

Mastercard Inc  
Form 8-K  
November 15, 2018

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 8-K

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CURRENT REPORT

Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934  
Date of Report (Date of earliest event reported): November 15, 2018

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Mastercard Incorporated  
(Exact name of registrant as specified in its charter)

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Delaware                      001-32877      13-4172551  
(State or other jurisdiction   (Commission   (IRS Employer  
of incorporation)              File Number)   Identification No.)

2000 Purchase Street                                      10577  
Purchase, New York  
(Address of principal executive offices)      (Zip Code)

(914) 249-2000  
(Registrant's telephone number, including area code)

NOT APPLICABLE

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.



Item 1.01. Entry into a Material Definitive Agreement

On November 15, 2018, Mastercard Incorporated (the “Company”) entered into a committed five-year unsecured \$4,500,000,000 revolving credit facility (the “Credit Facility”) with Citibank, N.A. as managing administrative agent; JPMorgan Chase Bank, N.A. as administrative agent; Citibank, N.A. and JPMorgan Chase Bank, N.A. as joint lead arrangers and global coordinators; Bank of China, New York Branch, Deutsche Bank Securities Inc., and U.S. Bank National Association as joint lead arrangers and regional coordinators; Barclays Bank PLC, Goldman Sachs Bank USA, HSBC Securities (USA) Inc., Industrial and Commercial Bank of China Limited, New York Branch, Lloyds Bank Corporate Markets, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Mizuho Bank, Ltd., MUFG Bank, Ltd, NatWest Markets Plc, Santander Bank, N.A., and Societe Generale as joint lead arrangers, and/or documentation agents; and the other lenders and agents from time to time party thereto. The Credit Facility, which expires on November 15, 2023, amended and restated the Company’s prior \$3,750,000,000 credit facility which was to expire on October 19, 2022.

The Credit Facility provides the Company with a revolving line of credit with a borrowing capacity of up to \$4,500,000,000. Borrowings under the Credit Facility are available in U.S. dollars and/or Euros for general corporate purposes. Borrowings under the Credit Facility would bear interest at the London Interbank Offered Rate (LIBOR) or an alternative base rate for the relevant currency, in each case plus applicable margins that fluctuate based on the applicable long-term issuer rating (or, if not available, the counterparty rating) of the Company. The Company has agreed to pay a facility fee which will fluctuate based on the Company’s applicable rating.

Certain other material terms of the Credit Facility include:

- a financial covenant which requires the Company to maintain a maximum consolidated leverage ratio (defined as the ratio of consolidated adjusted debt to consolidated EBITDA, in each case as defined in the Credit Facility) of not greater than 3.75 to 1.00, with a step-up to 4.25 to 1.00 during any fiscal quarter and for the two immediately succeeding fiscal quarters following an acquisition for which the aggregate consideration paid exceeds \$300,000,000;

- restrictive covenants (subject, in each case, to certain customary exceptions and amounts) which limit the Company’s ability to, among other things: (a) create liens (excluding, among other things, (i) liens not exceeding the greater of (x) \$600,000,000 or (y) 4% of consolidated total assets of the Company or (ii) deposits in connection with the purchase price for an acquisition); (b) effect fundamental changes to the Company and its subsidiaries, including a merger or sale of substantially all of the assets of the Company, or a liquidation or dissolution of the Company (c) dispose of assets outside of the ordinary course of business (excluding, among others, the sale of property in any period of twelve consecutive months not exceeding 25% of the Company’s consolidated total assets); and (d) engage in transactions with affiliates that are not on fair or reasonable terms;

- customary events of default, upon the occurrence of which, after any applicable grace period, the lenders will have the ability to accelerate all outstanding loans thereunder and terminate the commitments;

- the option for the Company to prepay, terminate or reduce the commitments under the Credit Facility at any time without penalty in a minimum amount of \$10.0 million;

- the right to designate one or more subsidiaries of the Company as Subsidiary Borrowers that may borrow under the commitments made available under the Credit Facility, subject to customary conditions and subject to the unconditional guarantee provided by the Company with respect to any such borrowings and any other obligations, if any, of the Subsidiary Borrowers under the Credit Facility; and

- customary representations and warranties.

The majority of the Credit Facility lenders are customers or affiliates of customers of Mastercard International Incorporated, the Company's operating subsidiary. Certain of the lenders under the Credit Facility, or their affiliates, have provided, and may in the future from time to time provide, certain commercial and investment banking, financial advisory and other services in the ordinary course of business for the Company and its subsidiaries, for which they have in the past and may in the future receive customary fees and commissions.

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