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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period From _____ to _____

Commission File Number 001-35004

FLEETCOR TECHNOLOGIES, INC.

DELAWARE
(STATE OF INCORPORATION)

72-1074903
(I.R.S. ID)

5445 Triangle Parkway, Suite 400, Norcross, Georgia 30092-2575
(770) 449-0479

Securities registered pursuant to Section 12(b) of the Act:

COMMON STOCK, \$0.001 PAR VALUE PER SHARE

NEW YORK STOCK EXCHANGE

Securities registered pursuant to Section 12(g) of the Act:

NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant was approximately 12,916,568,362 as of June 30, 2016, the last business day of the registrant's most recently completed second fiscal quarter, based on the closing sale price as reported on the New York Stock Exchange.

As of February 10, 2017, there were 91,892,435 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement to be delivered to shareholders in connection with the Annual Meeting of Shareholders to be held on June 21, 2017 are incorporated by reference into Part III of this report.

FLEETCOR TECHNOLOGIES, INC.
FORM 10-K
For The Year Ended December 31, 2016
INDEX

	<u>Page</u>
PART I	
Item 1. Business	4
Item X. Executive Officers of the Registrant	17
Item 1A. Risk Factors	19
Item 1B. Unresolved Staff Comments	35
Item 2. Properties	36
Item 3. Legal Proceedings	37
Item 4. Mine Safety Disclosures	37
PART II	
Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities	38
Item 6. Selected Financial Data	41
Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations	42
Item 7A. Quantitative and Qualitative Disclosures about Market Risk	72
Item 8. Financial Statements and Supplementary Data	73
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	110
Item 9A. Controls and Procedures	110
Item 9B. Other Information	111
PART III	
Item 10. Directors, Executive Officers and Corporate Governance	112
Item 11. Executive Compensation	112
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	112
Item 13. Certain Relationships and Related Transactions, and Director Independence	112
Item 14. Principal Accountant Fees and Services	112
PART IV	
Item 15. Exhibits and Financial Statement Schedules	113
Signatures	117

Note About Forward-Looking Statements

This report contains forward-looking statements within the meaning of the federal securities laws. Statements that are not historical facts, including statements about FleetCor's beliefs, expectations and future performance, are forward-looking statements. Forward-looking statements can be identified by the use of words such as "anticipate," "intend," "believe," "estimate," "plan," "seek," "project" or "expect," "may," "will," "would," "could" or "should," the negative of these terms or other comparable terminology.

These forward-looking statements are not a guarantee of performance, and you should not place undue reliance on such statements. We have based these forward-looking statements largely on our current expectations and projections about future events. Forward-looking statements are subject to many uncertainties and other variable circumstances, including those discussed in this report in Item 1A, "Risk Factors," and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," many of which are outside of our control, that could cause our actual results and experience to differ materially from any forward-looking statement. Given these risks and uncertainties, you are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements included in this report are made only as of the date hereof. We do not undertake, and specifically disclaim, any obligation to update any such statements or to publicly announce the results of any revisions to any of such statements to reflect future events or developments.

PART I

ITEM 1. BUSINESS

General

Fleetcor is the global leader in workforce payment products. We primarily go to market with our fuel card payments product solutions, corporate payments products, toll products, lodging cards and gift cards. Our products are used in 53 countries around the world, with our primary geographies in the U.S., Brazil and the U.K., which accounted for approximately 92% of our revenue in 2016. Our core products are primarily sold to businesses, retailers, major oil companies and marketers and government entities. Our payment programs enable our customers to better manage and control their commercial payments, card programs, and employee spending and provide card-accepting merchants with a high volume customer base that can increase their sales and customer loyalty. We also provide a suite of fleet related and workforce payment products, including mobile telematics services, fleet maintenance management and employee benefit and transportation related payments. In 2016, we processed approximately 2.2 billion transactions on our proprietary networks and third-party networks (which includes approximately 1.3 billion transactions related to our SVS product, acquired with Comdata, Inc. (“Comdata”). We believe that our size and scale, geographic reach, advanced technology and our expansive suite of products, services, brands and proprietary networks contribute to our leading industry position.

We provide our payment products and services in a variety of combinations to create customized payment solutions for our customers and partners. In order to deliver our payment programs and services and process transactions, we own and operate proprietary “closed-loop” networks through which we electronically connect to merchants and capture, analyze and report customized information. We also use third-party networks to deliver our payment programs and services in order to broaden our card acceptance and use. To support our payment products, we also provide a range of services, such as issuing and processing, as well as specialized information services that provide our customers with value-added functionality and data. Our customers can use this data to track important business productivity metrics, combat fraud and employee misuse, streamline expense administration and lower overall workforce and fleet operating costs.

We market our fleet payment products directly to a broad range of commercial fleet customers, oil companies, petroleum marketers and government entities. Among these customers, we provide our products and services to commercial fleets of all sizes. These fleets include small and medium commercial fleets, which we believe represent an attractive segment of the global commercial fleet market given their relatively high use of less efficient payment products, such as cash and general purpose credit cards. We also manage commercial fleet card programs for major oil companies, such as British Petroleum (BP) (including its subsidiary Arco), Shell and Speedway, and over 800 petroleum marketers.

We distribute our commercial payment solutions through direct and indirect channels to businesses of all sizes and types across a broad number of industry verticals, including retail, healthcare, construction and hospitality. Our indirect channel includes a broad range of value-added resellers (VARs) and other referral partners.

We refer to these major oil companies, leasing companies, petroleum marketers, VARs and other referral partners with whom we have strategic relationships as our “partners.” These partners collectively maintain hundreds of thousands of end-customer relationships with commercial fleets, commercial payment solutions customers and other businesses.

FleetCor’s predecessor company was organized in the United States in 1986.

Our products and services

We collectively refer to our suite of product offerings as workforce productivity enhancement products for commercial businesses. We sell a range of customized fleet and lodging payment programs directly and indirectly to our customers through partners, such as major oil companies, leasing companies and petroleum marketers. We provide our customers with various card products that typically function like a charge card to purchase fuel, lodging, food, toll, transportation and related products and services at participating locations. We support these card products with specialized issuing, processing and information services that enable us to manage card accounts, facilitate the routing, authorization, clearing and settlement of transactions, and provide value-added functionality and data, including customizable card-level controls and productivity analysis tools. Depending on our customers and partners needs, we provide these services in a variety of outsourced solutions ranging from a comprehensive “end-to-end” solution (encompassing issuing, processing and network services) to limited back office processing services.

Our broad suite of commercial payment solutions with vertical-specific applications enable our corporate customers to manage and control electronic payments across their enterprise, optimize corporate spending and offer innovative services that increase

employee efficiency and customer loyalty. Our commercial payment solutions offer integrated components that create a powerful combination of robust payment functionality, deep business insights and comprehensive technical capabilities and support services.

In addition, we offer a telematics solution that combines global positioning, satellite tracking and other wireless technology to allow fleet operators to monitor the capacity utilization and movement of their vehicles and drivers. We also provide a vehicle maintenance service offering that helps fleet customers to better manage their vehicle maintenance, service, and repair needs in the U.K. In Mexico, we offer prepaid fuel and food vouchers and cards that may be used as a form of payment in restaurants, grocery stores and gas stations. We market these payment products to small, medium and large businesses, which provide these cards and vouchers to their employees as benefits, as well as a tool to manage fuel expenses. We offer a similar workforce payment product in Brazil related to public transportation and toll vouchers. Additionally in Brazil, we have designed proprietary equipment which, when installed at the fueling site and on the vehicle and combined with our processing system, significantly reduces the likelihood of unauthorized and fraudulent transactions. We offer this product to over-the-road trucking fleets, shipping fleets and other operators of heavily industrialized equipment, including sea-going vessels, mining equipment, agricultural equipment, and locomotives. Also in Brazil, we offer an electronic toll and parking payments product to commercial and consumer customers, as well as a cardless fuel payments product offering at fueling sites throughout Brazil. Other than our fuel card products and services and prepaid giftcard products, no other products or services accounted for 10% or more of consolidated revenues in any of the last three fiscal years.

Networks

In order to deliver our payment programs and services, we own and operate proprietary closed-loop networks in North America and internationally. We also utilize the networks of our major oil and petroleum marketer partners in certain markets. Our networks have well-established brands in local markets and proprietary technology that enable us to capture, transact, analyze and report value-added information pertinent to managing and controlling employee spending. Examples of our networks include:

North America proprietary closed-loop networks

- **Fuelman network**—our primary proprietary fleet card network in the United States. We have negotiated card acceptance and settlement terms with over 11,000 individual merchants, providing the Fuelman network with over 55,000 fueling sites and over 28,000 maintenance sites across the country.
- **Comdata network**—our network of truck stops and fuel merchants for the over-the-road trucking industry. We have negotiated card acceptance and settlement terms at over 6,800 truck stops and fuel merchants across the United States and Canada.
- **Corporate Lodging Consultants network (CLC)**—our proprietary lodging network in the United States and Canada. The CLC Lodging network includes over 16,400 hotels.
- **Commercial Fueling Network (CFN)**—our “members only” fueling network in the United States and Canada. The CFN network is composed of over 2,500 fueling sites owned by a CFN member—the majority of which are unattended cardlock facilities. CFN provides fuel card authorization, transaction processing, cardlock site branding and reciprocal site access for over 220 independent petroleum marketers. Through a CFN affiliation, petroleum marketers can offer commercial fleets an integrated fuel card solution with access to over 55,000 locations via FleetCor’s Fuelman network.
- **Pacific Pride Fueling network (Pacific Pride)**—our “franchise” fueling network in the United States composed of approximately 1,200 fueling sites owned by more than 250 franchisees. The Pacific Pride franchise offering includes a dynamic fleet card management system and provides franchisees’ fleet customers access to Pacific Pride’s network of unattended fueling facilities. Franchisees also benefit when fleet customers of other franchisees purchase fuel at their locations. Additionally, the PrideAdvantage fleet card providing fleet customers of franchisees access to over 55,000 locations via FleetCor’s Fuelman network.

International proprietary closed-loop networks

- **Allstar network**—our proprietary fleet card network in the United Kingdom. We have negotiated card acceptance and settlement terms with over 2,200 individual merchants, providing this network with over 7,400 fueling sites.

- **Keyfuels network**—our proprietary fleet card network in the United Kingdom. We have negotiated card acceptance and settlement terms with more than 500 individual merchants, providing the Keyfuels network with over 2,600 fueling sites.
- **CCS network**—our primary proprietary fleet card network in the Czech Republic and Slovakia. We have negotiated card acceptance and settlement terms with several major oil companies on a brand-wide basis, including MOL, Benzina, OMV, Slovnaft and Shell, and with over 1,100 other merchants, providing the CCS network at over 2,600 fueling sites and 800 other sites accepting our cards.
- **Petrol Plus Region (PPR) network**—our primary proprietary fleet card network in Russia, Poland, Ukraine, Belarus, Kazakhstan and Moldova. We have negotiated card acceptance and settlement terms with approximately 650 individual merchants, providing the PPR network with over 13,500 fueling sites across the region.
- **Efectivale network**—our proprietary fuel and food card and voucher networks in Mexico. We have negotiated acceptance and settlement terms with over 52,000 individual merchants, providing the Mexican network with over 6,200 fueling sites, 41,800 food locations and 4,000 restaurants.
- **CTF network**—our proprietary fuel controls network in Brazil. We have partnerships with BR Distribuidora (Petrobras) and Ipiranga Distribuidora, retail oil distributors, as well as other fuel providers, in Brazil. CTF’s processing system works at over 1,700 highway fueling sites through these partnerships and is integrated with two main banks, Banco Bradesco and Banco Itau.
- **1link service network**—our proprietary maintenance and repair network in the United Kingdom. The 1link network processes transactions for fleet customers through more than 9,400 service centres across the United Kingdom.
- **RODOCREC network**—our proprietary toll network in Brazil. The RODOCREC network processes toll transactions for more than 46,900 customers on all toll roads across Brazil.
- **VB Distribution system**—our proprietary distribution network in Brazil for transportation cards, meal/grocery cards, and fuel cards. The VB distribution network distributes cards for more than 25,000 clients and negotiates with more than 1,300 public transportation agencies across Brazil.
- **Sem Parar network**—our proprietary toll network in Brazil. The network processes toll transactions for more than 3.2 million customers on 99% of the toll roads across Brazil.

Third-Party networks

In addition to our proprietary “closed-loop” networks, we also utilize various third-party networks to deliver our payment programs and services. Examples of these networks include:

- **MasterCard network**—In the United States and Canada, we issue corporate cards that utilize the MasterCard payment network, which includes over 178,000 fuel sites and 469,000 maintenance locations. Our co-branded MasterCard corporate cards, virtual card corporate payment solution, purchasing cards, T&E cards and multi-use cards have additional purchasing capabilities and can be accepted at approximately 10.7 million locations throughout the United States and Canada. We market these cards to customers who require card acceptance beyond our proprietary merchant locations. The MasterCard network delivers the ability to capture value-added transaction data at the point-of-sale and allows us to provide customers with fleet controls and reporting comparable to those of our proprietary fleet card networks.
- **Major oil and fuel marketer networks**—The proprietary networks of branded locations owned by our major oil and petroleum marketer partners in both North America and internationally are generally utilized to support the proprietary, branded card programs of these partners.
- **UTA network**—UNION TANK Eckstein GmbH & Co. KG (UTA) operates a network of over 54,000 points of acceptance in 40 European countries, including more than 39,000 fueling sites. The UTA network is generally utilized by European transport companies that travel between multiple countries.
- **DKV network**—DKV operates a network of over 60,000 fleet card-accepting locations across more than 40 countries throughout Europe. The DKV network is generally utilized by European transport companies that travel between multiple countries.

- **Carnet networks**—In Mexico, we issue fuel cards and food cards that utilize the Carnet payment network, which includes over 11,000 fueling sites, over 31,000 food locations and over 500,000 restaurants across the country.

Customers and distribution channels

We provide our fleet products and services primarily to trucking companies, commercial fleet customers and our major oil company and petroleum marketer partners. Our commercial fleet customers are businesses that operate fleets comprised of one or more vehicles, including small fleets (1-10 vehicles), medium fleets (11-150 vehicles), large fleets (over 150 vehicles), and government fleets (which are owned and operated by governments). We also provide services through strategic relationships with our partners, ranging in size from major oil companies, such as British Petroleum (BP) (including its subsidiary, Arco), Shell and Speedway, to smaller petroleum marketers with as little as a single fueling location. While we refer to companies with whom we have strategic relationships as “partners,” our legal relationships with these companies are contractual, and do not constitute legal partnerships.

We distribute our fleet products and services directly to trucking companies and commercial fleet customers as well as through our major oil company and petroleum marketer partners. We provide comprehensive “end-to-end” support for our direct card programs that include issuing, processing and network services. We manage and market the fleet card programs of our partners under our partners’ own brands. We support these programs with a variety of business models ranging from fully outsourced card programs, which include issuing, processing and network services, to card programs where we may only provide limited back office processing services. These supporting services vary based on our partners’ needs and their own card program capabilities.

We primarily provide issuing, processing and information services to our major oil company partners, as these partners utilize their proprietary networks of branded locations to support their card programs. In addition, we provide network services to those major oil company partners who choose to offer a co-branded MasterCard as part of their card program. Our agreements with our major oil company partners typically have initial terms of five to ten years with current remaining terms ranging from two to seven years. No single partner represented more than 10% of our consolidated revenue in 2016, 2015 or 2014.

We provide similar fleet products and services to government fleet customers as we provide to other commercial fleet customers. Our government fleet customers generally constitute local, state or federal government-affiliated departments and agencies with vehicle fleets, such as police vehicle fleets and school bus fleets. We provide food, fuel, toll and transportation cards and vouchers to commercial businesses, fleets and governmental agencies.

We distribute our commercial payment solutions through direct and indirect channels to businesses of all sizes and types across a broad number of industry verticals. We serve customers across numerous industry verticals, such as retail, healthcare, construction and hospitality as well as general commercial payment services in energy, entertainment, insurance and trade finance. We provide our commercial payment solutions under contracts with our customers. Terms such as exclusivity, mandatory minimum contract payments and pricing terms vary based on scope of use, usage volumes, incentives and contract duration. When our commercial payment solutions include short term credit, our contracts for those solutions contain credit and collection terms. Contracts for our commercial stored value solutions include a description and pricing for our services and deliverables associated with those solutions.

For a description of our financial information by our North America and International segments and geographical areas, see “Note 15—Segments.”

Sales and marketing

We market our products and services to prospective customers in North America and internationally through multiple channels including field sales, telesales, direct marketing, point-of-sale marketing and the internet. We also leverage the sales and marketing capabilities of our strategic relationships. Worldwide, our sales and marketing employees are focused on acquiring new customers and retaining existing customers for our different products. We also utilize tradeshows, advertising and other awareness campaigns to further market our products and services.

We utilize proprietary and third-party databases to develop our prospect universe, and segment those prospects by various characteristics, including industry, geography, size, and credit score, to identify potential customers. We develop customized offers for different types of potential customers and work to deliver those offers through the most effective marketing channel. We actively manage prospects across our various marketing channels to optimize our results and avoid marketing channel conflicts.

Our primary means of acquiring new customers include:

- **Field sales**—Our field sales organizations are comprised of remote or local office-based sales representatives who conduct face-to-face sales presentations and product demonstrations with prospects, assist with post-sale program implementation and training, and provide in-person account management. Field sales representatives also attend and manage our marketing at tradeshow. Our field sales force is generally dedicated to a specific product or service category, and tend to target larger prospects.
- **Telesales**—We have telesales representatives handling inbound and outbound sales calls.
 - Our inbound call volume is primarily generated as a result of marketing activities, including direct marketing, point-of-sale marketing and the internet.
 - Our outbound phone calls typically target prospects that have expressed an initial interest in our services or have been identified through database analysis as prospective customers. Our telesales teams are generally dedicated to a specific product or service category, and tend to target smaller prospects. We also leverage our telesales channel to cross-sell additional products to existing customers.
- **Digital marketing**—We manage numerous marketing websites around the world which tend to fall into two categories: product-specific websites and marketing portals.
 - **Product-specific websites**—Our product-specific websites, including fuelman.com, checkinncard.com, allstarcard.co.uk and semparar.com.br, focus on one or more specific products, provide the most in-depth information available online regarding those particular products, allow prospects to convert online (where appropriate) and allow customers to access and manage their accounts online. We manage product-specific websites for our own proprietary programs, as well as white labeled sites for our strategic relationships.
 - **Marketing portals**—Our marketing portals, including fleetcardsUSA.com and fuelcards.co.uk, serve as information sources for fleet operators interested in fleet card products. In addition to providing helpful information on fleet management, including maintenance, tax reporting and fuel efficiency, these websites allow fleet operators to research card products, compare the features and benefits of multiple products, and identify the card product which best meets the fleet manager’s needs.

As part of our digital marketing strategy, we monitor and modify our marketing websites to improve our search engine rankings and test our advertising keywords to optimize our banner advertising placement and costs and our pay-per-click advertising spend among the major internet search firms such as Google and Yahoo.

- **Direct marketing**—We market directly to potential customers via mail and email. We test various program offers and promotions, and adopt the most successful features into subsequent direct marketing initiatives. We seek to enhance the sales conversion rates of our direct marketing efforts by coordinating timely follow-up calls by our telesales teams.
 - **Point-of-sale marketing**—We provide marketing literature at the point-of-sale within our proprietary networks and those of our strategic relationships. Literature may include “take-one” applications, pump-top advertising and in-store advertising. Our point-of-sale marketing leverages the branding and distribution reach of the physical merchant locations.
 - **Strategic relationships**—We develop and manage relationships with industry participants relevant to our various products and services. With regard to our fuel card products and services, we have developed and currently manage relationships with oil companies, independent petroleum marketers, card marketers and leasing companies. Our major oil company and petroleum marketer relationships offer our payment processing and information management services to their fleet customers in order to establish and enhance customer loyalty. Our card programs for major oil companies and petroleum marketers carry their proprietary branding and may or may not be accepted in one of our merchant networks. We benefit from the marketing efforts of major oil companies and petroleum marketers with whom we have strategic relationships to attract customers to their fueling locations. We manage the fleet card sales and marketing efforts for several major oil companies across the full spectrum of channels, including field sales, telesales, direct marketing, point-of-sale marketing and internet marketing. In these cases, we establish dedicated sales and marketing teams to focus exclusively on marketing the products of major oil companies and petroleum marketers. Our major oil company relationships include some of the world’s largest oil companies such as BP, Speedway and Shell. Through our leasing company relationships, we offer our payment processing, vehicle maintenance and information management services to their fleet customers as part of the leasing company’s broader package of fleet services.
- Most

of our leasing company relationships reside outside of North America, and we view these relationships as an important strategic growth area.

Our strategic relationships also include a broad range of VARs and other referral partners that expand our reach into smaller businesses, new industry verticals and new geographies faster and at a significantly lower cost. We provide our commercial payment solutions, third-party processing services and other fleet services to these partners who offer our services under our brands or their own brands on a “white-label” basis. For example, we provide healthcare payment solutions through healthcare networks, corporate payment solutions through software and services providers and payroll card solutions through payroll service providers.

Account management

- **Customer service, account activation, account retention**—We provide account management and customer service to our customers. Based in dedicated call centers across our key markets, these professionals handle transaction authorizations, billing questions and account changes. Customers also have the opportunity to self-serve their accounts through interactive voice response and online tools. We monitor the quality of the service we provide to our customers by adhering to industry standard service levels with respect to abandon rates and answer times and through regular agent call monitoring. We also conduct regular customer surveys to ensure customers are satisfied with our products and services. In addition to our base customer service support, we provide the following specialized services:
- **Implementation and activation**—We have dedicated implementation teams that are responsible for establishing the system set-up for each customer account. These teams focus on successful activation and utilization of our new customers and provide training and education on the use of our products and services. Technical support resources are provided to support the accurate and timely set-up of technical integrations between our proprietary processing systems and customer systems (e.g., payroll, enterprise resource planning and point-of-sale). Larger accounts are provided dedicated program managers who are responsible for managing and coordinating customer activities for the duration of the implementation. These program managers are responsible for the successful set-up of accounts to meet stated customer objectives.
- **Strategic account management**—We assign designated account managers who serve as the single point of contact for our large accounts. Our account managers have in-depth knowledge of our programs and our customers’ operations and objectives. Our account managers train customer administrators and support them on the operation and optimal use of our programs, oversee account setup and activation, review online billing and create customized reports. Our account managers also prepare periodic account reviews, provide specific information on trends in their accounts and work together to identify and discuss major issues and emerging needs.
- **Account retention**—We have proprietary, proactive strategies to contact customers who may be at risk of terminating their relationship with us. Through these strategies we seek to address service concerns, enhance product structures and provide customized solutions to address customer issues.
- **Customer service**—Day-to-day servicing representatives are designated for customer accounts. These designated representatives are responsible for the daily service items and issue resolution of customers. These servicing representatives are familiar with the nuanced requirements and specifics of a customer’s program. Service representatives are responsible for customer training, fraud disputes, card orders, card maintenance, billing, etc.
- **Merchant network services**—Our representatives work with merchants such as fuel, toll operators and vehicle maintenance providers to enroll them in one of our proprietary networks, install and test all network and terminal software and hardware and train them on the sale and transaction authorization process. In addition, our representatives provide transaction analysis and site reporting and address settlement issues.
- **Call center program administrator**—Off-hour call center support is provided to customers to handle time-sensitive requests and issues outside of normal business hours.
- **Management tools**—We offer a variety of online servicing tools that enable customers to identify and provide authority to program administrators to self-serve their accounts.

