloitte as independent public accountants for fiscal year ending May 31, 2011. If the appointment of Deloitte is not ratified by the shareholders, the Board will consider the selection of other independent public accountants for 2011.

A representative of Deloitte will be present at the 2010 Annual Meeting. The representative will be given the opportunity to make a statement, if he or she desires to do so, and will be available to respond to appropriate questions from shareholders.

B. Audit Fees

The aggregate fees billed by Deloitte for professional services rendered for the audit of our annual financial statements and the reviews of the financial statements included in our quarterly reports on Form 10-Q were \$2,411,141 for fiscal year 2010 and \$2,622,000 for fiscal year 2009.

C. Audit-Related Fees

Audit-related fees are the fees billed by Deloitte for professional services rendered for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements. There were no audit-related fees billed during fiscal year 2010 and the audit-related fees billed during fiscal year 2009 were \$172,000. The fees paid in fiscal year 2009 were for services in connection with acquisition due diligence procedures and audits of financial statements included in certain Asia-Pacific jurisdiction tax returns, as required by local statute.

D. Tax Fees

The aggregate fees billed by Deloitte for professional services rendered for tax compliance, tax advice, and tax planning services were \$379,700 for fiscal year 2010 and \$544,000 for fiscal year 2009. In fiscal year 2010, \$47,000 of such fees were for tax return preparation and compliance and \$332,700 were for tax consulting and advisory services. In fiscal year 2009, \$107,000 of such fees were for tax return preparation and compliance and \$437,000 were for tax consulting and advisory services.

E. All Other Fees

Except as described above, there were no other fees billed by Deloitte for professional services in either fiscal year 2010 or fiscal year 2009.

F. Audit Committee Pre-Approval Policies

The Audit Committee must approve any audit services and any permissible non-audit services provided by Deloitte prior to the commencement of the services. In making its pre-approval determination, the Audit Committee considers whether providing the non-audit services is compatible with maintaining the auditor's independence. To minimize relationships which could appear to impair the objectivity of the independent registered public accounting firm, it is the Audit Committee's practice to restrict the non-audit services that may be provided to us by our independent auditor to audit-related services, tax services and merger and acquisition due diligence and integration services.

The Audit Committee has delegated to the Chair of the Audit Committee the authority to approve non-audit services by the independent registered public accounting firm within the guidelines set forth above, provided that the fees associated with the applicable engagement are not anticipated to exceed \$100,000. Any decision by the Chair to pre-approve non-audit services must be presented to the full Audit Committee for ratification at its next scheduled meeting. All of the services described under the headings Audit Fees,

Audit-Related Fees, Tax Fees, and All Other Fees were approved by the Audit Committee in accordance with the foregoing policy.

G. Audit Committee Review

Our Audit Committee has reviewed the services rendered and the fees billed by Deloitte for the fiscal year ended May 31, 2010. The Audit Committee has considered whether or not the provision of non-audit services described above under the headings Audit-Related Fees and All Other Fees is compatible with maintaining Deloitte's independence and have determined that the provision of such services does not affect Deloitte's independence.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE RATIFICATION OF THE REAPPOINTMENT OF THE INDEPENDENT PUBLIC ACCOUNTANTS.

CERTAIN INFORMATION CONCERNING THE EXECUTIVE OFFICERS

The following table sets forth the names of our executive officers as of May 31, 2010, their ages, their positions with the Company, and their principal occupations and employers for at least the past five years. There are no arrangements or understandings between any of our executive officers and any other person pursuant to which any of them was elected an officer, other than arrangements or understandings with our officers acting solely in their capacities as such. Our executive officers serve at the pleasure of our Board of Directors.

Name	Age	Current Position(s)
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