

**THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from, if you are in the UK, your stockbroker, bank manager, solicitor, accountant or other independent professional adviser who is authorised pursuant to the UK Financial Services and Markets Act 2000 or, if you are in a territory outside the UK, from an appropriately authorised independent financial adviser.**

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**THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE SCHEME CIRCULAR AND CONDITIONAL EXERCISE FORM REFERRED TO HEREIN.**

28 January 2019

*To: Allocation Holders holding Allocations granted under the Earthport Plc 2013 and/or 2016 Long Term Incentive Plans*

Dear Allocation Holder,

**THE EARTHPORT PLC 2013 AND/OR LONG TERM INCENTIVE PLANS (THE “PLANS”) AND THE RECOMMENDED CASH OFFER FOR EARTHPORT PLC (“EARTHPORT”) BY VISA INTERNATIONAL SERVICE ASSOCIATION (“VISA”) A WHOLLY-OWNED SUBSIDIARY OF VISA INC. TO BE EFFECTED BY MEANS OF A SCHEME OF ARRANGEMENT UNDER PART 26 OF THE COMPANIES ACT 2006**

On 27 December 2018 the boards of Earthport and Visa announced that they had agreed the terms of a recommended cash acquisition of the entire issued and to be issued share capital of Earthport by Visa. It is proposed that the acquisition will be implemented pursuant to a scheme of arrangement under Part 26 of the Companies Act 2006 (the “**Scheme**”). If the Scheme becomes effective all ordinary shares in Earthport (“**Shares**”) will be transferred to Visa in exchange for 30 pence (sterling) in cash per Share and Visa will own Earthport.

The purpose of this letter is to explain how the acquisition affects your allocation over Shares granted under the Plans (your “**Allocation**”) and how you can participate in the Scheme.

Enclosed with this letter is a tax appendix and circular to shareholders.

**Please note:** you should read this letter and accompanying documents carefully together with the shareholder circular of 24 January 2019 enclosed (the “**Circular**”), a copy of which is available at <https://earthport.communisis.website/legal-notice/>, keeping in mind your financial position and the tax consequences of participating in the Scheme. If you need an additional copy of the Circular please contact Earthport’s registrar on [optionholderquestions@earthport.com](mailto:optionholderquestions@earthport.com). Unless otherwise defined in this letter, all words and expressions defined in the Circular have the same respective meanings in this letter.

If you are in any doubt about what you should do, you should get advice from an independent financial adviser.

The following steps/dates are key to the Scheme and will be referred to throughout this letter:

General Meeting	The Earthport shareholder meeting ordered by the Court at which the Earthport shareholders will vote on whether or not to approve the acquisition by Visa. This meeting is expected to be held on 21 February 2019.
Court Sanction Date	The date on which, if Earthport shareholders vote in favour of the Scheme, the court will sanction the Scheme at a court hearing. This hearing is expected to be held no later than 14 days after the date upon which conditions 2 to 12 (inclusive), set out in Part III of the Scheme Circular, are satisfied or (where applicable) waived, including receipt of the relevant clearances from the relevant completion and regulatory authorities, which is expected to be in the second quarter of 2019;
Effective Date	The date on which, if sanctioned by the Court, the Scheme will take effect (i.e. the day on which Visa will take control of Earthport). This is expected to be the second business day after the Court Sanction Date.

For the purposes of this letter we have assumed that if the Scheme goes ahead it will do so in accordance with the dates set out above. However, if for some reason the Scheme is delayed, the dates set out in this letter relating to your Allocation may also change.

**1. TRANSFER OF YOUR ALLOCATION**

If the Court sanctions the Scheme, vesting of your awards will be accelerated on a pro-rated basis. For awards under the 2016 plan, the remuneration committee will determine the extent to which vesting of your Allocation is accelerated.

Your vested Shares will be transferred to you immediately after the Court sanctions the Scheme and your Shares will be transferred to Visa on the Effective Date. As consideration for the transfer you will receive 30 pence per Share. Any applicable income tax and social security contributions (or equivalent) will be deducted from the cash consideration due to you. You will receive payment net of deductions within 14 days of the Effective Date.

If the timetable of the Scheme varies from the dates given above the date of transfer will be adjusted accordingly. If the Scheme is not sanctioned by the Court, your Allocation will continue to be held in accordance with the terms of the Plans.

**If you wish to take part in the Scheme on the above terms you need take no action.**

**2. TAXATION**

The appendix to this letter contains information on the tax implications of receiving vested Shares and participating in the Scheme. If you have any doubt as to your own personal tax treatment, you are encouraged to seek independent professional advice.

**3. HOW MANY VESTED SHARES WILL I HAVE?**

The total number of Shares which will vest on the Court Sanction Date will be:

If you consider this figure to be incorrect you should contact [optionholderquestions@earthport.com](mailto:optionholderquestions@earthport.com) immediately with evidence to support your claim.

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<sup>1</sup> This figure assumes the Court sanctions the Scheme on 30 June 2019.

#### **4. RECOMMENDATIONS BY THE DIRECTORS OF EARTHPORT**

The Earthport Directors, who have been so advised by Rothschild & Co, consider the terms of the exercise proposal described above to be fair and reasonable. In providing advice to the Earthport Directors, Rothschild & Co has taken into account the commercial assessments of the Earthport Directors.

The Earthport Directors recommend that you should give careful consideration to the proposals in this letter.

#### **5. WHAT TO DO NOW**

You do not need to take any action. Your Shares will be transferred to you and then to Visa, as outlined above, and you will receive 30 pence per Share as consideration for the transfer to Visa.