Additionally, we provide cardholder support for individuals utilizing our payment tools, such as fleet, T&E, gift cards, and stored value payroll cards. This support enables cardholders the ability to activate cards, check balances, and resolve issues in a timely and effective fashion. Cardholder support is conducted 24-hours a day, seven-days per week

in multiple languages utilizing telephony, web and call center technologies to deliver comprehensive and cost effective servicing. We have rigorous operational metrics in place to increase cardholder responsiveness to corporate and customer objectives.

- **Credit underwriting and collections**—We follow detailed application credit review, account management, and collections procedures for all customers of our payment solutions. We use multiple levers including billing frequency, payment terms, spending limits and security to manage risk in our portfolio. For the years ended December 31, 2016 and 2015, our bad debt expense was \$35.9 million and \$24.6 million, respectively.
 - **New account underwriting**—We use a combination of quantitative, third-party credit scoring models and judgmental underwriting to screen potential customers and establish appropriate credit terms and spend limits. Our underwriting process provides additional scrutiny for large credit amounts and we utilize tiered credit approval authority among our management.
 - **Prepaid and secured accounts**—We also offer products and services on a prepaid or fully-secured basis. Prepaid customer accounts are funded with an initial deposit and subsequently debited for each purchase transacted on the cards issued to the customer. Fully-secured customer accounts are secured with cash deposits, letters of credit and/or insurance bonds. The security is held until such time as the customer either fails to pay the account or closes its account after paying outstanding amounts. Under either approach, our prepaid and fully-secured offerings allow us to market to a broader universe of prospects, including customers who might otherwise not meet our credit standards.
 - **Monitoring and account management**—We use fraud detection programs, including both proprietary and third party solutions, to monitor transactions and prevent misuse of our products. We monitor the credit quality of our portfolio periodically utilizing external credit scores and internal behavior data to identify high risk or deteriorating credit quality accounts. We conduct targeted strategies to minimize exposure to high risk accounts, including reducing spending limits and payment terms or requiring additional security.
 - **Collections**—As accounts become delinquent, we may suspend future transactions based on our risk assessment of the account. Our collections strategy includes a combination of internal and outsourced resources which use both manual and dialer-based calling strategies. We use a segmented collection strategy which prioritizes higher risk and higher balance accounts. For severely delinquent, high balance accounts we may pursue legal remedies.

Competition

We face considerable competition in our business. The most significant competitive factors in our business are the breadth of product and service features, credit extension, payment terms, customer service and account management, and price. For certain payment-related products, we also compete on the respective size or nature (i.e., open versus closed loop) of each product's acceptance network. For certain payment processing services, systems and technology are also significant competitive factors. We believe that we generally compete favorably with respect to each of these factors. However, we may experience competitive disadvantages with respect to each of these factors from time to time as potential customers prioritize or value these competitive factors differently. As a result, a specific offering of our products and service features, networks and pricing may serve as a competitive advantage with respect to one customer and a disadvantage for another based on the customers' preferences.

With regard to our fuel card and workforce payment products, we compete with independent fleet card providers, employee benefit outsourcing services, major financial services companies, major oil companies and petroleum marketers. Excluding major oil companies, our most significant competitors in these product categories include WEX, U.S. Bank Voyager Fleet Systems, World Fuel Services, Edenred, Sodexo, Alelo, ConectCar, Radius Payment Solutions, Ebbon-Dacs, and Fleet on Demand.

Our corporate payments business competes with large financial institutions such as Bank of America, Citibank, J.P. Morgan Chase, PNC Bank, U.S. Bank, Wells Fargo Bank and American Express with regard to its virtual, purchasing and T&E card products. With regard to our payroll card product, we also compete with First Data Corporation, Fidelity National Information Services, Global Cash Card, Green Dot Financial, Total System Services, Automatic Data Processing, Paychex and Heartland Payment Systems.

We compete with a number of national companies in providing closed-loop gift cards, the largest of which include First Data Corporation and Vantiv. We also compete with businesses that rely on in-house solutions.

We also compete with a number of companies in the telematics space, the largest of which include Verizon, Omnitracs, Trimble, Danaher, Zonar Systems, TomTom Telematics, Novatel Wireless, and Transics.

Technology

Our technology provides continuous authorization of transactions, processing of critical account and client information and settlement between merchants, issuing companies and individual commercial entities. We recognize the importance of state-of-the-art, secure, efficient and reliable technology in our business and have made significant investments in our applications and infrastructure. In 2016, we spent more than \$150 million in capital and operating expenses to operate, protect and enhance our technology and expect to continue the build out of our proprietary processing platform in Europe and Asia, as well as the integration of our recently acquired businesses.

Our technology function is based in the United States, Europe and Brazil and has expertise in the management of applications, transaction networks and infrastructure. We operate application development centers in the United States, United Kingdom, Netherlands, Russia, Czech Republic, Brazil and New Zealand. Our distributed application architecture allows us to maintain, administer and upgrade our systems in a cost-effective and flexible manner. We integrate our systems with third-party vendor applications for certain products, sales and customer relationship management and back-office support. Our technology organization has undertaken and successfully executed large scale projects to develop or consolidate new systems, convert oil company and petroleum marketer systems and integrate acquisitions while continuing to operate and enhance existing systems.

Our technology infrastructure is supported by best-in-class, highly-secure data centers, with redundant locations. We operate six primary data centers, located in Atlanta, Georgia; Brentwood, Tennessee; Prague; Czech Republic; Las Vegas, Nevada; Louisville, Kentucky and Moscow, Russia. We use only proven technology and have no foreseeable capacity limitations. Our systems align with industry standards for security with multiple industry certifications. Our network is configured with multiple layers of security to isolate our databases from unauthorized access. We use security protocols for communication among applications, and our employees access critical components on a need-only basis. As of December 31, 2016, we have not experienced any data security breaches.

We maintain disaster recovery and business continuity plans. Our telecommunications and internet systems have multiple levels of redundancy to ensure reliability of network service. In 2016, we experienced 99.9% up-time for authorizations.

Proprietary processing systems

We operate several proprietary processing systems that provide features and functionality to run our card programs and product offerings, including our card issuing, processing and information services. Our processing systems also integrate with our proprietary networks, which provide brand awareness and connectivity to our acceptance locations that enables the “end-to-end” card acceptance, data capture and transaction authorization capabilities of our card programs. Our proprietary processing systems and aggregation software are tailored to meet the unique needs of the individual markets they serve and enable us to create and deliver commercial payment solutions and stored value programs that serve each of our industry verticals and geographies. Our technology platforms are primarily comprised of four key components, which were primarily developed and are maintained in-house: (1) a core processing platform; (2) specialized software; (3) integrated network capabilities; and (4) a cloud based architecture with proprietary APIs.

Intellectual property

Our intellectual property is an important element of our business. We rely on trademark, copyright, trade secret, patent and other intellectual property laws, confidentiality agreements, contractual provisions and similar measures to protect our intellectual property. Our employees involved in technology development in some of the countries in which we operate, including the United States, are required to sign agreements acknowledging that all intellectual property created by them on our behalf is owned by us. We also have internal policies regarding the protection, disclosure and use of our confidential information. Confidentiality, license or similar agreements or clauses are generally used with our business partners and vendors to control access, use and distribution of our intellectual property. Unauthorized persons may attempt to obtain our intellectual property despite our efforts and others may develop similar intellectual property independently. We own trade names, service marks, trademarks and registered trademarks supporting a number of our brands, such as FleetCor, Fuelman, Comdata, and Comchek (among others) in the United States. We also own trademarks and registered trademarks in various foreign jurisdictions for a number of our brands, such as Keyfuels, AllStar, CTF, and Sem Parar (among others). We hold a number of patents and pending applications relating to payment card, fuel tax returns and telematics inventions.

Acquisitions

Since 2002, we have completed over 70 acquisitions of companies and commercial account portfolios, including the acquisition of STP in August 2016. Acquisitions have been an important part of our growth strategy, and it is our intention to continue to seek opportunities to increase our customer base and diversify our service offering through further strategic acquisitions. For a discussion of recent acquisitions, see “Management’s Discussion and Analysis of Financial Conditions and Results of Operations—Acquisitions”.

Regulatory

A substantial number of laws and regulations, both in the United States and in other jurisdictions, apply to businesses offering payment cards to customers or processing or servicing for payment cards and related accounts. These laws and regulations are often evolving and sometimes ambiguous or inconsistent, and the extent to which they apply to us is at times unclear. Failure to comply with regulations may result in the suspension or revocation of licenses or registrations, the limitation, suspension, or termination of services, and/or the imposition of civil and criminal penalties, including fines. Certain of our services are also subject to rules set by various payment networks, such as MasterCard, as more fully described below.

The following, while not exhaustive, is a description of several federal and state laws and regulations in the United States that are applicable to our business. The laws and regulations of other jurisdictions also affect us, and they may be more or less restrictive than those in the United States and may also impact different parts of our operations. In addition, the legal and regulatory framework governing our business is subject to ongoing revision, and changes in that framework could have a significant effect on us.

Money Transmission and Payment Instrument Licensing Regulations

We are subject to various U.S. laws and regulations governing money transmission and the issuance and sale of payment instruments relating to certain aspects of our business. In the United States, most states license money transmitters and issuers of payment instruments. Through our subsidiaries, we are licensed in 45 states. Many states exercise authority over the operations of our services related to money transmission and payment instruments and, as part of this authority, subject us to periodic examinations, which may include a review of our compliance practices, policies and procedures, financial position and related records, privacy and data security policies and procedures, and other matters related to our business. Some state agencies conduct periodic examinations and issue findings and recommendations as a result of which we make changes to our operations, such as improving our reporting processes, detailing our intercompany arrangements, and implementing new or revising existing policies and procedures such as our anti-money laundering and the Office of Foreign Assets Control (OFAC) compliance program and complaints management process, and improvements to our documentation processes.

As a licensee, we are subject to certain restrictions and requirements, including net worth and surety bond requirements, record keeping and reporting requirements, requirements for regulatory approval of controlling stockholders, and requirements to maintain certain levels of permissible investments in an amount equal to our outstanding payment obligations. Many states also require money transmitters and issuers of payment instruments to comply with federal and/or state anti-money laundering laws and regulations. Many states require prior approval for an indirect change of control of the licensee and certain other corporate events.

Government agencies may impose new or additional requirements on money transmission and sales of payment instruments, and we expect that compliance costs will increase in the future for our regulated subsidiaries.

Privacy and Information Security Regulations

We provide services that may be subject to privacy laws and regulations of a variety of jurisdictions. Relevant federal privacy laws include the Gramm-Leach-Bliley Act of 1999, which applies directly to a broad range of financial institutions and indirectly, or in some instances directly, to companies that provide services to financial institutions. These laws and regulations restrict the collection, processing, storage, use and disclosure of personal information, require notice to individuals of privacy practices and provide individuals with certain rights to prevent the use and disclosure of protected information. These laws also impose requirements for safeguarding and proper destruction of personal information through the issuance of data security standards or guidelines. In addition, there are state laws restricting the ability to collect and utilize certain types of information such as Social Security and driver’s license numbers. Certain state laws impose similar privacy obligations as well as obligations to provide notification of security breaches of computer databases that contain personal information to affected individuals, state officers and consumer reporting agencies and businesses and governmental agencies that own data. To the extent that we offer our services outside the United States, we are also required to comply with various foreign laws and regulations relating to privacy and information security, some of which are more stringent than the laws in the United States.

Certain of our products that access payment networks require compliance with Payment Card Industry (“PCI”) standards. Our subsidiary, Comdata Inc., is PCI 2.0 compliant and its Attestation of Compliance is listed on MasterCard’s compliant service provider listing. Failure to maintain compliance with updates to PCI data security standards including having effective technical and administrative safeguards and policies and procedures could result in fines and assessments from payment networks and regulatory authorities, as well as litigation.

Federal Trade Commission Act

All persons engaged in commerce, including, but not limited to, us and our bank sponsors and customers are subject to Section 5 of the Federal Trade Commission Act prohibiting unfair or deceptive acts or practices, and certain products are subject to the jurisdiction of the CFPB regarding the prohibition of unfair, deceptive, or abusive acts and practices (both, collectively, UDAAP). Various federal and state regulatory enforcement agencies including the Federal Trade Commission (“FTC”), Consumer Financial Protection Bureau (“CFPB”) and the state attorneys general have authority to take action against businesses, merchants and financial institutions that engage in UDAAP or violate other laws, rules and regulations. If we violate such laws, rules and regulations, we may be subject to enforcement actions and as a result, may incur losses and liabilities that may impact our business. A number of state laws and regulations also prohibit unfair and deceptive business practices.

Truth in Lending Act

The Truth in Lending Act, or TILA, was enacted to increase consumer awareness of the cost of credit and is implemented by Regulation Z. Most provisions of TILA and Regulation Z apply only to the extension of consumer credit, but a limited number apply to commercial cards as well. One example where TILA and Regulation Z are generally applicable is a limitation on liability for unauthorized use, although a business that acquires 10 or more credit cards for its personnel can agree to more expansive liability. Our cardholder agreements generally provide for these business customers to waive, to the fullest extent possible, all limitations on liability for unauthorized card use.

Credit Card Accountability, Responsibility, and Disclosure Act of 2009

The Credit Card Accountability, Responsibility, and Disclosure Act of 2009 amended provisions of TILA that affect consumer credit and also directed the Federal Reserve Board to study the use of credit cards by small businesses and to make legislative recommendations. The report concluded that it is not clear whether the potential benefits outweigh the increased cost and reduced credit availability if the disclosure and substantive restrictions applicable to consumer cards were to be applied to small business cards. Legislation has been introduced, from time to time, to increase the protections afforded to small businesses that use payment cards. If legislation of this kind were enacted, our products and services for small businesses could be adversely impacted.

Equal Credit Opportunity Act

The Equal Credit Opportunity Act, or ECOA, together with Regulation B prohibit creditors from discriminating on certain prohibited bases, such as an applicant’s sex, race, nationality, age and marital status, and further requires that creditors disclose the reasons for taking any adverse action against an applicant or a customer seeking credit.

The Fair Credit Reporting Act

The Fair Credit Reporting Act, or FCRA, regulates consumer reporting agencies and the disclosure and use of consumer reports. We may obtain consumer reports with respect to an individual who guarantees or otherwise is obligated on a commercial card.

FACT Act

The Fair and Accurate Credit Transactions Act of 2003 amended FCRA and requires creditors to adopt identity theft prevention programs to detect, prevent and mitigate identity theft in connection with covered accounts, which can include business accounts for which there is a reasonably foreseeable risk of identity theft.

Anti-Money Laundering and Counter Terrorist Regulations

The Currency and Foreign Transactions Reporting Act, which is also known as the Bank Secrecy Act (the BSA) and which has been amended by the USA PATRIOT Act of 2001, contains a variety of provisions aimed at fighting terrorism and money

laundering. Our business in Canada is also subject to Proceeds of Crime (Money Laundering) and Terrorist Financing Act, or the PCTFA, which is a corollary to the BSA. Among other things, the Bank Secrecy Act and implementing regulations issued by the U.S. Treasury Department require financial-services providers to establish anti-money laundering programs, to not engage in terrorist financing, to report suspicious activity, and to maintain a number of related records.

Through certain subsidiaries, we are registered money services businesses. As a result, we have established anti-money laundering compliance programs that include: (i) internal policies and controls; (ii) designation of a compliance officer; (iii) ongoing employee training; and (iv) an independent review function. We have developed and implemented compliance programs comprised of policies, procedures, systems and internal controls to monitor and address various legal requirements and developments.

In addition, provisions of the BSA known as the Prepaid Access Rule issued by the Financial Crimes Enforcement Network of the U.S. Department of the Treasury (FinCEN) impose certain obligations, such as registration and collection of consumer information, on “providers” of certain prepaid access programs, including the stored value products issued by our sponsor banks for which we serve as program manager. FinCEN has taken the position that, where the issuing bank has principal oversight and control of such prepaid access programs, no other participant in the distribution chain would be required to register as a provider under the Prepaid Access Rule. Despite this position, we have opted to register as a provider of prepaid access through our subsidiary, Comdata Inc. We are also subject to certain economic and trade sanctions programs that are administered by the Treasury Department’s Office of Foreign Assets Control, or OFAC, that prohibit or restrict transactions to or from or dealings with specified countries, their governments and, in certain circumstances, their nationals, narcotics traffickers, and terrorists or terrorist organizations.

Dodd-Frank Wall Street Reform and Consumer Protection Act

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, effected comprehensive revisions to a wide array of federal laws governing financial institutions, financial services, and financial markets. Among its most notable provisions is the creation of the CFPB, which is charged with regulating consumer financial products or services and which is assuming much of the rulemaking authority under TILA, ECOA, FCRA, and other federal laws affecting the extension of credit. In addition to rulemaking authority over several enumerated federal consumer financial protection laws, the CFPB is authorized to issue rules prohibiting UDAAP by persons offering consumer financial products or services and their service providers, and has authority to enforce these consumer financial protection laws and CFPB rules. The CFPB has not defined what is a consumer financial product or service but has indicated informally that, in some instances, small businesses may be covered under consumer protection.

As a service provider to certain of our bank sponsors, we are subject to direct supervision and examination by the CFPB, in connection with certain of our products and services. CFPB rules, examinations and enforcement actions may require us to adjust our activities and may increase our compliance costs.

In addition, the Durbin Amendment to the Dodd-Frank Act provided that interchange fees that a card issuer or payment network receives or charges for debit transactions will now be regulated by the Federal Reserve and must be “reasonable and proportional” to the cost incurred by the card issuer in authorizing, clearing and settling the transaction. Payment network fees may not be used directly or indirectly to compensate card issuers in circumvention of the interchange transaction fee restrictions. In July 2011, the Federal Reserve published the final rules governing debit interchange fees. Effective in October 2011, with certain exemptions debit interchange rates are capped at \$0.21 per transaction with an additional component of five basis points of the transaction’s value to reflect a portion of the issuer’s fraud losses plus, for qualifying issuing financial institutions, an additional \$0.01 per transaction in debit interchange for fraud prevention costs. The cap on interchange fees is not expected to have a material direct impact on our results of operations because we qualify for an exemption for the majority of our debit transactions.

The implementation of the Dodd-Frank Act is ongoing, and as a result, its overall impact remains unclear. Its provisions, however, are sufficiently far reaching that it is possible that we could be further directly or indirectly impacted.

Anti-Bribery Regulations

The FCPA prohibits the payment of bribes to foreign government officials and political figures and includes anti-bribery provisions enforced by the Department of Justice and accounting provisions enforced by the SEC. The statute has a broad reach, covering all U.S. companies and citizens doing business abroad, among others, and defining a foreign official to include not only those holding public office but also local citizens affiliated with foreign government-run or -owned organizations. The

statute also requires maintenance of appropriate books and records and maintenance of adequate internal controls to prevent and detect possible FCPA violations.

Payment Card Industry Rules

Partner banks issuing payment cards bearing the MasterCard brand, and FleetCor to the extent that we provide certain services in connection with those cards and fleet customers acting as merchants accepting those cards, must comply with the bylaws, regulations and requirements that are promulgated by MasterCard and other applicable payment-card organizations, including the Payment Card Industry Data Security Standard developed by MasterCard and VISA, the MasterCard Site Data Protection Program and other applicable data-security program requirements. A breach of such payment card network rules could subject us to a variety of fines or penalties that may be levied by the payment networks for certain acts or omissions. The payment networks routinely update and modify their requirements. Our failure to comply with the networks' requirements or to pay the fines they impose could cause the termination of our registration and require us to stop processing transactions on their networks.

We are also subject to network operating rules promulgated by the National Automated Clearing House Association relating to payment transactions processed by us using the Automated Clearing House Network.

Escheat Regulations

Certain of our subsidiaries are subject to unclaimed or abandoned property (escheat) laws in the United States that require them to turn over to certain government authorities the property of others they hold that has been unclaimed for a specified period of time such as payment instruments that have not been presented for payment and account balances that are due to a customer following discontinuation of its relationship with such subsidiaries. Certain of our subsidiaries are subject to audit by individual U.S. states with regard to their escheatment practices.

Prepaid Card Regulations

Prepaid card programs managed by us are subject to various federal and state laws and regulations, in addition to those identified above, including the Credit Card Accountability Responsibility and Disclosure Act of 2009 and the Federal Reserve's Regulation E, which impose requirements on general-use prepaid cards, store gift cards and electronic gift certificates. These laws and regulations are evolving, unclear and sometimes inconsistent and subject to judicial and regulatory challenge and interpretation, and therefore the extent to which these laws and rules have application to, and their impact on us, is in flux. At this time we are unable to determine the impact that the clarification of these laws and their potential application and future interpretations, as well as new laws, may have on us in a number of jurisdictions. On October 5, 2016, the Consumer Financial Protection Bureau issued a final rule amending Regulations E and Z to create comprehensive consumer protections for prepaid financial products. The extensive nature of these regulations and the implementation dates for this additional rulemaking may result in additional compliance obligations and expense for our business.

State Usury Laws

Extensions of credit under many of our card products may be treated as commercial loans. In some states, usury laws limit the interest rates that can be charged not only on consumer loans but on commercial loans as well. To the extent that these usury laws apply, we are limited in the amount of interest that we can charge and collect from our customers. Because we have substantial operations in multiple jurisdictions, we utilize choice of law provisions in our cardholder agreements as to the laws of which jurisdiction to apply. In addition, the interest rates on certain of our card products are set based upon the usury limit of the cardholder's state. With respect to card products where we work with a partner or issuing bank, the partner bank may utilize the law of the jurisdiction applicable to the bank and "exports" the usury limit of that state in connection with cards issued to residents of other states or we may use our choice of law provisions.

Other

We are subject to examination by our sponsor banks' regulators, and must comply with certain regulations to which our sponsor banks are subject, as applicable. We are subject to audit by certain sponsor banks.

The Housing Assistance Tax Act of 2008 requires information returns to be made for each calendar year by merchants acquiring entities and third-party settlement organizations with respect to payments made in settlement of electronic payment transactions and third-party payment network transactions occurring in that calendar year. Reportable transactions are also

subject to backup withholding requirements. We are required to comply with these requirements for the merchants in our Comdata network. We could be liable for penalties if our information return is not in compliance with these regulations.

Employees and labor relations

As of December 31, 2016, we employed approximately 7,100 employees, approximately 2,270 of whom were located in the United States. We consider our employee relations to be good and have never experienced a work stoppage.

Additional Information

Our website address is www.fleetcor.com. You may obtain free electronic copies of our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to such reports required to be filed or furnished pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, at our website under the headings “Investor Relations—SEC Filings.”

ITEM X. EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth certain information regarding our executive officers, with their respective ages as of December 31, 2016. Our officers serve at the discretion of our board of directors. There are no family relationships between any of our directors or executive officers.

Name	Age	Position(s)
Ronald F. Clarke	61	Chief Executive Officer and Chairman of the Board of Directors
Eric R. Dey	57	Chief Financial Officer
Kurt Adams	47	President—Comdata Corporate Payments
Andrew R. Blazye	58	President—International Corporate Development
John S. Coughlin	49	Executive Vice President—Global Corporate Development
Pedro L. Donda	63	President—STP
Charles Freund	44	Executive Vice President—Global Sales
Alexey Gavrilena	40	President—Continental Europe
Todd W. House	45	President—North America Direct Issuing, U.S. Telematics and Efectivale
Alan King	40	President—UK, Australia and New Zealand
David D. Maxsimic	57	President—North America Partners
Armando Netto	48	President—Brazil
John A. Reed	62	Global Chief Information Officer
Gregory Secord	54	President—Comdata North America Trucking and CLC Lodging

Ronald F. Clarke has been our Chief Executive Officer since August 2000 and was appointed Chairman of our board of directors in March 2003. From 1999 to 2000, Mr. Clarke served as President and Chief Operating Officer of AHL Services, Inc., a staffing firm. From 1990 to 1998, Mr. Clarke served as Chief Marketing Officer and later as a division president with Automatic Data Processing, Inc. (ADP), a computer services company. From 1987 to 1990, Mr. Clarke was a principal with Booz Allen Hamilton, a global management consulting firm. Earlier in his career, Mr. Clarke was a marketing manager for General Electric Company, a diversified technology, media, and financial services corporation.

Eric R. Dey has been our Chief Financial Officer since November 2002. From October 2000 to October 2002, Mr. Dey served as Chief Financial Officer of NCI Corporation, a call center company. From July 1999 to October 2000, Mr. Dey served as Chief Financial Officer of Leisure Time Technology, a software development/manufacturing company. From 1994 to 1999, Mr. Dey served as Corporate Controller with Excel Communications, a telecommunications service provider. From 1984 to 1994, Mr. Dey held a variety of financial and accounting positions with PepsiCo, Inc., a global beverage, snack and food company.

Kurt Adams joined us in September 2015 as our President—Comdata Corporate Payments. Prior to joining us, Mr. Adams was most recently President, Corporate Payments Solutions for U.S. Bancorp. Prior to that, Mr. Adams led strategy and planning for NOVA Information Systems (now Elavon – a U.S. Bancorp subsidiary) in Europe. Prior to his career in payments, Mr. Adams enjoyed a successful investment banking career with Piper Jaffray.

Andrew R. Blazye has served as our President—International Corporate Development since 2012. From July 2007 to May 2012, Mr. Blazye served as our Chief Executive Officer—FleetCor Europe. From April 2006 to June 2007, Mr. Blazye was a Group Director for Dunnhumby Ltd., a research firm. From September 1980, to March 2006, Mr. Blazye held various positions with Shell International Ltd., a subsidiary of Royal Dutch Shell plc, a global energy company, including Global Payments General Manager.

John S. Coughlin has served as our Executive Vice President—Global Corporate Development since September 2010. From 2007 to 2010, Mr. Coughlin served as a Managing Director at PCG Capital Partners, a private equity firm. From 2005 to 2006, Mr. Coughlin served as Chief Executive Officer of NCDR LLC, a private equity owned national dental practice management company. From 1994 to 2005, Mr. Coughlin was with The Parthenon Group, a strategic advisory and principal investment firm, where he was a Senior Partner and the founder and head of the firm's San Francisco office. From 1990 to 1992, Mr. Coughlin was an investment banker with Credit Suisse First Boston.

Pedro L. Donda has served as our President—STP since our acquisition of the business in August 2016. Mr. Donda served in this role at STP, since 2006. From 2001 to 2003, Mr. Donda served as a Chief Executive Officer at IBOPE, a market research

company in Brazil. Mr. Donda founded and led Americanas.com, a B2W Digital business in e-commerce. From 1990 to 1998, Mr. Donda founded and led Interchange, an electronic data interchange provider for banks, as well as specializing in logistics and consumer packaged goods supply-chain. From 1980 to 1989, Mr. Donda, was an executive within Citibank N.A. Prior to this, Mr. Donda served in various technology positions.

Charles Freund was named our Executive Vice President—Global Sales in January 2016 and has been with us since 2000. Prior to his current role, Mr. Freund was serving as our Executive Vice President —Corporate Strategy since December 2014. From December 2010 to December 2014, Mr. Freund served as our President—Emerging Markets. From January 2009 to December 2010, Mr. Freund served as our Senior Vice President—Corporate Strategy. From June 2006 to December 2008, Mr. Freund served as our Managing Director—The Fuelcard Company UK Limited. Prior to June 2006, Mr. Freund served as our Vice President of Business Development.

Alexey Gavrilnya was named President—Continental Europe in February 2016, adding to his responsibilities as President—Central/Eastern Europe. Mr. Gavrilnya has been President, Eastern Europe since May 2011, where he has been responsible for PPR and NKT. From March 2009 to April 2011, Mr. Gavrilnya served as our Executive Vice President Strategy and Finance, Eastern Europe. Prior to joining us, Mr. Gavrilnya was Chief Financial Officer of Matarex, Ltd.

Todd W. House has been our President—North America Direct Issuing, U.S. Telematics and Efectivale since November 2015. Prior to this, Mr. House served as the president for several of our businesses throughout North America and Mexico, after joining us in April 2009 as our Chief Operating Officer. From 2007 to 2009, Mr. House held various positions, including Chief Financial Officer with Axiant, LLC, a provider of financial services and recovery management solutions. From 2005 to 2007, Mr. House was Vice President and Chief Credit Officer with Carmax, Inc., an automobile retailer. Mr. House was at Capital One from 1993-2004 in a variety of leadership roles, most recently VP Credit Risk Management.

Alan King joined us in August 2016 as our President—UK, Australia and New Zealand. Prior to joining us, Mr King held various positions at MasterCard from 2005 to 2016, including Managing Director of MasterCard Prepaid Management Services, Group Head of Global Prepaid Solutions, Group General Manager for Market and Business Development in the UK and Ireland and General Manager of Global Accounts. Prior to MasterCard, Mr. King held leadership positions at VISA in the CEMEA region from 2003 to 2005 and at Citibank from 1998 to 2003, largely across commercial payments in international markets. Mr King spent the early part of his career in the telecom and automotive industries, in various sales and marketing roles covering Europe.

David D. Maxsimic was named President—North America Partners in November 2015. Mr. Maxsimic joined us in January 2015 as our Group CEO—UK and Australasia. Prior to joining us, Mr. Maxsimic held various positions at WEX (also known as Wright Express) from 1997 to 2014, including President International, executive vice president of sales and marketing, senior vice president of sales, and vice president and general manager for Wright Express Direct Card. Prior to WEX, Mr. Maxsimic served as senior sales executive for several major fleet service companies, including U.S. Fleet Leasing, GE Capital Fleet Services, and PHH Fleet America. Mr. Maxsimic has over 25 years of experience in sales, marketing and managing customer relationships, in addition to managing and executing sales of complex financial services.

Armando Netto joined us in June 2014 as our President—Brazil. Prior to joining us, Mr. Netto led IT Services for TIVIT, an IT and BPO services company, from 2006 to 2014, where he led the integration of functional areas into the business unit, focused on onboarding new clients and ensured service quality. Prior to TIVIT, Mr. Netto held various leadership roles with Unisys and McKinsey, where he gained international experience in Europe supporting clients in the UK, France, Austria, Portugal and the Netherlands.

John A. Reed has been our Global Chief Information Officer over product development and IT operations since 2013. From 2000 to 2009, Mr. Reed served various technology leadership roles at MBNA/Bank of America, Zurich Insurance and Unisys. From 1997 to 2000, Mr. Reed was the President and Managing Director for Business Innovations Inc., a financial services technology consulting company.

Gregory Secord joined us in July 2015 as our President—Comdata North America Trucking. Prior to joining us, Mr. Secord worked with ADP, where he was President—ADP Canada operations. Prior to his 20 year career with ADP, Mr. Secord held sales and marketing management roles with Canon and Xerox.

ITEM 1A. RISK FACTORS

You should carefully consider the following risks applicable to us. If any of the following risks actually occur, our business, operating results, financial condition and the trading price of our common stock could be materially adversely affected. The risks discussed below also include forward-looking statements, and our actual results may differ substantially from those discussed in these forward-looking statements. See “Note Regarding Forward-Looking Statements” in this report.

Risks related to our business

A decline in retail fuel prices could adversely affect our revenue and operating results.

Our fleet customers use our products and services primarily in connection with the purchase of fuel. Accordingly, our revenue is affected by fuel prices, which are subject to significant volatility. A decline in retail fuel prices could cause a decrease in our revenue from fees paid to us by merchants based on a percentage of each transaction purchase amount. We believe that in 2016, approximately 13% our consolidated revenue was directly influenced by the absolute price of fuel. Changes in the absolute price of fuel may also impact unpaid account balances and the late fees and charges based on these amounts. A decline in retail fuel prices could adversely affect our revenue and operating results.

Fuel prices are dependent on several factors, all of which are beyond our control. These factors include, among others:

- supply and demand for oil and gas, and market expectations regarding supply and demand;
- actions by members of OPEC and other major oil-producing nations;
- new oil production being developed in the U.S. and elsewhere;
- political conditions in oil-producing and gas-producing nations, including insurgency, terrorism or war;
- oil refinery capacity;
- weather;
- the prices of foreign exports;
- speculative trading;
- the implementation of fuel efficiency standards and the adoption by our fleet customers of vehicles with greater fuel efficiency or alternative fuel sources;
- general worldwide economic conditions; and
- governmental regulations, taxes and tariffs.

A portion of our revenue is derived from fuel-price spreads. As a result, a contraction in fuel-price spreads could adversely affect our operating results.

Approximately 11% of our consolidated revenue in 2016 was derived from transactions where our revenue is tied to fuel-price spreads. Fuel-price spreads equal the difference between the fuel price we charge to the fleet customer and the fuel price paid to the fuel merchant. In transactions where we derive revenue from fuel-price spreads, the fuel price paid to the fuel merchant is calculated as the merchant’s wholesale cost of fuel plus a commission. The merchant’s wholesale cost of fuel is dependent on several factors including, among others, the factors described above affecting fuel prices. The fuel price that we charge to our fleet customer is dependent on several factors including, among others, the fuel price paid to the fuel merchant, posted retail fuel prices and competitive fuel prices. We experience fuel-price spread contraction when the merchant’s wholesale cost of fuel increases at a faster rate than the fuel price we charge to our fleet customers, or the fuel price we charge to our fleet customers decreases at a faster rate than the merchant’s wholesale cost of fuel. Accordingly, when fuel-price spreads contract, we generate less revenue, which could adversely affect our operating results.

If we fail to adequately assess and monitor credit risks of our customers, we could experience an increase in credit loss.

We are subject to the credit risk of our customers, which range in size from small, sole proprietorships to large, publicly traded companies. We use various methods to screen potential customers and establish appropriate credit limits, but these methods cannot eliminate all potential credit risks and may not always prevent us from approving customer applications that are not credit worthy or are fraudulently completed. Changes in our industry, customer demand, and, in relation to our fleet customers, movement in fuel prices may result in periodic increases to customer credit limits and spending and, as a result, could lead to increased credit losses. We may also fail to detect changes to the credit risk of customers over time. Further, during a declining economic environment, we experience increased customer defaults and preference claims by bankrupt customers. If we fail to adequately manage our credit risks, our bad debt expense could be significantly higher than historic levels and adversely affect our business, operating results and financial condition. Our bad debt expense was \$35.9 million in 2016 compared to \$24.6 million in 2015.

We derive a significant portion of our revenue from program fees and charges paid by the users of our cards. Any decrease in our receipt of such fees and charges, or limitations on our fees and charges, could adversely affect our business, results of operations and financial condition.

Our card programs include a variety of fees and charges associated with transactions, cards, reports, optional services and late payments. We derived approximately 76% of our consolidated revenues from these fees and charges during the year ended December 31, 2016. Revenues for late fees and finance charges represent 6% of our consolidated revenue for the year ended December 31, 2016. If the users of our cards decrease their transaction activity, or the extent to which they use optional services or pay invoices late, our revenue could be materially adversely affected. In addition, several market factors can affect the amount of our fees and charges, including the market for similar charges for competitive card products and the availability of alternative payment methods such as cash or house accounts. Furthermore, regulators and Congress have scrutinized the electronic payments industry's pricing, charges and other practices related to its customers. Any legislative or regulatory restrictions on our ability to price our products and services could materially and adversely affect our revenue. Any decrease in our revenue derived from these fees and charges could materially and adversely affect our business, operating results and financial condition.

We operate in a competitive business environment, and if we are unable to compete effectively, our business, operating results and financial condition would be adversely affected.

The market for our products and services is highly competitive, and competition could intensify in the future. Our competitors vary in size and in the scope and breadth of the products and services they offer. In the fleet card business, our primary competitors in North America are small, regional and large independent fleet card providers, major oil companies and petroleum marketers that issue their own fleet cards and major financial services companies that provide card services to major oil companies and petroleum marketers. In the commercial payments business, we face a variety of competitors, some of which have greater financial resources, name recognition and scope and breadth of products and services. Competitors in the hotel card business include travel agencies, online lodging discounters, internal corporate procurement and travel resources, and independent services companies, among others. Competitors in the mobile telematics business include the major car companies, wireless phone service providers and independent services companies, among others. We also compete for customers with providers of alternative payment mechanisms, such as merchants offering house cash accounts or other forms of credit. Our primary competitors in Europe, Australia and New Zealand are independent fleet card providers, major oil companies and petroleum marketers that issue branded fleet cards, and providers of card outsourcing services to major oil companies and petroleum marketers. Our primary competitors in Latin America are independent providers of food, fuel, toll, transportation and fleet cards and vouchers, commercial fleet cards offered by the major oil companies and providers of card outsourcing services to major oil companies and petroleum marketers.

The most significant competitive factors in our business are the breadth of product and service features, network acceptance size, customer service, account management, and price. We may experience competitive disadvantages with respect to any of these factors from time to time as potential customers prioritize or value these competitive factors differently. As a result, a specific offering of our products and service features, networks and pricing may serve as a competitive advantage with respect to one customer and a disadvantage for another based on the customers' preferences.

Some of our existing and potential competitors have longer operating histories, greater brand name recognition, larger customer bases, more extensive customer relationships or greater financial and technical resources. In addition, our larger competitors may also have greater resources than we do to devote to the promotion and sale of their products and services and to pursue acquisitions. Many of our competitors provide additional and unrelated products and services to customers, such as treasury management, commercial lending and credit card processing. By providing these other services that we do not provide, these competitors have an advantage of being able to bundle their products and services together and present them to existing customers with whom they have established relationships, sometimes at a discount. For example, in the commercial payments business, we compete with full service banks that are able to offer treasury management and commercial lending in addition to commercial payment solutions. If price competition continues to intensify, we may have to increase the incentives that we offer to our customers, decrease the prices of our products and services or lose customers, each of which could adversely affect our operating results. In the fleet card business, major oil companies and petroleum marketers and large financial institutions may choose to integrate fuel-card services as a complement to their existing card products and services, as well as offer add on complementary services. As a result, they may be able to adapt more quickly to new or emerging technologies and changing opportunities, standards or customer requirements. To the extent that our competitors are regarded as leaders in specific categories, they may have an advantage over us as we attempt to further penetrate these categories.

Future mergers or consolidations among competitors, or acquisitions of our competitors by large companies may present competitive challenges to our business. Resulting combined entities could be at a competitive advantage if their fuel-card

products and services are effectively integrated and bundled into sales packages with their widely utilized non-fuel-card-related products and services. Further, competitors may reduce the fees for their services, which could increase pricing pressure within our markets.

Overall, increased competition in our markets could result in intensified pricing pressure, reduced profit margins, increased sales and marketing expenses and a failure to increase, or a loss of, market share. We may not be able to maintain or improve our competitive position against our current or future competitors, which could adversely affect our business, operating results and financial condition.

Our fleet card business is dependent on several key strategic relationships, the loss of which could adversely affect our operating results.

We intend to seek to expand our strategic relationships with major oil companies and to establish additional relationships with other petroleum marketers. We refer to the major oil companies and petroleum marketers with whom we have strategic relationships as our “partners.” We use this term in the business sense to refer to strategic business relationships formed through contracts such as Card Program Agreements, and not in the legal sense of operating under legal partnership arrangements created pursuant to laws such as the Uniform Partnership Act. During 2016, our top three strategic relationships with major oil companies accounted for less than 7% of our consolidated revenue. Our agreements with our major oil company partners typically have initial terms of five to ten years with current remaining terms ranging from about one to six years.

The success of our business is in part dependent on our ability to maintain these strategic relationships and enter into additional strategic relationships with major oil companies. In our relationships with these major oil companies, our services are marketed under our partners’ brands. If these partners fail to maintain their brands, or decrease the size of their branded networks, our ability to grow our business may be adversely affected. Also, our inability to maintain or further develop these relationships or add additional strategic relationships could materially and adversely affect our business and operating results.

To enter into a new strategic relationship or renew an existing strategic relationship with a major oil company, we often must participate in a competitive bidding process, which may focus on a limited number of factors, including pricing. The bidding and negotiating processes generally occur over a protracted time period. The use of these processes may affect our ability to effectively compete for these relationships. Our competitors may be willing to bid for these contracts on pricing or other terms that we consider uneconomical in order to win this business. The loss of our existing major oil company partners or the failure to contract or delays in contracting with additional partners could materially and adversely affect our business, operating results and financial condition.

During 2016, we received notice from an oil partner that they did not intend to renew our current contract when it expires at the end of 2017. Additionally, in 2016, we signed an agreement to manage the commercial fuel card program for a new strategic partner. We do not expect either of these contracts to have a material impact on our business and operating results.

We depend, in part, on our merchant relationships to grow our business. To grow our customer base in the closed loop fleet card and lodging card businesses, we must retain and add relationships with merchants who are located in areas where our customers purchase fuel, maintenance services and lodging. If we are unable to maintain and expand these relationships, our closed loop fleet card and lodging card businesses may be adversely affected.

With respect to the closed-loop networks we utilize, a portion of our growth is derived from acquiring new merchant relationships to serve our customers, as well as from our new and enhanced product and service offerings and cross-selling our products and services through existing merchant relationships. We rely on the continuing growth of our merchant relationships and our distribution channels in order to expand our customer base. There can be no guarantee that this growth will continue. Similarly, our growth also will depend on our ability to retain and maintain existing merchant relationships that accept our proprietary closed-loop networks in areas where our customers purchase fuel and lodging. Our contractual agreements with fuel merchants and service garages typically have initial terms of one or two years and automatically renew on the same basis unless either party gives notice of termination. Our agreements with lodging providers typically have initial terms of one year and automatically renew on a month-to-month basis unless either party gives notice of termination. Furthermore, merchants with which we have relationships may experience bankruptcy, financial distress, or otherwise be forced to contract their operations. The loss of existing merchant relationships, failure to continue such relationships on similarly attractive economic terms, the contraction of our existing merchants’ operations or the inability to acquire new merchant relationships could adversely affect our ability to serve our customers and our business and operating results.

We depend on our relationships with major truck stop merchants to serve our over-the-road fuel card customers. We must maintain these relationships to effectively serve our customers that use these merchants. If we are unable to maintain these relationships, our over-the-road card businesses may be adversely affected.

We have long standing relationships with major truck stop merchants to accept our over-the-road fuel cards. Over-the-road customers purchase a significant proportion of their fuel at major truck stop merchants. The loss of existing major truck stop merchant relationships or failure to continue such relationships on similar terms could adversely affect our ability to serve our over-the-road fuel card customers and our business and operating results.

A decline in general economic conditions, and in particular, a decline in demand for fuel and other business related products and services would adversely affect our business, operating results and financial condition.

Our operating results are materially affected by conditions in the economy generally, both in the United States and internationally. We generate revenue based in part on the volume of purchase transactions we process. Our transaction volume is correlated with general economic conditions, particularly in the United States, Europe, Russia, Latin America, Australia and New Zealand, and the amount of business activity in economies in which we operate. Downturns in these economies are generally characterized by reduced commercial activity and, consequently, reduced purchasing of fuel and other business related products and services by our customers. The commercial payments industry in general, and our commercial payment solutions business specifically, depends heavily upon the overall level of spending. Unfavorable changes in economic conditions, including declining consumer confidence, inflation, recession, political climate or other changes, may lead our corporate customers to reduce their spending, resulting in reduced demand for, or use of, our products and services. In addition, unfavorable changes in economic conditions, may lead our fleet card customers to demand less fuel, or lead our partners to reduce their use of our products and services. As a result, a sustained deterioration in general economic conditions in the United States or abroad, could have a material adverse effect on our revenue and profitability.

Further, economic conditions also may impact the ability of our customers or partners to pay for fuel or other services they have purchased and, as a result, our reserve for credit losses and write-offs of accounts receivable could increase. A weakening economy could also force some retailers and merchants to close, resulting in exposure to potential credit losses and transaction declines. In addition, demand for fuel and other business related products and services may be reduced by other factors that are beyond our control, such as the development and use of vehicles with greater fuel efficiency and alternative fuel sources.