If you have any questions about the effect of the Scheme on your Allocation please contact [optionholderquestions@earthport.com](mailto:optionholderquestions@earthport.com) prior to 5.00 p.m. on 15 February 2019.

**Earthport and its officers and employees may not provide you with any legal, tax or financial advice. If you are in any doubt as to the action you should take you should seek your own financial advice from an independent professional adviser as soon as possible.**

Yours faithfully,

Sunil Sabharwal  
For and on behalf of  
Earthport Plc

For and on behalf of  
Visa International Service Association

## APPENDIX

### U.S. Federal Tax Consequences for holders of Allocations

The information sets out information on U.S. federal income tax consequences the transfer of your Shares to Visa. **You should understand, however, that this tax information is not complete. For example, it does not address U.S. state or local tax laws or the application of laws if you are subject to tax laws in other countries.** Further, because tax laws and regulations may change, and interpretations of these laws and regulations can change the way the laws and regulations apply to you, this information may need to be updated after the delivery of this letter. **Therefore, you should consult with a tax advisor if you have questions relating to the tax consequences the sale of your Shares.**

You generally will recognise ordinary income equal to the fair market value of the Shares on the date the Shares are transferred to you (being immediately after the Court Sanction Date). When the Shares are transferred to you, the fair market value of the Shares is subject to the Federal Insurance Contributions Act tax imposed under Sections 3101 and 3121(v) (2) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”).

The Company will satisfy your withholding obligation by deducting the withholding taxes from the consideration you receive on the sale of your Shares to Visa.

When you sell your Shares, you will recognise capital gain or loss equal to the difference between the sale price and any amount you recognised as ordinary income when you received the Shares. This gain or loss would be long term or short term depending on whether you held the Shares for more than one year after you received them on settlement of the award. However, it is expected that the fair market value of the Shares at the time when you receive the Shares will be equal to the value of the consideration for the transfer of the Shares to Visa that you will receive (i.e. 30 pence per Share) since the receipt of the Shares by you and the transfer of the Shares to Visa are expected to occur contemporaneously with each other. As a result, there should be no additional income being recognised by you upon the Effective Date in respect of your Shares beyond the ordinary compensatory income that you will recognise upon your receipt of the Shares as described above. However, to the extent that there is any difference in the fair market value between the Shares transferred to you (i.e., your tax basis) and the value of the consideration for the transfer to Visa that you will receive, such difference will be treated as a short-term capital gain or loss.

For 2019, the maximum marginal U.S. federal income tax rate applicable to ordinary income and short-term capital gain is 37 per cent. and the maximum marginal U.S. federal income tax rate for long term capital gain is 20 per cent..

Additionally, capital gains and losses are subject to certain other provisions of the Code not applicable to ordinary income. For example, capital gains and losses are netted against other capital gains and losses, but only US\$3,000 of net capital losses may be deducted against ordinary income in any calendar year by an individual tax payer.

**Consult your tax advisor for more information regarding the rates and provisions that apply to you.**

**Notes:**

- (i) The Earthport Directors, whose names are set out in paragraph 2.1 of Part V of the Circular, each accept responsibility for the information contained in this document (including any expressions of opinion) other than the information (and expressions of opinion) contained in this document for which responsibility is taken by the Visa Responsible Persons pursuant to paragraph (ii) below. To the best of the knowledge and belief of the Earthport Directors (who have taken all reasonable care to ensure that such is the case), the information (including any expressions of opinion) contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (ii) The Visa Responsible Persons, whose names are set out in paragraph 2.2 of Part V of the Circular each accept responsibility for the information contained in this document (including any expressions of opinion) relating to Visa, Bidco (as defined in the Circular), each member of the Wider Bidco Group (as defined in the Circular), the directors of each of them and their close relatives, related trusts and companies, and other connected persons and persons acting, or deemed to be acting, in concert with Bidco (as such term is used in the Takeover Code). To the best of the knowledge and belief of the Visa Responsible Persons (who have taken all reasonable care to ensure that such is the case), the information (including any expressions of opinion) contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (iii) Rothschild & Co, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Earthport and no one else in connection with the Scheme of Arrangement and the proposal contained in this document and, accordingly will not be responsible to anyone other than Earthport for providing the protections afforded to its clients or for providing advice in relation to the Scheme of Arrangement or the proposal.
- (iv) Rothschild & Co has given and not withdrawn its consent to the issue of this letter with the inclusion of the references to its name in the form and context in which it appears.
- (v) Settlement of the consideration in respect of your Shares will be paid to Earthport as an agent. Earthport will forward the payment to you after deductions. For current employees payments will be made via payroll. In the case of former employees payments will be despatched by first-class post (or international standard post, if overseas), in the form of a cheque drawn on a branch of a UK clearing bank or by such other method as may be approved by the Panel. All such cash payments shall be made in pounds sterling. Payments made by cheque shall be payable to you. Cheques shall be despatched as soon as practicable and within 30 days after the Effective Date to your last known address unless you inform us otherwise. None of Earthport, Visa or any of their respective nominees or agents shall be responsible for any loss or delay in the transmission of cheques sent in this way, and such cheques shall be sent at the risk of the person entitled thereto.
- (vi) All acceptances and elections in respect of the proposal will be irrevocable.
- (vii) Your Allocation is governed by the rules of the Earthport Plc 2013/2016 Long Term Incentive Plans and applicable legislation. If there is any inconsistency between those rules and the legislation and this letter, those rules and the applicable legislation will prevail. The information relating to taxation given in this document is given by way of guidance only.