We are unable to predict the likely duration of the ongoing sluggish economic conditions in the United States, Europe, Russia, Latin America, Australia and New Zealand. As a result, continued weakness in general economic conditions or increases in interest rates in key countries in which we operate, could adversely affect our business and operating results.

We have expanded into new lines of business in the past and may do so in the future. If we are unable to successfully integrate these new businesses, our results of operations and financial condition may be adversely affected.

We have expanded our business to encompass new lines of business in the past. For example, we have entered into the corporate payments, stored value card, vehicle maintenance management and telematics business in the United States and Europe, and transaction processing, fuel, food, toll and transportation card and voucher businesses in Brazil and Mexico. We may continue to enter new lines of business and offer new products and services in the future. There is no guarantee that we will be successful in integrating these new lines of business into our operations. If we are unable to do so, our operating results and financial condition may be adversely affected.

If we fail to develop and implement new technology, products and services, adapt our products and services to changes in technology, the marketplace requirements, or if our ongoing efforts to upgrade our technology, products and services are not successful, we could lose customers and partners.

The markets for our products and services are highly competitive, and characterized by technological change, frequent introduction of new products and services and evolving industry standards. We must respond to the technological advances offered by our competitors and the requirements of our customers and partners, in order to maintain and improve upon our competitive position and fulfill contractual obligations. We may be unsuccessful in expanding our technological capabilities and developing, marketing or selling new products and services that meet these changing demands, which could jeopardize our competitive position. In addition, we engage in significant efforts to upgrade our products and services and the technology that supports these activities on a regular basis.

The products we deliver are designed to process complex transactions and provide reports and other information on those transactions, all at high volumes and processing speeds. Any failure to deliver an effective and secure product or service or any

performance issue that arises with a new product or service could result in significant processing or reporting errors or other losses. We may rely on third parties to develop or co-develop our solutions, or to incorporate our solutions into broader platforms for the commercial payments industry. We may not be able to enter into such relationships on attractive terms, or at all, and these relationships may not be successful. In addition, partners, some of whom may be our competitors or potential competitors, may choose to develop competing solutions on their own or with third parties. Even if we are successful in developing new services and technologies, these new services and technologies may not achieve broad acceptance due to a variety of factors, including a lack of industry-wide standards, competing products and services, or resistance to these changes from our customers. In addition, we may not be able to derive revenue from these efforts.

If we are unsuccessful in completing the migration of material technology, otherwise upgrading our products and services and supporting technology or completing or gaining market acceptance of new technology, products and services, it would have a material adverse effect on our ability to retain existing customers and attract new ones in the impacted business line.

Our debt obligations, or our incurrence of additional debt obligations, could limit our flexibility in managing our business and could materially and adversely affect our financial performance.

At December 31, 2016, we had approximately \$3.85 billion of debt outstanding under our Credit Facility and Securitization Facility. In addition, we are permitted under our credit agreement to incur additional indebtedness, subject to specified limitations. Our substantial indebtedness currently outstanding, or as may be outstanding if we incur additional indebtedness, could have important consequences, including the following:

- we may have difficulty satisfying our obligations under our debt facilities and, if we fail to satisfy these obligations, an event of default could result;
- we may be required to dedicate a substantial portion of our cash flow from operations to required payments on our indebtedness, thereby reducing the availability of cash flow for acquisitions, working capital, capital expenditures and other general corporate activities. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations,” which sets forth our payment obligations with respect to our existing long-term debt;
- covenants relating to our debt may limit our ability to enter into certain contracts or to obtain additional financing for acquisitions, working capital, capital expenditures and other general corporate activities;
- covenants relating to our debt may limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate, including by restricting our ability to make strategic acquisitions;
- we may be more vulnerable than our competitors to the impact of economic downturns and adverse developments in the industry in which we operate;
- we are exposed to the risk of increased interest rates because certain of our borrowings are subject to variable rates of interest;
- although we have no current intention to pay any dividends, we may be unable to pay dividends or make other distributions with respect to your investment; and
- we may be placed at a competitive disadvantage against any less leveraged competitors.

The occurrence of one or more of these potential consequences could have a material adverse effect on our business, financial condition, operating results, and ability to satisfy our obligations under our indebtedness.

In addition, we and our subsidiaries may be able to incur substantial additional indebtedness in the future. Although our credit agreements contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances, the amount of additional indebtedness that could be incurred in compliance with these restrictions could be substantial. If new debt is added to our existing debt levels, the related risks that we will face would increase.

We meet a significant portion of our working capital needs through a securitization facility, which we must renew every three years.

We meet a significant portion of our working capital needs through a securitization facility, pursuant to which we sell accounts receivable to a special-purpose entity that in turn sells undivided participation interests in the accounts receivable to certain

purchasers, who finance their purchases through the issuance of short-term commercial paper. The securitization facility has a three year term. Although we have been able to renew our securitization facility annually in the past, there can be no assurance that we will continue to be able to renew this facility in the future on terms acceptable to us. For example, the market for commercial paper experienced significant volatility during the financial crisis that began in 2008. Also, a significant rise in fuel prices could cause our accounts receivable to increase beyond the capacity of the securitization facility. There can be no assurance that the size of the facility can be expanded to meet these increased working capital needs. Further, we may not be able to fund such increases in accounts receivable with our available cash resources. Our inability to meet working capital needs could adversely affect our financial condition and business, including our relationships with merchants, customers and partners. Further, we are exposed to the risk of increased interest rates because our borrowings under the securitization facility are subject to variable rates of interest.

We are subject to risks related to volatility in foreign currency exchange rates, and restrictions on our ability to utilize revenue generated in foreign currencies.

As a result of our foreign operations, we are subject to risks related to changes in currency rates for revenue generated in currencies other than the U.S. dollar. For the year ended December 31, 2016, approximately 30% of our revenue was denominated in currencies other than the U.S. dollar (primarily, British pound, Brazilian real, Russian ruble, Mexican peso, Czech koruna, Euro, Australian dollar and New Zealand dollar). Revenue and profit generated by international operations may increase or decrease compared to prior periods as a result of changes in foreign currency exchange rates. Resulting exchange gains and losses are included in our net income. Volatility in foreign currency exchange rates may materially adversely affect our operating results and financial condition.

Furthermore, we are subject to exchange control regulations that restrict or prohibit the conversion of more than a specified amount of our foreign currencies into U.S. dollars, and, as we continue to expand, we may become subject to further exchange control regulations that limit our ability to freely utilize and transfer currency in and out of particular jurisdictions. These restrictions may make it more difficult to effectively utilize the cash generated by our operations and may adversely affect our financial condition.

We expect to continue our expansion through acquisitions, which may divert our management's attention and result in unexpected operating difficulties, increased costs and dilution to our stockholders. We also may never realize the anticipated benefits of the acquisitions.

We have been an active business acquirer in the United States and internationally, and, as part of our growth strategy, we expect to seek to acquire businesses, commercial account portfolios, technologies, services and products in the future. We have substantially expanded our overall business, customer base, headcount and operations through acquisitions. The acquisition and integration of each business involves a number of risks and may result in unforeseen operating difficulties and expenditures in assimilating or integrating the businesses, technologies, products, personnel or operations of the acquired business. Furthermore, acquisitions may:

- involve our entry into geographic or business markets in which we have little or no prior experience;
- involve difficulties in retaining the customers of the acquired business;
- involve difficulties and expense associated with regulatory requirements, competition controls or investigations;
- result in a delay or reduction of sales for both us and the business we acquire; and
- disrupt our ongoing business, divert our resources and require significant management attention that would otherwise be available for ongoing development of our current business.

In addition, international acquisitions often involve additional or increased risks including, for example:

- difficulty managing geographically separated organizations, systems and facilities;
- difficulty integrating personnel with diverse business backgrounds, languages and organizational cultures;
- difficulty and expense introducing our corporate policies or controls;
- increased expense to comply with foreign regulatory requirements applicable to acquisitions;

- difficulty entering new foreign markets due to, among other things, lack of customer acceptance and a lack of business knowledge of these new markets; and
- political, social and economic instability.

In addition, the integration process following an acquisition requires significant management attention and resources. Integration of acquisitions could result in the distraction of our management, the disruption of our ongoing business or inconsistencies on our services, standards, controls, procedures and policies, any of which could affect our ability to achieve the anticipated benefits of an acquisition or otherwise adversely affect our business and financial results.

To complete future acquisitions, we may determine that it is necessary to use a substantial amount of our cash or engage in equity or debt financing. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges senior to those of holders of our common stock. Any debt financing obtained by us in the future could involve restrictive covenants relating to our capital-raising activities and other financial and operational matters that make it more difficult for us to obtain additional capital in the future and to pursue other business opportunities, including potential acquisitions. In addition, we may not be able to obtain additional financing on terms favorable to us, if at all, which could limit our ability to engage in acquisitions. Moreover, we can make no assurances that the anticipated benefits of any acquisition, such as operating improvements or anticipated cost savings, would be realized or that we would not be exposed to unexpected liabilities in connection with any acquisition.

Further, an acquisition may negatively affect our operating results because it may require us to incur charges and substantial debt or other liabilities, may cause adverse tax consequences, substantial depreciation and amortization or deferred compensation charges, may require the amortization, write-down or impairment of amounts related to deferred compensation, goodwill and other intangible assets, may include substantial contingent consideration payments or other compensation that reduce our earnings during the quarter in which incurred, or may not generate sufficient financial return to offset acquisition costs.

We conduct a significant portion of our business in foreign countries and we expect to expand our operations into additional foreign countries where we may be adversely affected by operational and political risks that are greater than in the United States.

We have foreign operations in, or provide services for commercial card accounts in Australia, Austria, Azerbaijan, Belarus, Belgium, Brazil, Bulgaria, Canada, Croatia, the Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hong Kong, Hungary, Ireland, Italy, Kazakhstan, Latvia, Lithuania, Luxembourg, Macau, Malaysia, Mexico, Moldova, Mongolia, Morocco, the Netherlands, New Zealand, Norway, Papua New Guinea, Philippines, Poland, Portugal, Romania, Russia, Singapore, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, United Arab Emirates, the United Kingdom, and Ukraine. We also expect to seek to expand our operations into various countries in Asia, Europe and Latin America as part of our growth strategy.

Some of the countries where we operate, and other countries where we will seek to operate, such as Russia, Brazil and Mexico, have undergone significant political, economic and social change in recent years, and the risk of unforeseen changes in these countries may be greater than in the United States. For example, Russia and the Ukraine are experiencing significant unrest, which could escalate into broader armed conflict and additional economic sanctions by the U.S., United Nations or other countries against Russia. In addition, political discourse in the United States may impact business practices in Mexico and other jurisdictions. In addition, changes in laws or regulations, including with respect to payment service providers, taxation, information technology, data transmission and the Internet, revenues from non-U.S. operations or in the interpretation of existing laws or regulations, whether caused by a change in government or otherwise, could materially adversely affect our business, operating results and financial condition.

In addition, conducting and expanding our international operations subjects us to other risks that we do not generally face in the United States. These include:

- difficulties in managing the staffing of our international operations, including hiring and retaining qualified employees;
- difficulties and increased expense introducing corporate policies and controls in our international operations;
- increased expense related to localization of our products and services, including language translation and the creation of localized agreements;

- potentially adverse tax consequences, including the complexities of foreign value added tax systems, restrictions on the repatriation of earnings and changes in tax rates;
- increased expense to comply with foreign laws and legal standards, including laws that regulate pricing and promotion activities and the import and export of information technology, which can be difficult to monitor and are often subject to change;
- increased expense to comply with U.S. laws that apply to foreign operations, including the Foreign Corrupt Practices Act and Office of Foreign Assets Control regulations;
- increased expense to comply with U.K. laws that apply to foreign operations, including the U.K. Bribery Act;
- longer accounts receivable payment cycles and difficulties in collecting accounts receivable;
- increased financial accounting and reporting burdens and complexities;
- political, social and economic instability;
- terrorist attacks and security concerns in general; and
- reduced or varied protection for intellectual property rights and cultural norms in some geographies that are simply not respectful of intellectual property rights.

In addition, in June 2016, voters in the United Kingdom approved an advisory referendum to withdraw from the European Union, commonly referred to as "Brexit." This referendum has created political and economic uncertainty, particularly in the United Kingdom and the European Union, and this uncertainty may persist for years. A withdrawal could significantly disrupt the free movement of goods, services, and people between the United Kingdom and the European Union, and result in increased legal and regulatory complexities, as well as potential higher costs of conducting business in Europe. The United Kingdom's vote to exit the European Union could also result in similar referendums or votes in other European countries in which we do business. The uncertainty surrounding the terms of the United Kingdom's withdrawal and its consequences could adversely impact consumer and investor confidence, and the level of consumer purchases of discretionary items and retail products, including our products. Any of these effects, among others, could materially adversely affect our business, results of operations, and financial condition.

The occurrence of one or more of these events could negatively affect our international operations and, consequently, our operating results. Further, operating in international markets requires significant management attention and financial resources. Due to the additional uncertainties and risks of doing business in foreign jurisdictions, international acquisitions tend to entail risks and require additional oversight and management attention that are typically not attendant to acquisitions made within the United States. We cannot be certain that the investment and additional resources required to establish, acquire or integrate operations in other countries will produce desired levels of revenue or profitability.

We are dependent on the efficient and uninterrupted operation of interconnected computer systems, telecommunications, data centers and call centers, including technology and network systems managed by multiple third parties, which could result in our inability to prevent disruptions in our services.

Our ability to provide reliable service to customers, cardholders and other network participants depends upon uninterrupted operation of our data centers and call centers as well as third party labor and services providers. Our business involves processing large numbers of transactions, the movement of large sums of money and management of large amounts of data. We rely on the ability of our employees, contractors, suppliers, systems and processes to complete these transactions in a secure, uninterrupted and error-free manner.

Our subsidiaries operate in various countries and country specific factors, such as power availability, telecommunications carrier redundancy, embargoes and regulation can adversely impact our information processing by or for our local subsidiaries.

We engage backup facilities for each of our processing centers for key systems and data. However, there could be material delays in fully activating backup facilities depending on the nature of the breakdown, security breach or catastrophic event (such as fire, explosion, flood, pandemic, natural disaster, power loss, telecommunications failure or physical break-in). We have controls and documented measures to mitigate these risks but in any event these mitigating controls might not reduce the duration, scope or severity of an outage in time to avoid adverse effects.

We may experience software defects, system errors, computer viruses and development delays, which could damage customer relationships, decrease our profitability and expose us to liability.

Our products and services are based on proprietary and third-party network technology and processing systems that may encounter development delays and could be susceptible to undetected errors, viruses or defects. Development delays, system errors, viruses or defects that result in service interruption or data loss could have a material adverse effect on our business, damage our reputation and subject us to third-party liability. In addition, errors, viruses and defects in our network technology and processing systems could result in additional development costs and the diversion of our technical and other resources from other development efforts or operations. Further, our attempts to limit our potential liability, through disclaimers and limitation-of-liability provisions in our agreements, may not be successful.

We may incur substantial losses due to fraudulent use of our payment cards or vouchers.

Under certain circumstances, when we fund customer transactions, we may bear the risk of substantial losses due to fraudulent use of our payment cards or vouchers. We do not maintain insurance to protect us against such losses. We bear similar risk relating to fraudulent acts of employees or contractors, for which we maintain insurance. However, the conditions or limits of coverage may be insufficient to protect us against such losses.

Criminals are using increasingly sophisticated methods to engage in illegal activities involving financial products, such as skimming and counterfeiting payment cards and identity theft. A single significant incident of fraud, or increases in the overall level of fraud, involving our cards and other products and services, could result in reputational damage to us, which could reduce the use and acceptance of our cards and other products and services or lead to greater regulation that would increase our compliance costs. Fraudulent activity could also result in the imposition of regulatory sanctions, including significant monetary fines, which could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to adequately protect the data we collect, which could subject us to liability and damage our reputation.

We electronically receive, process, store and transmit data and sensitive information about our customers and merchants, including bank account information, social security numbers, expense data, and credit card, debit card and checking account numbers. We endeavor to keep this information confidential; however, our websites, networks, information systems, services and technologies may be targeted for sabotage, disruption or misappropriation. The uninterrupted operation of our information systems and our ability to maintain the confidentiality of the customer and consumer information that resides on our systems are critical to the successful operation of our business. Unauthorized access to our networks and computer systems could result in the theft or publication of confidential information or the deletion or modification of records or could otherwise cause interruptions in our service and operations.

Because techniques used to obtain unauthorized access or to sabotage systems change frequently and may not be recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. Although we believe we have sufficient controls in place to prevent disruption and misappropriation and to respond to such attacks, any inability to prevent security breaches could have a negative impact on our reputation, expose us to liability, decrease market acceptance of electronic transactions and cause our present and potential clients to choose another service provider. Any of these developments could have a material adverse effect on our business, operating results and financial condition.

In addition, under payment network rules, regulatory requirements, and related obligations, we may be responsible for the acts or failures to act of certain third parties, such as third party service providers, vendors, partners and others, which we refer to collectively as associated participants. The failure of our associated participants to safeguard cardholder data and other information in accordance with such rules, requirements and obligations could result in significant fines and sanctions. We cannot assure you that there are written agreements in place with every associated participant or that such written agreements will ensure the adequate safeguarding of such data or information or allow us to seek reimbursement from associated participants. Any such unauthorized use or disclosure of data or information also could result in litigation that could result in a material adverse effect on our business, financial condition and results of operations.

The market for our commercial payment, fleet and stored value card services is evolving and may not continue to develop or grow.

A substantial portion of our revenue is based on the volume of payment card transactions by our customers. If businesses do not continue to use, or increase their use of, credit, debit or stored value cards as a payment mechanism for their transactions, it could have a material adverse effect on our business, financial condition and results of operations. We believe that future

growth in the use of credit, debit and stored value cards and other electronic payments will be driven by the cost, ease-of-use, and quality of services offered. In order for us to consistently increase and maintain profitability, businesses must continue to use and increase the use of electronic payment methods, including credit, debit and stored value cards. Moreover, if there is an adverse development in the payments industry in general, such as new legislation or regulation that makes it more difficult for customers to do business, or a well-publicized data security breach that undermines the confidence of the public in electronic payment systems, it could have a material adverse effect on our business, financial condition and results of operations.

Our fleet card businesses rely on the acceptance and use of payment cards by businesses to purchase fuel for their vehicle fleets. If the use of fleet cards by businesses does not continue to grow, it could have a material adverse effect on our business, operating results and financial condition. In order to consistently increase and maintain our profitability, businesses and partners must continue to adopt our services. Similarly, growth in the acceptance and use of fleet cards will be impacted by the acceptance and use of electronic payment transactions generally.

Furthermore, new technologies may displace credit, debit and/or stored value cards as payment mechanisms for purchase transactions by businesses. A decline in the acceptance and use of credit, debit and/or stored value cards, and electronic payment transactions generally, by businesses and merchants could have a material adverse effect on our business, operating results and financial condition. The market for our lodging cards, food vouchers and cards, transportation and toll road payments, telematics solutions and fleet maintenance management services is also evolving and those portions of our business are subject to similar risks.

If we fail to retain any of our stored value gift card customers, it will be difficult to find a replacement customer on a timely basis or at all, which will reduce our revenue.

Most of our stored value gift card customers in the United States are national retailers. During 2016 a majority of our gift card revenue was derived from the design and purchase of gift card inventory, with the remaining portion of our 2016 gift card revenue derived primarily from processing fees. If we fail to retain any of these customers, it will be difficult to find a replacement customer on a timely basis or at all because there is a limited number of national retailers in the United States and nearly all of those other national retailers already have a gift card solution in place, either in-house or with one of our competitors. As such, any loss of a stored value gift card customer would reduce our revenue.

Adverse weather conditions across a geographic region can cause a decline in the number and amount of payment transactions we process, which could have a material adverse effect on our business, financial condition and results of operations.

When travel is severely curtailed across a geographic region during adverse weather conditions, the number and amount of transactions we process can be significantly diminished, particularly in our fleet business, and revenue can materially decline. For example, during parts of January 2014, severe winter weather shut down a large portion of the eastern United States. Prolonged adverse weather events, especially those that impact regions in which we process a large number and amount of payment transactions, could have a material adverse effect on our business, financial condition and results of operations.

Our fuel card, workforce payment solutions and gift card businesses' results are subject to seasonality, which could result in fluctuations in our quarterly net income.

Our fuel card and workforce payment solutions businesses have experienced in the past, and expect to continue to experience, seasonal fluctuations in revenues and profit, which are impacted during the first and fourth quarter each year by the weather, holidays in the U.S., Christmas being celebrated in Russia in January, and lower business levels in Brazil due to summer break and the Carnival celebration. Our gift card business has experienced in the past, and expects to continue to experience, seasonal fluctuations in revenues as a result of consumer spending patterns. Historically gift card business revenues have been strongest in the third and fourth quarters and weakest in the first and second quarters, as the retail industry has its highest level of activity during and leading up to the Christmas holiday season.

Our balance sheet includes significant amounts of goodwill and intangible assets. The impairment of a significant portion of these assets would negatively affect our financial results.

Our balance sheet includes goodwill and intangible assets that represent approximately 71% of our total assets at December 31, 2016. These assets consist primarily of goodwill and identified intangible assets associated with our acquisitions. We also expect to engage in additional acquisitions, which may result in our recognition of additional goodwill and intangible assets. Under current accounting standards, we are required to amortize certain intangible assets over the useful life of the asset, while goodwill and indefinite lived intangible assets are not amortized. On at least an annual basis, we assess whether there have been

impairments in the carrying value of goodwill and indefinite lived intangible assets. If the carrying value of the asset is determined to be impaired, it is written down to fair value by a charge to operating earnings. An impairment of a significant portion of goodwill or intangible assets could materially negatively affect our operating results and financial condition.

If we are unable to protect our intellectual property rights and confidential information, our competitive position could be harmed and we could be required to incur significant expenses in order to enforce our rights.

To protect our proprietary technology, we rely on copyright, trade secret, patent and other intellectual property laws and confidentiality agreements with employees and third parties, all of which offer only limited protection. Despite our precautions, it may be possible for third parties to obtain and use without consent confidential information or infringe on our intellectual property rights, and our ability to police that misappropriation or infringement is uncertain, particularly in countries outside of the United States. In addition, our confidentiality agreements with employees, vendors, customers and other third parties may not effectively prevent disclosure or use of proprietary technology or confidential information and may not provide an adequate remedy in the event of such unauthorized use or disclosure.

Protecting against the unauthorized use of our intellectual property and confidential information is expensive, difficult and not always possible. Litigation may be necessary in the future to enforce or defend our intellectual property rights, to protect our confidential information, including trade secrets, or to determine the validity and scope of the proprietary rights of others. This litigation could be costly and divert management resources, either of which could harm our business, operating results and financial condition. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property and proprietary information.

We cannot be certain that the steps we have taken will prevent the unauthorized use or the reverse engineering of our proprietary technology. Moreover, others may independently develop technologies that are competitive to ours or infringe our intellectual property. The enforcement of our intellectual property rights also depends on our legal actions against these infringers being successful, and we cannot be sure these actions will be successful, even when our rights have been infringed. Furthermore, effective patent, trademark, service mark, copyright and trade secret protection may not be available in every country in which we may offer our products and services.

Claims by others that we or our customers infringe their intellectual property rights could harm our business.

Third parties have in the past, and could in the future claim that our technologies and processes underlying our products and services infringe their intellectual property. In addition, to the extent that we gain greater visibility, market exposure, and add new products and services, we may face a higher risk of being the target of intellectual property infringement claims asserted by third parties. We may, in the future, receive notices alleging that we have misappropriated or infringed a third party's intellectual property rights. There may be third-party intellectual property rights, including patents and pending patent applications that cover significant aspects of our technologies, processes or business methods. Any claims of infringement or misappropriation by a third party, even those without merit, could cause us to incur substantial defense costs and could distract our management from our business, and there can be no assurance that we will be able to prevail against such claims. Some of our competitors may have the capability to dedicate substantially greater resources to enforcing their intellectual property rights and to defending claims that may be brought against them than we do. Furthermore, a party making such a claim, if successful, could secure a judgment that requires us to pay substantial damages, potentially including treble damages if we are found to have willfully infringed a patent. A judgment could also include an injunction or other court order that could prevent us from offering our products and services. In addition, we might be required to seek a license for the use of a third party's intellectual property, which may not be available on commercially reasonable terms or at all. Alternatively, we might be required to develop non-infringing technology, which could require significant effort and expense and might ultimately not be successful.

Third parties may also assert infringement claims against our customers relating to their use of our technologies or processes. Any of these claims might require us to defend potentially protracted and costly litigation on their behalf, regardless of the merits of these claims, because under certain conditions we may agree to indemnify our customers from third-party claims of intellectual property infringement. If any of these claims succeed, we might be forced to pay damages on behalf of our customers, which could adversely affect our business, operating results and financial condition.

Finally, we use open source software in connection with our technology and services. Companies that incorporate open source software into their products have, from time to time, faced claims challenging the ownership of open source software. As a result, we could be subject to suits by parties claiming ownership of what we believe to be open source software. Open source software is also provided without warranty, and may therefore include bugs, security vulnerabilities or other defects. Some open source software licenses require users of such software to publicly disclose all or part of the source code to their software and/or make available any derivative works of the open source code on unfavorable terms or at no cost. While we monitor the

use of open source software in our technology and services and try to ensure that none is used in a manner that would require us to disclose the source code to the related technology or service, such use could inadvertently occur and any requirement to disclose our proprietary source code could be harmful to our business, financial condition and results of operations.

Our success is dependent, in part, upon our executive officers and other key personnel, and the loss of key personnel could materially adversely affect our business.

Our success depends, in part, on our executive officers and other key personnel. Our senior management team has significant industry experience and would be difficult to replace. The market for qualified individuals is competitive, and we may not be able to attract and retain qualified personnel or candidates to replace or succeed members of our senior management team or other key personnel. The loss of key personnel could materially adversely affect our business.

Changes in laws, regulations and enforcement activities may adversely affect our products and services and the markets in which we operate.

The electronic payments industry is subject to increasing regulation in the United States and internationally. Domestic and foreign government regulations impose compliance obligations on us and restrictions on our operating activities, which can be difficult to administer because of their scope, mandates and varied requirements. We are subject to a number of government regulations, including, among others: interest rate and fee restrictions; credit access and disclosure requirements; collection and pricing regulations; compliance obligations; security and data breach requirements; identity theft avoidance programs; and anti-money laundering compliance programs. Government regulations can also include licensing or registration requirements. While a large portion of these regulations focuses on individual consumer protection, legislatures continue to consider whether to include business customers within the scope of these regulations. As a result, new or expanded regulation focusing on business customers or changes in interpretation or enforcement of regulations may have an adverse effect on our business and operating results, due to increased compliance costs and new restrictions affecting the terms under which we offer our products and services.

For example, certain of our subsidiaries are currently licensed as money transmitters on the state level by the banking departments or other state agencies. Continued licensing by these states is subject to periodic examinations and ongoing satisfaction of compliance requirements regarding safety and soundness, including maintenance of certain levels of net worth, surety bonding, permissible investments in amounts sufficient to cover our outstanding payment obligations with respect to certain of our products subject to licensure, and record keeping and reporting. If our subsidiaries are unable to obtain, maintain or renew necessary licenses or comply with other relevant state regulations, they will not be able to operate as a money transmitter in those states or provide certain other services and products, which could have a material adverse effect on our business, financial condition and results of operations.

In addition, certain of our subsidiaries are subject to regulation by the Financial Crimes Enforcement Network, or FinCEN, and must comply with applicable anti-money laundering requirements, including implementation of an effective anti-money laundering program. Changes in this regulatory environment, including changing interpretations and the implementation of new or varying regulatory requirements by the government, may significantly affect or change the manner in which we currently conduct some aspects of our business.

Regulatory changes may also restrict or eliminate present and future business opportunities available to certain of our subsidiaries. For example, the Durbin Amendment to the Dodd-Frank Act, which serves to limit interchange fees may restrict or otherwise impact the way our subsidiaries do business or limit their ability to charge certain fees to customers. The CFPB is also engaged in rule making and regulation of the payments industry, in particular with respect to prepaid cards, and on October 5, 2016, the CFPB issued a final rule amending Regulations E and Z to create comprehensive consumer protections for prepaid financial products. The extensive nature of these regulations and the implementation dates for this additional rulemaking may result in additional compliance obligations and expense for our business. The CFPB's focus on the protection of consumers might also extend to many of our small business customers. As a service provider to certain of our bank sponsors, we are subject to direct supervision and examination by the CFPB, in connection with certain of our products and services. CFPB rules, examinations and enforcement actions may require us to adjust our activities and may increase our compliance costs. Changing regulations or standards in the area of privacy and data protection could also adversely impact us. In addition, certain of our bank partners are subject to regulation by federal and state authority and, as a result, could pass through some of those compliance obligations to us.

Our business is subject to U.S. federal anti-money laundering laws and regulations, including the Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001, which we refer to collectively as the BSA. Our business in Canada is also subject to Proceeds of Crime (Money Laundering) and Terrorist Financing Act, or the PCTFA, which is a corollary to the BSA. The

BSA, among other things, requires money services businesses (such as money transmitters, issuers of money orders and official checks and providers of prepaid access) to develop and implement risk-based anti-money laundering programs, report large cash transactions and suspicious activity and maintain transaction records. The PCTFA imposes similar requirements.

Many of these laws and regulations are evolving, unclear and inconsistent across various jurisdictions, and ensuring compliance with them is difficult and costly. With increasing frequency, federal and state regulators are holding businesses like ours to higher standards of training, monitoring and compliance, including monitoring for possible violations of laws by our customers and people who do business with our customers while using our products. If we fail or are unable to comply with existing or changed government regulations in a timely and appropriate manner, we may be subject to injunctions, other sanctions and the payment of fines and penalties, and our reputation may be harmed, which could have a material adverse effect on our business, financial condition and results of operations.

Our partner banks also operate in a highly regulated industry, which recently has been the subject of extensive structural reforms that are expected to negatively affect the conduct and scope of their businesses, their ability to maintain or expand offerings of products and services, and the costs of their operations. These legislative and regulatory changes could prompt our partner banks to alter the extent or the terms of their dealings with us in ways that may have adverse consequences for our business.

In addition, recently implemented and pending changes in accounting standards (for example, changes relating to revenue recognition for customer contracts that will become effective for fiscal 2018) may adversely affect our results of operations.

Finally, we have endeavored to structure our businesses in accordance with existing tax laws and interpretations, including those related to state occupancy taxes, value added taxes in foreign jurisdictions, payroll taxes and restrictions on repatriation of funds or transfers of revenue between jurisdictions. Changes in tax laws, their interpretations or their enforcement could increase our tax liability, further limit our utilization of funds located in foreign jurisdictions and have a material adverse effect on our business and financial condition.

Governmental regulations designed to protect or limit access to personal information could adversely affect our ability to effectively provide our services.

Governmental bodies in the United States and abroad have adopted, or are considering the adoption of, laws and regulations restricting the transfer of, and requiring safeguarding of, non-public personal information. For example, in the United States, all financial institutions must undertake certain steps to help protect the privacy and security of consumer financial information. In connection with providing services to our clients, we are required by regulations and arrangements with payment networks, our sponsor bank and certain clients to provide assurances regarding the confidentiality and security of non-public consumer information. These arrangements require periodic audits by independent companies regarding our compliance with industry standards such as payment card industry, or PCI, standards and also allow for similar audits regarding best practices established by regulatory guidelines. The compliance standards relate to our infrastructure, components, and operational procedures designed to safeguard the confidentiality and security of non-public consumer personal information received from our customers. Our ability to maintain compliance with these standards and satisfy these audits will affect our ability to attract and maintain business in the future. If we fail to comply with these regulations, we could be exposed to suits for breach of contract or to governmental proceedings. In addition, our client relationships and reputation could be harmed, and we could be inhibited in our ability to obtain new clients. If more restrictive privacy laws or rules are adopted by authorities in the future on the federal or state level, our compliance costs may increase, our opportunities for growth may be curtailed by our compliance capabilities or reputational harm and our potential liability for security breaches may increase, all of which could have a material adverse effect on our business, financial condition and results of operations.

Unfavorable resolution of tax contingencies or changes to enacted tax rates could adversely affect our tax expense and results of operations.

Our tax returns and positions are subject to review and audit by federal, state, local, and international taxing authorities. An unfavorable outcome to a tax audit could result in higher tax expense, thereby negatively impacting our results of operations. We have established contingent liabilities for material known tax exposures relating to deductions, transactions and other matters involving some uncertainty as to the proper tax treatment of the item. These liabilities reflect what we believe to be reasonable assumptions as to the likely final resolution of each issue if raised by a taxing authority. There can be no assurance that, in all instances, an issue raised by a tax authority will be finally resolved at a financial cost less than any related liability. An unfavorable resolution, therefore, could negatively impact our financial position, operating results and cash flows in the current and/or future periods.

Our acquisition documents include warranties, covenants and conditions regarding various tax matters that occurred prior to the acquisition, supported by indemnification and, in some cases, holdbacks or escrows from the sellers. The obligations of the sellers are also generally subject to various limitations. In the event of a tax claim related to a pre-acquisition tax year, we would seek to recover costs and losses from the sellers under the acquisition agreement. However, there is no assurance that any indemnification, holdback or escrow would be sufficient or that we would recover such costs or losses, which could negatively impact our financial position, operating results and cash flows in the current and/or future periods.

We record deferred income taxes to reflect the impact of temporary differences between the amounts of assets and liabilities for financial accounting and income tax purposes. Deferred income taxes are determined using enacted tax rates. Changes in enacted tax rates may negatively impact our operating results.

We generate a portion of our revenue from our lodging card business, which is affected by conditions in the hotel industry generally and has a concentration of customers in the railroad and trucking industries.

Our lodging card business earns revenue from customers purchasing lodging from the hotel industry and derives a significant portion of this revenue from end users in the railroad and trucking industries. Therefore, we are exposed to risks affecting each of these industries. For example, unfavorable economic conditions adversely impacting the hotel, railroad and trucking industries generally could cause a decrease in demand for our products and services in our lodging card business, resulting in decreased revenue, or increased credit risk and related losses, resulting in increased expenses. In addition, mergers or consolidations in these industries could reduce our customer and partnership base, resulting in a smaller market for our products and services.

We contract with government entities and are subject to risks related to our governmental contracts.

In the course of our business we contract with domestic and foreign government entities, including state and local government customers, as well as federal government agencies. As a result, we are subject to various laws and regulations that apply to companies doing business with federal, state and local governments. The laws relating to government contracts differ from other commercial contracting laws and our government contracts may contain pricing terms and conditions that are not common among commercial contracts. In addition, we may be subject to investigation from time to time concerning our compliance with the laws and regulations relating to our government contracts. Our failure to comply with these laws and regulations may result in suspension of these contracts or administrative or other penalties.

Litigation and regulatory actions could subject us to significant fines, penalties or requirements resulting in increased expenses.

We are subject to claims and a number of judicial and administrative proceedings considered normal in the course of our current and past operations, including employment-related disputes, contract disputes, intellectual property disputes, government audits and proceedings, customer disputes and tort claims. Responding to such claims may be difficult and expensive, and we may not prevail. In some proceedings, the claimant seeks damages as well as other relief, which, if granted, would require expenditures on our part or changes in how we conduct business. There can be no certainty that we will not ultimately incur charges in excess of presently established or future financial accruals or insurance coverage, or that we will prevail with respect to such proceedings. Regardless of whether we prevail or not, such litigation could have a material adverse effect on our business, financial condition and results of operations. From time to time, we have had inquiries from regulatory bodies and administrative agencies relating to the operation of our business. Such inquiries may result in various audits, reviews and investigations, which can be time consuming and expensive. An adverse outcome of any investigation by, or other inquiries from, such bodies or agencies could have a material adverse effect on us and result in the institution of administrative or civil proceedings, sanctions and the payment of fines and penalties, changes in personnel, and increased review and scrutiny by customers, regulatory authorities, the media and others, which could have a material adverse effect on our business, financial condition and results of operations. For more information about our judicial and other proceedings, see “Business—Legal Proceedings.”

Our revenues from MasterCard cards are dependent upon our continued MasterCard registration and financial institution sponsorship. If we fail to comply with the applicable requirements of MasterCard, it could seek to fine us, suspend us or terminate our registrations through our financial institution sponsors.

A significant source of our revenue comes from processing transactions through the MasterCard networks. In order to offer MasterCard programs to our customers, one of our subsidiaries is registered as a member service provider with MasterCard through sponsorship by MasterCard member banks in both the United States and Canada. Registration as a service provider is dependent upon our being sponsored by member banks. If our sponsor banks should stop providing sponsorship for us or

determine to provide sponsorship on materially less favorable terms, we would need to find other financial institutions to provide those services or we would need to become a MasterCard member, either of which could prove to be difficult and expensive. Even if we pursue sponsorship by alternative member banks, similar requirements and dependencies would likely still exist. In addition, MasterCard routinely updates and modifies its requirements. Changes in the requirements may make it significantly more expensive for us to provide these services. If we do not comply with MasterCard requirements, it could seek to fine us, suspend us or terminate our registration, which allows us to process transactions on its networks. The termination of our registration, or any changes in the payment network rules that would impair our registration, could require us to stop providing MasterCard payment processing services. If we are unable to find a replacement financial institution to provide sponsorship or become a member, we may no longer be able to provide such services to the affected customers, which would have a material adverse effect our business, financial condition and results of operations.

Changes in MasterCard interchange fees could decrease our revenue.

A portion of our revenue is generated by network processing fees charged to merchants, known as interchange fees, associated with transactions processed using our MasterCard-branded cards. Interchange fee amounts associated with our MasterCard network cards are affected by a number of factors, including regulatory limits in the United States and Europe and fee changes imposed by MasterCard. In addition, interchange fees are the subject of intense legal and regulatory scrutiny and competitive pressures in the electronic payments industry, which could result in lower interchange fees generally in the future. Temporary or permanent decreases in the interchange fees associated with our MasterCard network card transactions, could adversely affect our business and operating results.

If we are not able to maintain and enhance our brands, it could adversely affect our business, operating results and financial condition.

We believe that maintaining and enhancing our brands is critical to our customer relationships, and our ability to obtain partners and retain employees. The successful promotion of our brands will depend upon our marketing and public relations efforts, our ability to continue to offer high-quality products and services and our ability to successfully differentiate our services from those of our competitors. In addition, future extension of our brands to add new products or services different from our current offerings may dilute our brands, particularly if we fail to maintain our quality standards in these new areas. The promotion of our brands will require us to make substantial expenditures, and we anticipate that the expenditures will increase as our markets become more competitive and we expand into new markets. To the extent that these activities yield increased revenues, this revenue may not offset the expenses we incur. There can be no assurance that our brand promotion activities will be successful.

Failure to comply with the United States Foreign Corrupt Practices Act, and similar laws associated with our international activities, could subject us to penalties and other adverse consequences.

As we continue to expand our business internationally, we may continue to expand into certain foreign countries, particularly those with developing economies, where companies often engage in business practices that are prohibited by U.S., U.K. and other foreign regulations, including the United States Foreign Corrupt Practices Act, or the FCPA, and the U.K. Bribery Act. The FCPA prohibits improper payments or offers of payments to foreign governments and their officials and political parties by U.S. and other business entities for the purpose of obtaining or retaining business. We have implemented policies to discourage such practices; however, there can be no assurances that all of our employees, consultants and agents, including those that may be based in or from countries where practices that violate U.S. laws may be customary, will not take actions in violation of our policies, for which we may be ultimately responsible. Violations of the FCPA or similar laws may result in severe criminal or civil sanctions and, in the U.S., suspension or debarment from U.S. government contracting, which could negatively affect our business, operating results and financial condition.

Risks related to ownership of our common stock

Our stock price could be volatile and our stock could decline in value.

The market price of our common stock may fluctuate substantially as a result of many factors, some of which are beyond our control. Factors that could cause fluctuations in the market price of our common stock include the following:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;

- changes in expectations as to our future financial performance, including financial estimates by securities analysts and investors;
- announcements by us or our competitors of significant contracts, acquisitions, or capital commitments;
- announcements by third parties of significant claims or proceedings against us;
- regulatory developments in the United States and abroad;
- future sales of our common stock, and additions or departures of key personnel; and
- general domestic and international economic, market and currency factors and conditions unrelated to our performance.

In addition, the stock market in general has experienced significant price and volume fluctuations that have often been unrelated or disproportionate to operating performance of individual companies. These broad market factors may seriously harm the market price of our common stock, regardless of our operating performance. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted. A securities class action suit against us could result in significant liabilities and, regardless of the outcome, could result in substantial costs and the diversion of our management's attention and resources.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

We are subject to the periodic reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Our disclosure controls and procedures are designed to reasonably ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act is accumulated and communicated to management and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are and will be met. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

Anti-takeover provisions in our charter documents could discourage, delay or prevent a change in control of our company and may affect the trading price of our common stock.

Our corporate documents and the Delaware General Corporation Law contain provisions that may enable our board of directors to resist a change in control of FleetCor even if a change in control were to be considered favorable by you and other stockholders. These provisions:

- stagger the terms of our board of directors and require supermajority stockholder voting to remove directors;
- authorize our board of directors to issue preferred stock and to determine the rights and preferences of those shares, which may be senior to our common stock, without prior stockholder approval;
- establish advance notice requirements for nominating directors and proposing matters to be voted on by stockholders at stockholder meetings;
- prohibit our stockholders from calling a special meeting and prohibit stockholders from acting by written consent; and
- require supermajority stockholder voting to effect certain amendments to our certificate of incorporation and bylaws.

In addition, Delaware law imposes some restrictions on mergers and other business combinations between any holder of 15% or more of our outstanding voting stock and us. These provisions could discourage, delay or prevent a transaction involving a change in control of FleetCor. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and cause us to take other corporate actions you desire.

We do not expect to pay any dividends on our common stock for the foreseeable future.

We currently expect to retain all future earnings, if any, for future operation, expansion and debt repayment and have no current plans to pay any cash dividends to holders of our common stock for the foreseeable future. Any decision to declare and pay

dividends in the future will be made at the discretion of our board of directors and will depend on, among other things, our operating results, financial condition, cash requirements, contractual restrictions and other factors that our board of directors may deem relevant. In addition, we must comply with the covenants in our credit agreements in order to be able to pay cash dividends, and our ability to pay dividends generally may be further limited by covenants of any existing and future outstanding indebtedness we or our subsidiaries incur.

ITEM 1B. UNRESOLVED STAFF COMMENTS

We have no unresolved written comments regarding our periodic or current reports from the staff of the SEC.

ITEM 2. PROPERTIES

We lease all of the real property used in our business, except as noted below. The following table lists each of our material facilities and its location, use and approximate square footage, at December 31, 2016.

<u>Facility</u>	<u>Use</u>	<u>Approximate size</u>
United States		
Norcross, Georgia	Corporate headquarters and operations	81,000
Covington, Louisiana	Corporate accounting and treasury	13,600
Houston, Texas	Credit and collections	6,300
Concord, California	Customer support	7,100
Wichita, Kansas	CLC operations and customer support	31,100
Atlanta, Georgia	NexTraq sales, operations and customer support	36,800
Tampa, Florida	NexTraq sales	8,300
Salem, Oregon	Pacific Pride sales, operations and customer support	10,000
Brentwood, Tennessee	Comdata sales, operations and customer support	228,000
Nashville, Tennessee	Comdata operations	38,320
Louisville, Kentucky	SVS sales, operations and customer support	66,000
Austin, Texas	Comdata operations	4,300
International		
Prague, Czech Republic	CCS headquarters and Shell Europe (Germany, Austria, Poland, Hungary, Switzerland, Czech Republic and Slovakia) operations, credit and collections, customer service and sales	35,000
Mexico City, Mexico(1)	FleetCor Mexico headquarters and operations	22,500
Moscow, Russia	PPR and NKT headquarters, sales, customer support, operations, credit and collections	16,300
Bryansk, Russia	Sales and marketing	19,900
Ipswich, United Kingdom(1)	Operations, sales and customer support	17,900
Knaresborough, United Kingdom	Operations, sales and customer support	5,100
London, United Kingdom	Europe headquarters	2,800
Swindon, United Kingdom	Allstar and Shell Europe (Belgium, Netherlands and France) operations, sales and customer support	18,300
Walsall, United Kingdom	Operations, sales and customer support	9,500
Birmingham, United Kingdom	EPYX headquarters, sales, operations and customer support	12,500
Sao Paulo, Brazil	CTF and VB Servicios headquarters, sales, customer support and operations	32,300
Osasco, Brazil	CTF and VB Servicios operations, STP and SemParar Headquarters, sales, operations and customer support	59,900
Rio de Janeiro, Brazil	DB Trans and AExpresso headquarters, sales, operations and customer support	15,300
Auckland, New Zealand	CardLink headquarters, sales, operations and customer support	12,100
Nuernberg, Germany	Shell Europe sales	4,300
Almere, Netherlands	Travelcard headquarters, sales, customer support, operations, credit and collections	5,600

(1) We own these facilities.

We also lease a number of minor additional facilities, including local sales and operations offices less than 2,400 square feet, small storage facilities and a small number of service stations in the United Kingdom; which are not included in the above list. We believe our facilities are adequate for our needs for at least the next 12 months. We anticipate that suitable additional or alternative facilities will be available to accommodate foreseeable expansion of our operations.

ITEM 3. LEGAL PROCEEDINGS

As of the date of this filing, we are not currently party to any legal proceedings or governmental inquiries or investigations that we consider to be material and we were not involved in any material legal proceedings that terminated during the fourth quarter. We are and may become, however, subject to lawsuits from time to time in the ordinary course of our business.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES**

Our common stock is traded on the New York Stock Exchange (NYSE) under the symbol "FLT". As of December 31, 2016, there were 102 holders of record of our common stock. The table set forth below provides the intraday high and low sales prices per share of our common stock for the four quarters during 2016 and 2015.

	<u>High</u>	<u>Low</u>
2016:		
First Quarter	\$ 150.25	\$ 107.56
Second Quarter	156.58	133.64
Third Quarter	174.84	137.26
Fourth Quarter	176.42	140.75
2015:		
First Quarter	\$ 158.45	\$ 135.73
Second Quarter	165.67	149.75
Third Quarter	164.61	135.16
Fourth Quarter	157.97	134.55

DIVIDENDS AND SHARE REPURCHASES

We currently expect to retain all future earnings, if any, for use in the operation and expansion of our business. We have never declared or paid any dividends on our common stock and do not anticipate paying cash dividends to holders of our common stock in the foreseeable future. In addition, our credit agreements restrict our ability to pay dividends. Any determination to pay dividends in the future will be at the discretion of our board of directors and will depend upon, among other factors, our results of operations, financial condition, capital requirements and covenants in our existing financing arrangements and any future financing arrangements.

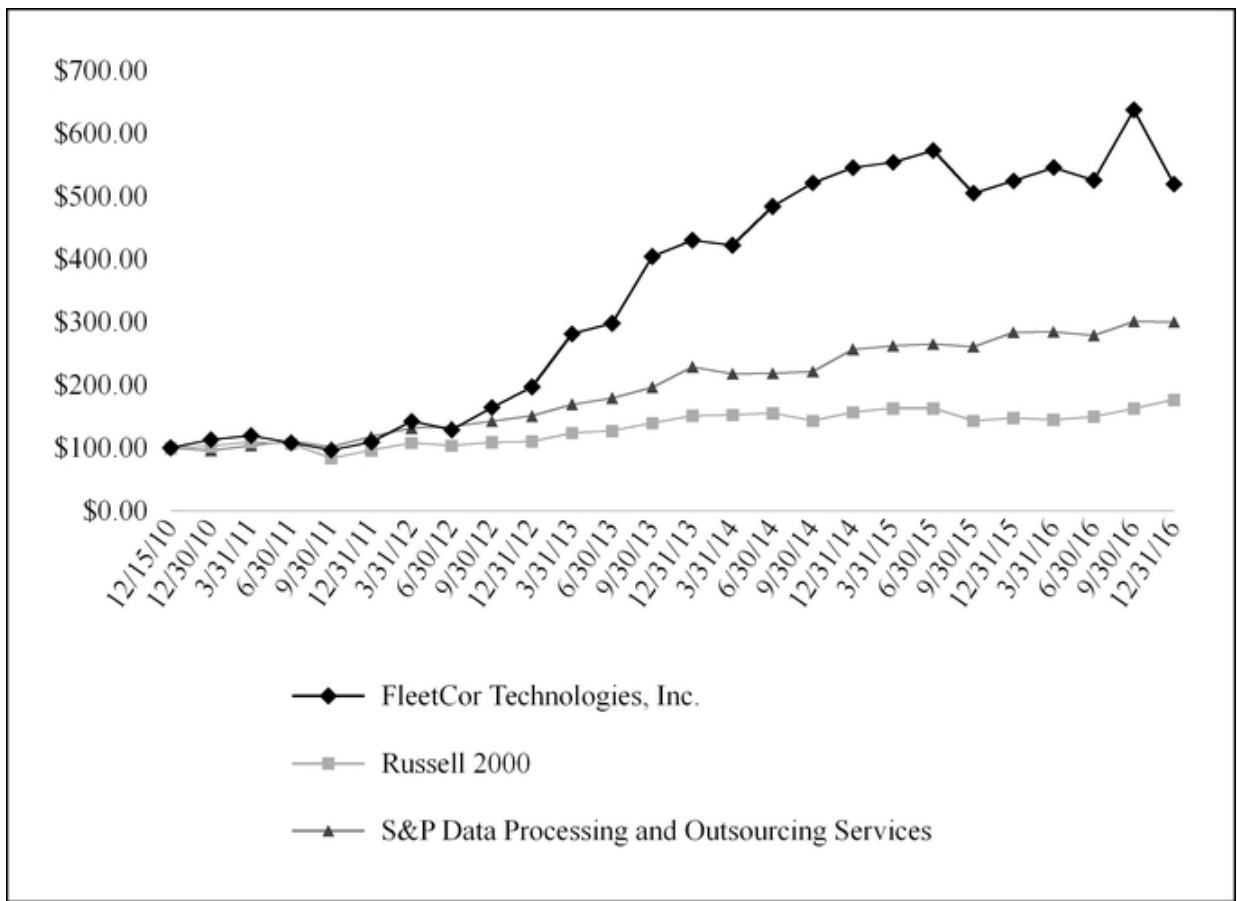
On February 4, 2016, the Company's Board of Directors approved a stock repurchase program (the "Program") under which the Company may begin purchasing up to \$500 million of its common stock over the next 18 month period. Any stock repurchases may be made at times and in such amounts as deemed appropriate. The timing and amount of stock repurchases, if any, will depend on a variety of factors including the stock price, market conditions, corporate and regulatory requirements, and any additional constraints related to material inside information the Company may possess. Any repurchases have been and are expected to be funded by available cash flow from the business and working capital. There were 1,259,145 common shares totaling \$187.7 million repurchased under the Program during 2016. The following table presents information with respect to purchases of common stock of the Company made during the three months ended December 31, 2016 by the Company as defined in Rule 10b-18(a)(3) under the Exchange Act:

<u>Period</u>	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid Per Share</u>	<u>Total Number of Shares Purchased as Part of the Publicly Announced Plan</u>	<u>Maximum Value that May Yet be Purchased Under the Publicly Announced Plan (in thousands)</u>
October 1, 2016 through December 31, 2016	1,000,000	\$ 152.17	1,259,145	\$ 312,348

PERFORMANCE GRAPH

The following graph assumes \$100 invested on December 15, 2010 (the date our shares first commenced trading), at the closing price (\$27.25) of our common stock on that day, and compares (a) the percentage change of our cumulative total stockholder return on the common stock (as measured by dividing (i) the difference between our share price at the end and the beginning of the period presented by (ii) the share price at the beginning of the periods presented) with (b) (i) the Russell 2000 Index and (ii) the S&P 500® Data Processing & Outsourced Services.

Period Ending	FleetCor Technologies, Inc.	Russell 2000	S&P Data Processing and Outsourced Services
12/15/2010	\$ 100.00	\$ 100.00	\$ 100.00
12/31/2010	\$ 113.03	\$ 102.78	\$ 95.88
3/31/2011	\$ 119.85	\$ 109.79	\$ 103.77
6/30/2011	\$ 108.37	\$ 106.71	\$ 110.66
9/30/2011	\$ 96.37	\$ 83.84	\$ 101.70
12/31/2011	\$ 109.61	\$ 96.43	\$ 117.85
3/31/2012	\$ 142.28	\$ 108.06	\$ 131.46
6/30/2012	\$ 128.59	\$ 103.92	\$ 134.19
9/30/2012	\$ 164.40	\$ 108.99	\$ 142.49
12/31/2012	\$ 196.88	\$ 110.54	\$ 150.85
3/31/2013	\$ 281.36	\$ 123.84	\$ 169.26
6/30/2013	\$ 298.35	\$ 127.22	\$ 179.29
9/30/2013	\$ 404.26	\$ 139.75	\$ 196.49
12/31/2013	\$ 429.98	\$ 151.44	\$ 228.94
3/31/2014	\$ 422.39	\$ 152.67	\$ 217.93
6/30/2014	\$ 483.67	\$ 155.26	\$ 218.52
9/30/2014	\$ 521.54	\$ 143.38	\$ 221.34
12/31/2014	\$ 545.72	\$ 156.79	\$ 256.74
3/31/2015	\$ 553.83	\$ 163.04	\$ 262.43
6/30/2015	\$ 572.70	\$ 163.20	\$ 265.08
9/30/2015	\$ 505.03	\$ 143.25	\$ 260.96
12/31/2015	\$ 524.51	\$ 147.83	\$ 283.80
3/30/2016	\$ 545.87	\$ 144.99	\$ 284.49
6/30/2016	\$ 525.25	\$ 149.92	\$ 279.08
9/30/2016	\$ 637.54	\$ 162.90	\$ 301.21
12/31/2016	\$ 519.34	\$ 176.63	\$ 300.42



RECENT SALES OF UNREGISTERED SECURITIES AND USE OF PROCEEDS

Not Applicable.

ITEM 6. SELECTED FINANCIAL DATA

We derived the consolidated statement of income and other financial data for the years ended December 31, 2016, 2015 and 2014 and the selected consolidated balance sheet data as of December 31, 2016 and 2015 from the audited consolidated financial statements included elsewhere in this report. We derived the selected historical financial data for the years ended December 31, 2013 and 2012 and the selected consolidated balance sheets as of December 31, 2014, 2013 and 2012 from our audited consolidated financial statements that are not included in this report.

The selected consolidated financial data set forth below should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our audited consolidated financial statements and notes thereto included elsewhere in this report. Our historical results are not necessarily indicative of the results to be expected in any future period.

(in thousands, except per share data)	2016	2015	2014	2013	2012
Consolidated statement of income data:					
Revenues, net	\$ 1,831,546	\$ 1,702,865	\$ 1,199,390	\$ 895,171	\$ 707,534
Expenses:					
Merchant commissions	104,345	108,257	96,254	68,143	58,573
Processing	355,414	331,073	173,337	134,030	115,446
Selling	131,443	109,075	75,527	57,346	46,429
General and administrative	283,625	297,715	205,963	142,283	110,122
Depreciation and amortization	203,256	193,453	112,361	72,737	52,036
Other operating, net	(690)	(4,242)	(29,501)	—	—
Operating income	754,153	667,534	565,449	420,632	324,928
Equity method investment loss	36,356	57,668	8,586	—	—
Other expense (income), net	2,982	2,523	(700)	602	1,121
Interest expense, net	71,896	71,339	28,856	16,461	13,017
Loss on early extinguishment of debt	—	—	15,764	—	—
Total other expense	111,234	131,530	52,506	17,063	14,138
Income before income taxes	642,919	536,004	512,943	403,569	310,790
Provision for income taxes	190,534	173,573	144,236	119,068	94,591
Net income	\$ 452,385	\$ 362,431	\$ 368,707	\$ 284,501	\$ 216,199
Earnings per share:					
Earnings per share, basic	\$ 4.89	\$ 3.94	\$ 4.37	\$ 3.48	\$ 2.59
Earnings per share, diluted	\$ 4.75	\$ 3.85	\$ 4.24	\$ 3.36	\$ 2.52
Weighted average shares outstanding, basic	92,597	92,023	84,317	81,793	83,328
Weighted average shares outstanding, diluted	95,213	94,139	86,982	84,655	85,736

As of December 31,

(in thousands)	2016	2015	2014	2013	2012
Consolidated balance sheet data:					
Cash and cash equivalents	\$ 475,018	\$ 447,152	\$ 477,069	\$ 338,105	\$ 283,649
Restricted cash(1)	168,752	167,492	135,144	48,244	53,674
Total assets	9,626,732	7,889,806	8,524,701	3,908,717	2,721,870
Total debt	3,858,233	2,935,000	3,593,717	1,486,378	925,092
Total stockholders’ equity	3,084,038	2,830,047	2,618,562	1,223,502	913,822

(1) Restricted cash represents customer deposits repayable on demand.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and related notes appearing elsewhere in this report. In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties and assumptions that could cause actual results to differ materially from management's expectations. Factors that could cause such differences include, but are not limited to, those identified below and those described in Item 1A "Risk Factors" appearing elsewhere in this report. All foreign currency amounts that have been converted into U.S. dollars in this discussion are based on the exchange rate as reported by Oanda for the applicable periods.

General Business

Fleetcor is the global leader in workforce payment products. We primarily go to market with our fuel card payments product solutions, corporate payments products, toll products, lodging cards and gift cards. Our products are used in 53 countries around the world, with our primary geographies in the U.S., Brazil and the U.K., which accounted for approximately 92% of our revenue in 2016. Our core products are primarily sold to businesses, retailers, major oil companies and marketers and government entities. Our payment programs enable our customers to better manage and control their commercial payments, card programs, and employee spending and provide card-accepting merchants with a high volume customer base that can increase their sales and customer loyalty. We also provide a suite of fleet related and workforce payment solution products, including mobile telematics services, fleet maintenance management and employee benefit and transportation related payments. In 2016, we processed approximately 2.2 billion transactions on our proprietary networks and third-party networks (which includes approximately 1.3 billion transactions related to our SVS product, acquired with Comdata). We believe that our size and scale, geographic reach, advanced technology and our expansive suite of products, services, brands and proprietary networks contribute to our leading industry position.

We provide our payment products and services in a variety of combinations to create customized payment solutions for our customers and partners. We collectively refer to our suite of product offerings as workforce productivity enhancement products for commercial businesses. We sell a range of customized fleet and lodging payment programs directly and indirectly to our customers through partners, such as major oil companies, leasing companies and petroleum marketers. We refer to these major oil companies, leasing companies, petroleum marketers, value-added resellers (VARs) and other referral partners with whom we have strategic relationships as our "partners." We provide our customers with various card products that typically function like a charge card to purchase fuel, lodging, food, toll, transportation and related products and services at participating locations.

We support our products with specialized issuing, processing and information services that enable us to manage card accounts, facilitate the routing, authorization, clearing and settlement of transactions, and provide value-added functionality and data, including customizable card-level controls and productivity analysis tools. In order to deliver our payment programs and services and process transactions, we own and operate proprietary "closed-loop" networks through which we electronically connect to merchants and capture, analyze and report customized information in North America and internationally. We also use third-party networks to deliver our payment programs and services in order to broaden our card acceptance and use. To support our payment products, we also provide a range of services, such as issuing and processing, as well as specialized information services that provide our customers with value-added functionality and data. Our customers can use this data to track important business productivity metrics, combat fraud and employee misuse, streamline expense administration and lower overall workforce and fleet operating costs. Depending on our customers' and partners' needs, we provide these services in a variety of outsourced solutions ranging from a comprehensive "end-to-end" solution (encompassing issuing, processing and network services) to limited back office processing services.

FleetCor's predecessor company was organized in the United States in 1986. In 2000, our current chief executive officer joined us and we changed our name to FleetCor Technologies, Inc. Since 2000, we have grown significantly through a combination of organic initiatives, product and service innovation and over 70 acquisitions of businesses and commercial account portfolios. Our corporate headquarters are located in Norcross, Georgia. As of December 31, 2016, we employed approximately 7,100 employees, approximately 2,270 of whom are located in the United States.

Executive Overview

We operate in two segments, which we refer to as our North America and International segments. See "Results of Operations" for additional segment information.

Our revenue is reported net of the wholesale cost for underlying products and services. In this report, we refer to this net revenue as “revenue.” For the years ended December 31, 2016, 2015 and 2014, our North America and International segments generated the following revenue:

(in millions)	Year ended December 31,					
	2016		2015		2014	
	Revenues, net	% of total revenues, net	Revenues, net	% of total revenues, net	Revenues, net	% of total revenues, net
North America	\$ 1,279.1	69.8%	\$ 1,232.0	72.3%	\$ 668.3	55.7%
International	552.4	30.2%	470.9	27.7%	531.1	44.3%
	<u>\$ 1,831.5</u>	<u>100.0%</u>	<u>\$ 1,702.9</u>	<u>100.0%</u>	<u>\$ 1,199.4</u>	<u>100.0%</u>

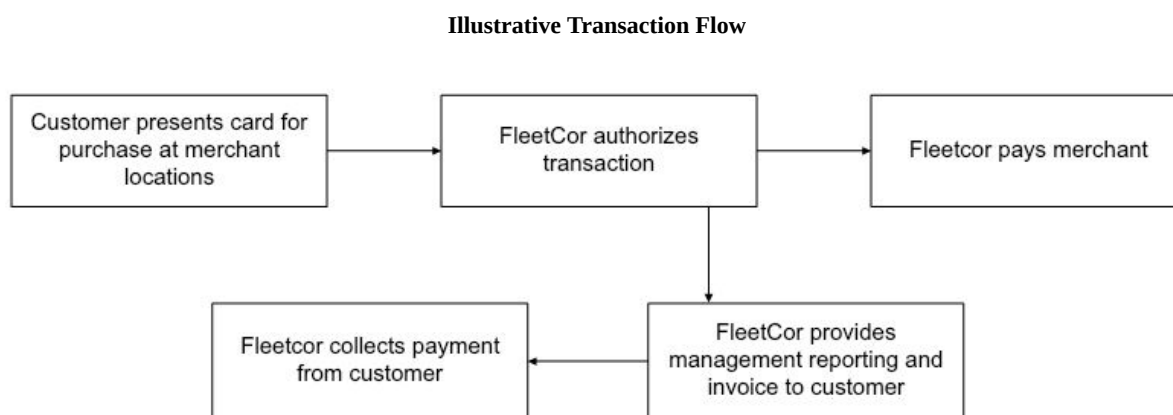
Revenues, net, Net Income and Net Income Per Diluted Share. Set forth below are revenues, net, net income and net income per diluted share for the years ended December 31, 2016, 2015 and 2014.

(in thousands, except per share amounts)	Year ended December 31,		
	2016	2015	2014
Revenues, net	\$ 1,831,546	\$ 1,702,865	\$ 1,199,390
Net income	\$ 452,385	\$ 362,431	\$ 368,707
Net income per diluted share	\$ 4.75	\$ 3.85	\$ 4.24

Sources of Revenue

Transactions. In both of our segments, we derive revenue from transactions. As illustrated in the diagram below, a transaction is defined as a purchase by a customer. Our customers include holders of our card products and those of our partners, for whom we manage card programs, members of our proprietary networks who are provided access to our products and services and commercial businesses to whom we provide workforce payment productivity solutions. Revenue from transactions is derived from our merchant and network relationships, as well as our customers and partners. Through our merchant and network relationships we primarily offer fuel cards, corporate cards, virtual cards, purchasing cards, T&E cards, gift cards, stored value payroll cards, vehicle maintenance, food, fuel, toll and transportation cards and vouchers or lodging services to our customers.

The following diagram illustrates a typical card transaction flow, but may also be applied to our vehicle maintenance, lodging and food, fuel, toll and transportation card and voucher products, substituting transactions for gallons. This representative model is not applicable to all of our businesses.



From our customers and partners, we derive revenue from a variety of program fees, including transaction fees, card fees, network fees and charges, which can be fixed fees, cost plus a mark-up or based on a percentage discount from retail prices. Our programs include other fees and charges associated with late payments and based on customer credit risk.

From our merchant and network relationships, we derive revenue mostly from the difference between the price charged to a customer for a transaction and the price paid to the merchant or network for the same transaction, as well as network fees and charges in certain businesses. As illustrated in the table below, the price paid to a merchant or network may be calculated as (i) the merchant's wholesale cost of the product plus a markup; (ii) the transaction purchase price less a percentage discount; or (iii) the transaction purchase price less a fixed fee per unit.

The following table presents an illustrative revenue model for transactions with the merchant, which is primarily applicable to fuel based product transactions, but may also be applied to our vehicle maintenance, lodging and food, fuel, toll and transportation card and voucher products, substituting transactions for gallons. This representative model may not include all of our businesses.

Illustrative Revenue Model for Fuel Purchases
(unit of one gallon)

Illustrative Revenue Model	Merchant Payment Methods										
	i) Cost Plus Mark-up:		ii) Percentage Discount:		iii) Fixed Fee:						
Retail Price	\$	3.00	Wholesale Cost	\$	2.86	Retail Price	\$	3.00	Retail Price	\$	3.00
Wholesale Cost		(2.86)	Mark-up		0.05	Discount (3%)		(0.09)	Fixed Fee		(0.09)
FleetCor Revenue	\$	0.14									
Merchant Commission	\$	(0.05)	Price Paid to Merchant	\$	2.91	Price Paid to Merchant	\$	2.91	Price Paid to Merchant	\$	2.91
Price Paid to Merchant	\$	2.91									

Revenues by geography, product and source. Set forth below are further breakdowns of revenue by geography, product and source for the years ended December 31, 2016 and 2015 (in millions):

Revenue by Geography*	Year Ended December 31,			
	2016		2015	
	Revenues, net	% of total revenues, net	Revenues, net	% of total revenues, net
United States	\$ 1,279	70%	\$ 1,232	72%
United Kingdom	229	13	248	15
Brazil	168	9	85	5
Other	156	8	138	8
Consolidated revenues, net	\$ 1,832	100%	\$ 1,703	100%

Revenue by Product Category*	Year Ended December 31,			
	2016		2015	
	Revenues, net	% of total revenues, net	Revenues, net	% of total revenues, net
Fuel cards	\$ 1,124	61%	\$ 1,116	66%
Gift	185	10	170	10
Corporate payments	180	10	162	10
Tolls	103	6	9	1
Lodging	101	5	92	5
Other	140	8	154	9
Consolidated revenues, net	\$ 1,832	100.0%	\$ 1,703	100.0%

Major Sources of Revenue*	Year Ended December 31,			
	2016		2015	
	Revenues, net	% of total revenues, net	Revenues, net	% of total revenues, net
Customer				
Processing and program fees	\$ 904	49%	\$ 776	46%
Late fees and finance charges	113	6	110	6
Other	30	2	28	2
	<u>\$ 1,047</u>	<u>57</u>	<u>\$ 914</u>	<u>54</u>
Merchant				
Interchange (Fuel) ¹	278	15	294	17
Interchange (Nonfuel) ²	173	9	162	10
Tied to fuel-price spreads	200	11	211	12
Program fees	133	7	123	7
	<u>784</u>	<u>43</u>	<u>789</u>	<u>46</u>
Consolidated revenues, net	<u>\$ 1,832</u>	<u>100%</u>	<u>\$ 1,703</u>	<u>100%</u>

¹Interchange revenue directly influenced by the absolute price of fuel and other interchange primarily related to fuel products.

²Interchange revenue primarily related to nonfuel products.

*Columns may not calculate due to impact of rounding.

Revenue per transaction. Set forth below is revenue per transaction information for the years ended December 31, 2016, 2015 and 2014:

Transactions (in millions)	Year ended December 31,		
	2016	2015	2014
North America	1,718.7	1,667.5	459.9
International	507.8	183.9	192.5
Total transactions	<u>2,226.5</u>	<u>1,851.4</u>	<u>652.4</u>
Revenue per transaction			
North America	\$ 0.74	\$ 0.74	\$ 1.45
International	1.09	2.56	2.76
Consolidated revenue per transaction	0.82	0.92	1.84
Consolidated adjusted revenue per transaction ³	0.78	0.86	1.69

³ Adjusted revenues is a non-GAAP financial measure defined as revenues, net less merchant commissions. We believe this measure is a more effective way to evaluate our revenue performance. We use adjusted revenues as a basis to evaluate our revenues, net of the commissions that are paid to merchants to participate in our card programs. Adjusted revenues is a supplemental non-GAAP financial measure of operating performance. See the heading entitled "Management's Use of Non-GAAP Financial Measures."

From 2015 to 2016, total transactions increased from 1.9 billion to 2.2 billion, an increase of 375.1 million or 20.3%. North American segment transactions increased approximately 3% in 2016 as compared to 2015 due primarily to growth in our PacPride, MasterCard and corporate payments businesses. Transaction volumes in our international segment increased by approximately 176% over 2015, primarily due to the acquisition of STP and Travelcard during the third quarter of 2016, the addition of new Shell fuel card markets in 2015 and 2016 and additional transactions from a small acquisition in Brazil in the first quarter of 2016.

From 2014 to 2015, total transactions increased from 652.4 million to 1.9 billion, an increase of 1.2 billion, or 183.8%. We experienced an increase in transactions in our North America segment primarily due to our acquisition of Comdata in November 2014, of which 1.3 billion and 270 million transactions are attributable to SVS for 2015 and 2014, respectively, as well as from organic growth in our U.S. businesses. Transaction volumes in our international segment decreased slightly by 4.5% primarily due to market softness in some of our international businesses.

Set forth below is further breakdown of revenue per transaction by product information for the years ended December 31, 2016 and 2015 (in millions, except per transaction data):

	Year Ended December 31,	
	2016	2015
Fuel Cards		
Transactions	502.5	473.0
Revenues, net per transaction	\$ 2.24	\$ 2.36
Revenues, net	\$ 1,124.2	\$ 1,115.6
Gift		
Transactions	1,327.4	1,300.4
Revenues, net per transaction	\$ 0.14	\$ 0.13
Revenues, net	\$ 184.7	\$ 170.1
Corporate Payments		
Transactions	38.7	31.9
Revenues, net per transaction	\$ 4.64	\$ 5.09
Revenues, net	\$ 179.6	\$ 162.3
Tolls		
Transactions	326.7	12.4
Revenues, net per transaction	\$ 0.31	\$ 0.75
Revenues, net	\$ 102.7	\$ 9.3
Lodging		
Transactions	13.3	13.7
Revenues, net per transaction	\$ 7.58	\$ 6.70
Revenues, net	\$ 100.7	\$ 91.8
Other⁴		
Transactions	18.0	20.0
Revenues, net per transaction	\$ 7.76	\$ 7.70
Revenues, net	\$ 139.6	\$ 153.8

⁴Other includes telematics, maintenance and transportation benefits related businesses.

Revenue per transaction is derived from the various revenue types as discussed above and can vary based on geography, the relevant merchant relationship, the payment product utilized and the types of products or services purchased, the mix of which would be influenced by our acquisitions, organic growth in our business, and the overall macroeconomic environment, including fluctuations in foreign currency exchange rates. Revenue per transaction per customer changes as the level of services we provide to a customer increases or decreases, as macroeconomic factors change and as adjustments are made to merchant and customer rates. See “Results of Operations” for further discussion of transaction volumes and revenue per transaction.

Sources of Expenses

We incur expenses in the following categories:

- *Merchant commissions*—In certain of our card programs, we incur merchant commissions expense when we reimburse merchants with whom we have direct, contractual relationships for specific transactions where a customer purchases products or services from the merchant. In the card programs where it is paid, merchant commissions equal the difference between the price paid by us to the merchant and the merchant’s wholesale cost of the underlying products or services.
- *Processing*—Our processing expense consists of expenses related to processing transactions, servicing our customers and merchants, bad debt expense and cost of goods sold related to our hardware sales in certain businesses.

- *Selling*—Our selling expenses consist primarily of wages, benefits, sales commissions (other than merchant commissions) and related expenses for our sales, marketing and account management personnel and activities.
- *General and administrative*—Our general and administrative expenses include compensation and related expenses (including stock-based compensation) for our executive, finance and accounting, information technology, human resources, legal and other administrative personnel. Also included are facilities expenses, third-party professional services fees, travel and entertainment expenses, and other corporate-level expenses.
- *Depreciation and amortization*—Our depreciation expenses include depreciation of property and equipment, consisting of computer hardware and software (including proprietary software development amortization expense), card-reading equipment, furniture, fixtures, vehicles and buildings and leasehold improvements related to office space. Our amortization expenses include amortization of intangible assets related to customer and vendor relationships, trade names and trademarks and non-compete agreements. We are amortizing intangible assets related to business acquisitions and certain private label contracts associated with the purchase of accounts receivable.
- *Other operating, net*—Our other operating, net includes other operating expenses and income items unusual to the period and presented separately.
- *Equity method investment loss*—Our equity method investment loss relates to our minority interest in Masternaut Group Holdings Limited (“Masternaut”), a provider of telematics solutions to commercial fleets in Europe, which we account for using the equity method.
- *Other expense (income), net*—Other expense (income), net includes foreign currency transaction gains or losses, proceeds/costs from the sale of assets and other miscellaneous operating costs and revenue.
- *Interest expense, net*—Interest expense, net includes interest income on our cash balances and interest expense on our outstanding debt and on our Securitization Facility. We have historically invested our cash primarily in short-term money market funds.
- *Loss on early extinguishment of debt*—Loss on early extinguishment of debt relates to our write-off of debt issuance costs associated with the refinancing of our Existing Credit Facility and entry into our New Credit Agreement, along with our recent acquisition of Comdata.
- *Provision for income taxes*—The provision for income taxes consists primarily of corporate income taxes related to profits resulting from the sale of our products and services in the United States and internationally. Our worldwide effective tax rate is lower than the U.S. statutory rate of 35%, due primarily to lower rates in foreign jurisdictions and foreign-sourced non-taxable income.

Adjusted Revenues, Adjusted Net Income and Adjusted Net Income Per Diluted Share. Set forth below are adjusted revenues, adjusted net income and adjusted net income per diluted share for the years ended December 31, 2016, 2015 and 2014.

	Year Ended December 31,		
	2016	2015	2014
<i>(in thousands except per share amounts)</i>			
Adjusted revenues	\$ 1,727,201	\$ 1,594,608	\$ 1,103,136
Adjusted net income	\$ 659,176	\$ 592,625	\$ 447,670
Adjusted net income per diluted share	\$ 6.92	\$ 6.30	\$ 5.15

We use adjusted revenues as a basis to evaluate our revenues, net of the commissions that are paid to merchants that participate in certain of our card programs. The commissions paid to merchants can vary when market spreads fluctuate in much the same way as revenues are impacted when market spreads fluctuate. Thus, we believe this is a more effective way to evaluate our revenue performance on a consistent basis. We use adjusted net income and adjusted net income per diluted share to eliminate the effect of items that we do not consider indicative of our core operating performance on a consistent basis. Adjusted revenues, adjusted net income and adjusted net income per diluted share are supplemental non-GAAP financial measures of operating performance. See the heading entitled “Management’s Use of Non-GAAP Financial Measures.”

Factors and Trends Impacting our Business

We believe that the following factors and trends are important in understanding our financial performance:

- *Fuel prices*—Our fleet customers use our products and services primarily in connection with the purchase of fuel. Accordingly, our revenue is affected by fuel prices, which are subject to significant volatility. A change in retail fuel prices could cause a decrease or increase in our revenue from several sources, including fees paid to us based on a percentage of each customer's total purchase. Changes in the absolute price of fuel may also impact unpaid account balances and the late fees and charges based on these amounts. See "Sources of Revenue" above for further information related to the absolute price of fuel.
- *Fuel-price spread volatility*—A portion of our revenue involves transactions where we derive revenue from fuel-price spreads, which is the difference between the price charged to a fleet customer for a transaction and the price paid to the merchant for the same transaction. In these transactions, the price paid to the merchant is based on the wholesale cost of fuel. The merchant's wholesale cost of fuel is dependent on several factors including, among others, the factors described above affecting fuel prices. The fuel price that we charge to our customer is dependent on several factors including, among others, the fuel price paid to the merchant, posted retail fuel prices and competitive fuel prices. We experience fuel-price spread contraction when the merchant's wholesale cost of fuel increases at a faster rate than the fuel price we charge to our customers, or the fuel price we charge to our customers decreases at a faster rate than the merchant's wholesale cost of fuel. See "Sources of Revenue" above for further information related to fuel-price spreads.
- *Acquisitions*—Since 2002, we have completed over 70 acquisitions of companies and commercial account portfolios. Acquisitions have been an important part of our growth strategy, and it is our intention to continue to seek opportunities to increase our customer base and diversify our service offering through further strategic acquisitions. The impact of acquisitions has, and may continue to have, a significant impact on our results of operations and may make it difficult to compare our results between periods.
- *Interest rates*—Our results of operations are affected by interest rates. We are exposed to market risk changes in interest rates on our cash investments and debt.
- *Global economic conditions*—Our results of operations are materially affected by conditions in the economy generally, both in North America and internationally. Factors affected by the economy include our transaction volumes and the credit risk of our customers. These factors affected our businesses in both our North America and International segments.
- *Foreign currency changes*—Our results of operations are significantly impacted by changes in foreign currency rates; namely, by movements of the Australian dollar, Brazilian real, British pound, Canadian dollar, Czech koruna, Euro, Mexican peso, New Zealand dollar and Russian ruble, relative to the U.S. dollar. Approximately 70%, 72% and 56% of our revenue in 2016, 2015 and 2014, respectively, was derived in U.S. dollars and was not affected by foreign currency exchange rates. See "Results of Operations" for information related to foreign currency impact on our total revenue, net.
- *Expenses*— Over the long term, we expect that our general and administrative expense will decrease as a percentage of revenue as our revenue increases. To support our expected revenue growth, we plan to continue to incur additional sales and marketing expense by investing in our direct marketing, third-party agents, internet marketing, telemarketing and field sales force.

Acquisitions and Investments

During 2016, we completed acquisitions with an aggregate purchase price of \$1.3 billion, net of cash acquired of \$51.3 million, which includes deferred payments made during the period related to prior acquisitions of \$6.1 million.

- In August 2016, we acquired all of the outstanding stock of STP for approximately \$1.23 billion, net of cash acquired of \$40.2 million. STP is an electronic toll payments company in Brazil and also provides cardless fuel payments at a number of Shell sites throughout Brazil. The purpose of this acquisition was to expand our presence in the toll market in the Brazil. We financed the acquisition using a combination of existing cash and borrowings under our existing credit facility.

- During 2016, we acquired additional fuel card portfolios in the U.S. and the United Kingdom, additional Shell fuel card markets in Europe and Travelcard in the Netherlands totaling approximately \$76.7 million, net of cash acquired of \$11.1 million.
- During 2016, we made additional investments of \$7.9 million related to our equity method investment at Masternaut. We also received a \$9.2 million return of our investment in Masternaut.

The results of operations from the fuel card portfolio acquired in the U.S. are included within our North America segment, from the date of acquisition. The results of operations of STP, the fuel card portfolio in the United Kingdom, the additional Shell markets, the Travelcard business in the Netherlands and the small business in Brazil are included within our International segment, from the date of acquisition.

During 2015, we completed acquisitions of Shell portfolios related to our fuel card businesses in Europe, as well as a small acquisition internationally, with an aggregate purchase price of \$46.3 million, each included within our International segment from the date of acquisition, and made additional investments of \$8.4 million related to our equity method investment at Masternaut and deferred payments of \$3.4 million related to acquisitions occurring in prior years.

During 2014, we completed acquisitions with an aggregate purchase price of \$3.67 billion, net of cash acquired of \$165.8 million.

- In April 2014, we completed an equity method investment in Masternaut, Europe's largest provider of telematics solutions to commercial fleets. We own 44% of the outstanding equity of Masternaut. This investment is included in "Equity method investment" in our consolidated balance sheets.
- In July 2014, we also acquired PacPride, a U.S. fuel card business, and in August 2014, we acquired a fuel card business from Shell in Germany ("Shell Germany"). The purpose of these acquisitions was to strengthen our presence in the U.S. marketplace and establish our presence in the German fuel card market, respectively.
- In November 2014, we acquired Comdata Inc. ("Comdata") for \$3.4 billion. Comdata is a leading business-to-business provider of innovative electronic payment solutions. As an issuer and a processor, Comdata provides fleet, virtual card and gift card solutions to over 20,000 customers. Comdata has approximately 1,300 employees and enables over \$54 billion in payments annually. This acquisition complemented the Company's current fuel card business in the U.S. and added a new product with the virtual payments business. FleetCor financed the acquisition with approximately \$2.4 billion of new debt and the issuance of 7.6 million shares of FleetCor common stock, including amounts applied at the closing to the repayment of Comdata's debt.

The results of operations of the Shell Germany business are included within our International segment, from the date of acquisition. The results of operations from PacPride and Comdata are included within our North America segment, from the date of acquisition.

Results of Operations

Year ended December 31, 2016 compared to the year ended December 31, 2015

The following table sets forth selected consolidated statement of income and selected operational data for the years ended December 31, 2016 and 2015 (in millions, except percentages).

	Year ended December 31, 2016	% of total revenue	Year ended December 31, 2015	% of total revenue	Increase (decrease)	% Change
Revenues, net:						
North America	\$ 1,279.1	69.8 %	\$ 1,232.0	72.3%	\$ 47.1	3.8 %
International	552.4	30.2 %	470.9	27.7%	81.5	17.3 %
Total revenues, net	1,831.5	100.0 %	1,702.9	100.0%	128.7	7.6 %
Consolidated operating expenses:						
Merchant commissions	104.3	5.7 %	108.3	6.4%	(3.9)	(3.6)%
Processing	355.4	19.4 %	331.1	19.4%	24.3	7.4 %
Selling	131.4	7.2 %	109.1	6.4%	22.4	20.5 %
General and administrative	283.6	15.5 %	297.7	17.5%	(14.1)	(4.7)%
Depreciation and amortization	203.3	11.1 %	193.5	11.4%	9.8	5.1 %
Other operating, net	(0.7)	— %	(4.2)	0.2%	(3.6)	(83.7)%
Operating income	754.2	41.2 %	667.5	39.2%	86.6	13.0 %
Equity method investment loss	36.4	2.0 %	57.7	3.4%	(21.3)	(37.0)%
Other expense (income), net	3.0	0.2 %	2.5	0.1%	0.5	18.2 %
Interest expense, net	71.9	3.9 %	71.3	4.2%	0.6	0.8 %
Provision for income taxes	190.5	10.4 %	173.6	10.2%	17.0	9.8 %
Net income	\$ 452.4	24.7 %	\$ 362.4	21.3%	\$ 90.0	24.8 %
Operating income for segments:						
North America	\$ 506.4		\$ 442.0		\$ 64.4	14.6 %
International	247.7		225.5		22.3	9.9 %
Operating income	\$ 754.2		\$ 667.5		\$ 86.6	13.0 %
Operating margin for segments:						
North America	39.6%		35.9%		3.7 %	
International	44.8%		47.9%		(3.0)%	
Total	41.2%		39.2%		2.0 %	

Revenues and revenue per transaction

Our consolidated revenue increased from \$1,702.9 million in 2015 to \$1,831.5 million in 2016, an increase of \$128.7 million, or 7.6%. The increase in our consolidated revenue was primarily due to:

- The impact of acquisitions completed in 2016, which contributed approximately \$87 million in additional revenue.
- Organic growth in certain of our payment programs driven primarily by increases in both volume and revenue per transaction.
- Partially offsetting this growth was the negative impact of the macroeconomic environment. Although we cannot precisely measure the impact of the macroeconomic environment, in total we believe it had a negative impact on our consolidated revenue for 2016 over the comparable period in 2015 of approximately \$109 million. We believe the impact of lower fuel prices, primarily in the U.S., and lower fuel spread margins, had an unfavorable impact on consolidated revenues of approximately \$66 million. Additionally, changes in foreign exchange rates had an unfavorable impact on consolidated revenues of approximately \$43 million due to unfavorable fluctuations in rates in most geographies in 2016 compared to 2015.

Consolidated revenue per transaction decreased from \$0.92 in 2015 to \$0.82 in 2016, a decrease of \$0.10, or 10.6%. This decrease was due primarily to the unfavorable impact of the macroeconomic environment, the mix impact of acquisitions (STP, Travelcard and a small acquisition in Brazil), which have a much lower revenue per transaction than the historical average, partially offset by organic growth. Excluding these items, revenue per transaction increased approximately 5% to \$0.97 in 2016 compared to \$0.92 in 2015.

Revenue per transaction can vary based on the geography, the relevant merchant and customer relationship, the payment product utilized, and the types of products or services purchased. The revenue mix was influenced by our acquisitions, organic growth in the business, and fluctuations in the macroeconomic environment, including fuel prices, fuel spread margins and foreign exchange rates.

North America segment revenues and revenue per transaction

North America revenues increased from \$1,232.0 million in 2015 to \$1,279.1 million in 2016, an increase of \$47.1 million, or 3.8%. The increase in our North America segment revenue was primarily due to:

- Organic growth in certain of our payment programs driven by increases in both volume and revenue per transaction.
- Partially offsetting the organic growth was the negative impact of macroeconomic environment. Although we cannot precisely measure the impact of the macroeconomic environment, in total we believe it had a negative impact on our North America segment revenue in 2016 over the comparable period in 2015 of approximately \$65 million, primarily due to the impact of lower fuel prices and lower fuel spread margins.

North America segment revenue per transaction was \$0.74 in 2015 and \$0.74 in 2016. Revenue per transaction in our North America segment for 2016, excluding the negative impact of the macroeconomic environment of approximately \$65 million, increased approximately 6% to \$0.78 in 2016 compared to \$0.74 in 2015.

International segment revenue

International segment revenues increased from \$470.9 million in 2015 to \$552.4 million in 2016, an increase of \$81.5 million, or 17.3%. The increase in our International segment revenue was primarily due to:

- The impact of acquisitions during 2016, which contributed approximately \$87 million in additional revenue.
- Organic growth in certain of our payment programs driven by increases in both volume and revenue per transaction.
- Partially offsetting this growth was the negative impact of the macroeconomic environment. Although we cannot precisely measure the impact of the macroeconomic environment, in total we believe it had a negative impact on our International segment revenue for 2016 over the comparable period in 2015 of approximately \$44 million, primarily due to unfavorable fluctuations in foreign exchange rates in most geographies where we do business and slightly lower fuel prices.

International segment revenue per transaction decreased from \$2.56 in 2015 to \$1.09 in 2016, a decrease of \$1.47 per transaction, or 57.5%. This decrease was due primarily to the unfavorable impact of foreign exchange rates across most geographies and the mix impact of acquisitions (STP, Travelcard and a small acquisition in Brazil), which have a much lower revenue per transaction than the historical average, partially offset by organic growth. Excluding these items, our International revenue per transaction increased approximately 4% to \$2.66 in 2016 compared to \$2.56 in 2015.

Consolidated operating expenses

Merchant commission. Merchant commissions decreased from \$108.3 million in 2015 to \$104.3 million in 2016, a decrease of \$3.9 million, or 3.6%. This decrease was primarily due to the fluctuation of the margin between the wholesale cost and retail price of fuel, which impacted merchant commissions in certain card programs, as well as the impact of fluctuations in foreign exchange rates.

Processing. Processing expenses increased from \$331.1 million in 2015 to \$355.4 million in 2016, an increase of \$24.3 million, or 7.4%. Increases in processing expenses were primarily due to ongoing expenses related to acquisitions completed in 2016, and incremental bad debt expense, partially offset by the impact of fluctuations in foreign exchange rates and lower negotiated vendor processing costs.

Selling. Selling expenses increased from \$109.1 million in 2015 to \$131.4 million in 2016, an increase of \$22.4 million, or 20.5%. Increases in spending were primarily due to ongoing expenses related to acquisitions completed in 2016 as well as

additional sales and marketing spending in certain markets, partially offset by the impact of fluctuations in foreign exchange rates.

General and administrative. General and administrative expense decreased from \$297.7 million in 2015 to \$283.6 million in 2016, a decrease of \$14.1 million, or 4.7%. The decrease was primarily due to decreased stock based compensation of approximately \$26 million from the comparable period in 2015 and the impact of fluctuations in foreign exchange rates, partially offset by ongoing expenses related to acquisitions completed in 2016 and an incremental \$2 million in acquisition related expenses over 2015.

Depreciation and amortization. Depreciation and amortization increased from \$193.5 million in 2015 to \$203.3 million in 2016, an increase of \$9.8 million, or 5.1%. The increase was primarily due to ongoing expenses related to acquisitions completed in 2016, partially offset by movements in and adjustments from changes in foreign exchange rates of approximately \$2 million.

Other operating, net. Other operating, net decreased from \$4.2 million in 2015 to \$0.7 million in 2016. The decrease is due to favorable reversals of various contingent liabilities for tax indemnifications related to our acquisitions of DB and VB in Brazil in 2015.

Equity method investment loss

Losses at our equity method investment decreased from \$57.7 million in 2015 to \$36.4 million in 2016. The decrease was primarily due to a non-recurring gain of \$13.8 million during 2016, as well as less costs incurred to restructure the operations of the business and a smaller impairment of our investment, compared to 2015.

We regularly evaluate our investments, which are not carried at fair value, for other than temporary impairment in accordance with U. S. GAAP. During the fourth quarter of 2016, we determined that the performance improvement initiatives planned at Masternaut were more challenging to implement than we originally projected. As a result, we recorded a \$36.1 million non-cash impairment charge in our equity method investment in 2016, compared to a \$40 million charge in 2015.

Interest expense, net

Interest expense was \$71.3 million in 2015 compared to \$71.9 million in 2016. The following table sets forth the average interest rates paid on borrowings under our Credit Facility, excluding the relevant unused credit facility fees.

	2016	2015
Term loan A	2.05%	1.94%
Term loan B	3.75%	3.75%
Domestic Revolver A	2.07%	1.95%
Foreign Revolver A	1.84%	2.36%
Foreign swing line	1.84%	2.29%

The average unused credit facility fee for Domestic Revolver A was 0.31% and 0.35% in 2016 and 2015, respectively.

Provision for income taxes

The provision for income taxes increased from \$173.6 million in 2015 to \$190.5 million in 2016, an increase of \$17.0 million, or 9.8%. The increase in income taxes from 2015 to 2016 was primarily driven by the increase in book earnings for 2016 as compared to 2015. The increase in taxes was partially offset by a decrease in our effective tax rate from 32.4% in 2015 to 29.7% in 2016. The decrease in our effective tax rate was primarily due to the adoption of ASU 2016-09, "Compensation-Stock Compensation: Improvements to Employee Share-Based Payment Accounting", which resulted in excess tax benefits being recorded as a reduction of income tax expense during 2016, rather than additional paid in capital as discussed in the summary of significant accounting policies footnote. We also had a non-recurring net gain recorded by our equity method investment, which favorably impacted pre-tax earnings but was not subject to U.S. income taxes and the impact of certain tax planning initiatives that were implemented during 2016. We pay taxes in many different taxing jurisdictions, including the U.S., most U.S. states and many non-U.S. jurisdictions. The tax rates in certain non-U.S. taxing jurisdictions are lower than the U.S. tax rate. Consequently, as our earnings fluctuate between taxing jurisdictions, our effective tax rate fluctuates.

Net income

For the reasons discussed above, our net income increased from \$362.4 million in 2015 to \$452.4 million in 2016, an increase of \$90.0 million, or 24.8%.

Operating income and operating margin

Consolidated operating income

Operating income increased from \$667.5 million in 2015 to \$754.2 million in 2016, an increase of \$86.6 million, or 13.0%. Consolidated operating margin was 39.2% in 2015 and 41.2% in 2016. The increase in operating income was primarily due to acquisitions completed in 2016, \$26 million less stock based compensation expense compared to 2015 and organic growth in the business, partially offset by the negative impact of the macroeconomic environment of approximately \$82 million, driven by lower fuel prices and spreads, and unfavorable fluctuations in foreign exchange rates.

For the purpose of segment operating results, we calculate segment operating income by subtracting segment operating expenses from segment revenue. Segment operating margin is calculated by dividing segment operating income by segment revenue.

North America segment operating income

North America operating income increased from \$442.0 million in 2015 to \$506.4 million in 2016, an increase of \$64.4 million, or 14.6%. North America operating margin was 35.9% in 2015 and 39.6% in 2016. The increase in operating income was due primarily to less stock based compensation expense compared to 2015 and organic growth in the business, partially offset by the negative impact of the macroeconomic environment of approximately \$56 million, driven by lower fuel prices and lower fuel spread margins.

International segment operating income

International operating income increased from \$225.5 million in 2015 to \$247.7 million in 2016, an increase of \$22.3 million, or 9.9%. International operating margin was 47.9% in 2015 and 44.8% in 2016. The increase in operating income was due primarily to acquisitions completed in 2016 and organic growth in the business, partially offset by the approximately \$26 million unfavorable impact of the macroeconomic environment, specifically unfavorable changes in foreign exchange rates, as well as the negative impact of fuel prices internationally. The impact of changes in fuel price spreads was negligible.

Year ended December 31, 2015 compared to the year ended December 31, 2014

The following table sets forth selected consolidated statement of income and selected operational data for the years ended December 31, 2015 and 2014 (in millions, except percentages).

	Year ended December 31, 2015	% of total revenue	Year ended December 31, 2014	% of total revenue	Increase (decrease)	% Change
North America	\$ 1,232.0	72.3%	\$ 668.3	55.7%	\$ 563.6	84.3 %
International	470.9	27.7%	531.1	44.3%	(60.2)	(11.3)%
Total revenues, net	1,702.9	100.0%	1,199.4	100.0%	503.5	42.0 %
Consolidated operating expenses:						
Merchant commissions	108.3	6.4%	96.3	8.0%	12.0	12.5 %
Processing	331.1	19.4%	173.3	14.5%	157.7	91.0 %
Selling	109.1	6.4%	75.5	6.3%	33.5	44.4 %
General and administrative	297.7	17.5%	206.0	17.2%	91.8	44.5 %
Depreciation and amortization	193.5	11.4%	112.4	9.4%	81.1	72.2 %
Other operating, net	(4.2)	0.2%	(29.5)	2.5%	(25.3)	(85.6)%
Operating income	667.5	39.2%	565.4	47.1%	102.1	18.1 %
Equity method investment loss	57.7	3.4%	8.6	0.7%	49.1	571.7 %
Other expense (income), net	2.5	0.1%	(0.7)	NM	(3.2)	NM
Interest expense, net	71.3	4.2%	28.9	2.4%	42.5	147.2 %
Loss on early extinguishment of debt	—	—%	15.8	1.3%	(15.8)	(100.0)%
Provision for income taxes	173.6	10.2%	144.2	12.0%	29.3	20.3 %
Net income	\$ 362.4	21.3%	\$ 368.7	30.7%	\$ (6.3)	(1.7)%
Operating income for segments:						
North America	\$ 442.0		\$ 287.3		\$ 154.7	53.9 %
International	225.5		278.1		(52.7)	(18.9)%
Operating income	\$ 667.5		\$ 565.4		\$ 102.1	18.1 %
Operating margin for segments:						
North America	35.9%		43.0%		(7.1)%	
International	47.9%		52.4%		(4.5)%	
Total	39.2%		47.1%		(7.9)%	

NM = Not Meaningful

Revenues and revenue per transaction

Our consolidated revenue increased from \$1,199.4 million in 2014 to \$1,702.9 million in 2015, an increase of \$503.5 million, or 42.0%. The increase in our consolidated revenue was primarily due to the following:

- The impact of acquisitions completed in 2014, which contributed approximately \$528 million in additional revenue in 2015 over the comparable period in 2014.
- Organic growth in certain of our payment programs driven primarily by increases in both volume and revenue per transaction.
- Partially offsetting this growth was the negative impact of the macroeconomic environment. Although we cannot precisely measure the impact of the macroeconomic environment, in total we believe it had a negative impact on our consolidated revenue for 2015 over the comparable period in 2014 of approximately \$167 million. We believe changes in foreign exchange rates had an unfavorable impact on consolidated revenues of approximately \$92 million, due to unfavorable fluctuations in rates in all geographies, in 2015 over 2014. Additionally, the impact of lower fuel prices,

partially offset by higher fuel spread margins, had an additional unfavorable impact on consolidated revenues of approximately \$75 million.

Consolidated revenue per transaction decreased from \$1.84 in 2014 to \$0.92 in 2015, a decrease of \$0.92 per transaction or 50.0%. Excluding the impact of the SVS business, which had approximately 1.3 billion and 270 million transactions in 2015 and 2014, respectively, at a lower revenue per transaction, revenue per transaction for 2015 decreased 10.2 % to \$2.78 from \$3.10 over the comparable period in 2014. Revenue per transaction can vary based on the geography, the relevant merchant and customer relationship, the payment product utilized, and the types of products or services purchased. The revenue mix was influenced by our acquisitions, organic growth in the business, and fluctuations in the macroeconomic environment, primarily fuel prices and foreign exchange rates.

North America segment revenues and revenue per transaction

North America revenue increased from \$668.3 million in 2014 to \$1,232.0 million in 2015, an increase of \$563.6 million, or 84.3%. The increase in our North America revenue was primarily due to:

- The impact of acquisitions completed in 2014, which contributed approximately \$528 million in additional revenue in 2015 over the comparable period in 2014.
- Organic growth in certain of our payment programs driven primarily by increases in both volume and revenue per transaction.
- Partially offsetting this growth was the negative impact of the macroeconomic environment. Although we cannot precisely measure the impact of the macroeconomic environment, in total we believe it had a negative impact on our North America segment revenue for 2015 over the comparable period in 2014 of approximately \$72 million, primarily due to the impact of lower fuel prices in the U.S., partially offset by higher fuel spread margins.

North America segment revenue per transaction decreased from \$1.45 in 2014 to \$0.74 in 2015, a decrease of \$0.71 or 49.2%. Excluding the impact of the SVS business, which had approximately 1.3 billion and 270 million transactions in 2015 and 2014, respectively, at a lower revenue per transaction, revenue per transaction in our North America segment in 2015 decreased 15.9% to \$2.89 from \$3.44 over the comparable period in 2014. Revenue per transaction can vary based on the geography, the relevant merchant and customer relationship, the payment product utilized, and the types of products and services purchased. Revenue per transaction decreased primarily due to the impact of lower fuel prices and fuel price spreads during 2015 versus the prior year.

International segment revenue

International segment revenue decreased from \$531.1 million in 2014 to \$470.9 million in 2015, a decrease of \$60.2 million, or 11.3%. The decrease in International segment revenue was due primarily to the following:

- The impact of the macroeconomic environment, which is included within organic growth. Although we cannot precisely measure the impact of the macroeconomic environment, in total we believe it had a negative impact on our International segment revenue for 2015 over the comparable period in 2014 of approximately \$95 million, primarily due to changes in foreign exchange rates and lower fuel prices internationally. Unfavorable fluctuations in foreign exchange rates in all geographies had an unfavorable impact on revenues in 2015 over the comparable period in 2014 of approximately \$92 million.
- Organic growth in certain of our payment programs driven primarily by increases in both volume and revenue per transaction.

International segment revenue per transaction decreased from \$2.76 in 2014 to \$2.56 in 2015, a decrease of \$0.20 per transaction or 7.2%, due primarily to the unfavorable impact of foreign exchange rates across all of our geographies. This unfavorable impact was partially offset by organic revenue growth in several products.

Consolidated operating expenses

Merchant commission. Merchant commissions increased from \$96.3 million in 2014 to \$108.3 million in 2015, an increase of \$12.0 million, or 12.5%. This increase was due primarily to the fluctuation of the margin between the wholesale cost and retail price of fuel, which impacted merchant commissions in certain card programs, as well as the impact of higher volume in certain revenue streams where merchant commission are paid, partially offset by decreases due to changes in foreign exchange rates.

Processing. Processing expenses increased from \$173.3 million in 2014 to \$331.1 million in 2015, an increase of \$157.7 million, or 91.0%. Our processing expenses primarily increased due to the impact of our acquisition of Comdata completed in the fourth quarter of 2014, partially offset by decreases due to changes in foreign exchange rates.

Selling. Selling expenses increased from \$75.5 million in 2014 to \$109.1 million in 2015, an increase of \$33.5 million, or 44.4%. The increase was primarily due to our acquisition of Comdata completed in the fourth quarter of 2014, as well as additional sales and marketing spending in certain markets, partially offset by decreases due to changes in foreign exchange rates.

General and administrative. General and administrative expense increased from \$206.0 million in 2014 to \$297.7 million in 2015, an increase of \$91.8 million, or 44.5%. The increase was primarily due to the impact of our acquisition of Comdata completed in the fourth quarter of 2014 and incremental stock based compensation of \$52.5 million, partially offset by decreases due to changes in foreign exchange rates.

Depreciation and amortization. Depreciation and amortization increased from \$112.4 million in 2014 to \$193.5 million in 2015, an increase of \$81.1 million, or 72.2%. The increase was primarily due to our acquisition of Comdata completed during the fourth quarter of 2014, which resulted in an increase of \$91.3 million related to the amortization of acquired intangible assets for customer and vendor relationships, trade names and trademarks, non-compete agreements and software, as well as depreciation of acquired fixed assets, partially offset by decreases due to changes in foreign exchange rates.

Other operating, net. Other operating, net decreased from a \$29.5 million favorable impact in 2014 to a \$4.2 million favorable impact in 2015, a decrease of \$25.3 million, or 85.8%. In 2015, the balance relates primarily to the net favorable impact of the additional reversals of various contingent liabilities for tax indemnifications related to our acquisitions of DB and VB in Brazil. Included in other operating, net in 2014 is \$28.1 million of favorable impact related to fair value adjustments recorded for contingent consideration arrangements for our acquisition of VB in Brazil and \$1.4 million from the reversal of other various contingent liabilities for tax indemnifications related to our acquisitions of DB and VB in Brazil.

Equity method investment loss

On April 28, 2014, we acquired a minority interest in Masternaut, a provider of telematics solutions to commercial fleets in Europe, which we account for as an equity method investment. The increase in equity method investment loss from \$8.6 million in 2014 to \$57.7 million in 2015 was primarily due to a non-cash impairment charge of \$40 million recorded in the fourth quarter of 2015.

We regularly evaluate our investments, which are not carried at fair value, for other than temporary impairment in accordance with U. S. GAAP. During the fourth quarter of 2015, we determined that the performance improvement initiatives at Masternaut will take longer to implement than we originally projected. As a result, we have recorded a \$40 million non-cash impairment charge in our equity method investment.

Interest expense, net

Interest expense increased from \$28.9 million in 2014 to \$71.3 million in 2015, an increase of \$42.5 million, or 147.2%. The increase is due to an increase in borrowings in 2015 over 2014, primarily due to funding of the purchase price for our acquisition of Comdata. The following table sets forth the average interest rates paid on borrowings under our Credit Facility, excluding the relevant unused credit facility fees.

	2015	2014
Term loan A	1.94%	1.92%
Term loan B	3.75%	3.75%
Domestic Revolver A	1.95%	1.92%
Foreign Revolver A	2.36%	2.27%
Foreign Revolver B	—	4.43%
Foreign swing line	2.29%	2.24%

The average unused credit facility fee for Domestic Revolver A was 0.35% and 0.31% in 2015 and 2014, respectively. The average unused credit facility fee for Foreign Revolver B was 0.30% in 2014.

Loss on early extinguishment of debt

Loss on early extinguishment of debt in 2014 relates to our write-off of \$15.8 million of debt issuance costs associated with the refinancing of our Existing Credit Facility and entry into our New Credit Agreement, along with our acquisition of Comdata.

Provision for income taxes

The provision for income taxes increased from \$144.2 million in 2014 to \$173.6 million in 2015, an increase of \$29.3 million, or 20.3%. Our effective tax rate increased from 28.1% in 2014 to 32.4% in 2015. We pay taxes in many different taxing jurisdictions, including the U.S., most U.S. states and many non-U.S. jurisdictions. The tax rates in certain non-U.S. taxing jurisdictions are lower than the U.S. tax rate. Consequently, as our earnings fluctuate between taxing jurisdictions, our effective tax rate fluctuates. The increase in the effective tax rate was due primarily to the non-deductible impairment charge of \$40 million related to our minority investment in Masternaut, as well as the inclusion of the Comdata business, which operates primarily in the U.S. with a higher overall tax rate. Partially offsetting these negative impacts was the continued decrease in the U.K. statutory tax rates. These initiatives involved amending tax returns for several prior years and produced tax savings of approximately \$7.9 million recorded in 2015. We expect that the impact of these planning initiatives will have a favorable impact on tax rates in future years. Included in 2014, was one-time tax favorability due to entity reorganization in Brazil, which allowed the reversal of deferred tax liability of \$9.5 million, setup at the time of acquisition in 2013.

Net income

For the reasons discussed above, our net income decreased from \$368.7 million in 2014 to \$362.4 million in 2015, a decrease of \$6.3 million, or 1.7%.

Operating income and operating margin

Consolidated operating income

Operating income increased from \$565.4 million in 2014 to \$667.5 million in 2015, an increase of \$102.1 million, or 18.1%. Consolidated operating margin was 47.1% in 2014 and 39.2% in 2015. The increase in operating income was due primarily to the impact of our acquisition of Comdata completed in November 2014. These increases were partially offset by the negative impact of the macroeconomic environment, primarily due to lower fuel prices in North America and unfavorable changes in foreign exchange rates, as previously discussed. Changes in foreign exchange rates had an unfavorable impact on consolidated operating income of approximately \$53 million due to unfavorable fluctuations in rates in all geographies. Results were also negatively impacted by the increase in amortization and depreciation expense related to assets acquired in 2014 and increased stock based compensation expense during 2015. The decrease in operating margin was due primarily to the impact of increased operating expenses associated with Comdata, including increased depreciation and amortization expense.

For the purpose of segment operating results, we calculate segment operating income by subtracting segment operating expenses from segment revenue. Similarly, segment operating margin is calculated by dividing segment operating income by segment revenue.

North America segment operating income

North America operating income increased from \$287.3 million in 2014 to \$442.0 million in 2015, an increase of \$154.7 million, or 53.9%. North America operating margin was 43.0% in 2014 and 35.9% in 2015. The increase in operating income was due primarily to the impact of our acquisition of Comdata in November 2014, as well as organic growth in the business. The decrease in operating margin was due primarily to the impact of increased operating expenses associated with Comdata, including increased depreciation and amortization. In addition, we had increased stock based compensation expense, the majority of which is recorded in our North American segment. Furthermore, operating results were also negatively impacted by the macroeconomic environment, primarily due to lower fuel prices, partially offset by higher fuel spread margins.

International segment operating income

International operating income decreased from \$278.1 million in 2014 to \$225.5 million in 2015, a decrease of \$52.7 million, or 18.9%. International operating margin was 52.4% in 2014 and 47.9% in 2015. The decrease in operating income was due primarily to the unfavorable impact of the macroeconomic environment, specifically unfavorable changes in foreign exchange rates, which we believe negatively impacted operating income by approximately \$53 million, as well as the negative impact of fuel prices internationally. The negative impact of the environment was partially offset by the impact of organic growth in the

business driven by increases in volume and revenue per transaction, in local currency. The impact of changes in fuel price spreads was negligible.

Liquidity and capital resources

Our principal liquidity requirements are to service and repay our indebtedness, complete acquisitions of businesses and commercial account portfolios and meet working capital, tax and capital expenditure needs.

Sources of liquidity

At December 31, 2016, our cash balances totaled \$643.8 million, with approximately \$168.8 million restricted. Restricted cash represents customer deposits in the Czech Republic and in our Comdata business in the U.S., which we are restricted from using other than to repay customer deposits.

At December 31, 2016, cash and cash equivalents held in foreign subsidiaries where we have determined we are permanently reinvested was \$312.2 million. All of the cash and cash equivalents held by our foreign subsidiaries, excluding restricted cash, are available for general corporate purposes. Our current intent is to permanently reinvest these funds outside of the U.S. Our current expectation for funds held in our foreign subsidiaries is to use the funds to finance foreign organic growth, to pay for potential future foreign acquisitions and to repay any foreign borrowings that may arise from time to time. We currently believe that funds generated from our U.S. operations, along with available borrowing capacity in the U.S. will be sufficient to fund our U.S. operations for the foreseeable future, and therefore do not foresee a need to repatriate cash held by our foreign subsidiaries in a taxable transaction to fund our U.S. operations. However, if at a future date or time these funds are needed for our operations in the U.S. or we otherwise believe it is in our best interests to repatriate all or a portion of such funds, we may be required to accrue and pay U.S. taxes to repatriate these funds. No assurances can be provided as to the amount or timing thereof, the tax consequences related thereto or the ultimate impact any such action may have on our results of operations or financial condition.

We utilize an accounts receivable Securitization Facility to finance a majority of our domestic fuel card receivables, to lower our cost of borrowing and more efficiently use capital. We generate and record accounts receivable when a customer makes a purchase from a merchant using one of our card products and generally pay merchants before collecting the receivable. As a result, we utilize the Securitization Facility as a source of liquidity to provide the cash flow required to fund merchant payments while we collect customer balances. These balances are primarily composed of charge balances, which are typically billed to the customer on a weekly, semimonthly or monthly basis, and are generally required to be paid within 14 days of billing. We also consider the undrawn amounts under our Securitization Facility and Credit Facility as funds available for working capital purposes and acquisitions. At December 31, 2016, we had the ability to generate approximately \$112 million of additional liquidity under our Securitization Facility. At December 31, 2016, we had approximately \$420 million available under our Credit Facility.

Based on our current forecasts and anticipated market conditions, we believe that our current cash balances, our available borrowing capacity and our ability to generate cash from operations, will be sufficient to fund our liquidity needs for at least the next twelve months. However, we regularly evaluate our cash requirements for current operations, commitments, capital requirements and acquisitions, and we may elect to raise additional funds for these purposes in the future, either through the issuance of debt or equity securities. We may not be able to obtain additional financing on terms favorable to us, if at all.

Cash flows

The following table summarizes our cash flows for the years ended December 31, 2016, 2015 and 2014.

(in millions)	Year ended December 31,		
	2016	2015	2014
Net cash provided by operating activities	\$ 705.9	\$ 754.6	\$ 608.3
Net cash used in investing activities	(1,389.6)	(99.4)	(2,594.1)
Net cash provided by (used in) financing activities	754.0	(648.1)	2,162.3

Operating activities. Net cash provided by operating activities decreased from \$754.6 million in 2015 to \$705.9 million in 2016. The decrease was primarily due to changes in working capital driven by fluctuations in receivables and payables, largely

due to timing of month end transactions and volume. Cash flow was favorably impacted by additional net income of \$90 million during 2016 over the comparable period in 2015.

Net cash provided by operating activities increased from \$608.3 million in 2014 to \$754.6 million in 2015, despite a slight decrease in net income. The increase was primarily due to changes in working capital and increases in certain non-cash expenses, including amortization of intangible assets of \$73.6 million, stock-based compensation of \$52.5 million and equity method investment loss of \$49.1 million.

Investing activities. Net cash used in investing activities increased from \$99.4 million in 2015 to \$1,389.6 million in 2016. This increase was primarily due to the increase in cash paid for our STP and Travel Card acquisitions completed in 2016.

Net cash used in investing activities decreased from \$2,594.1 million in 2014 to \$99.4 million in 2015. This decrease was primarily due to the reduction in cash outlay for acquisitions, over the comparable period.

Financing activities. Net cash from financing activities increased from net cash used of \$648.1 million in 2015 to net cash provided of \$754.0 million in 2016. The increase was primarily due to an increase in net borrowings on our revolving credit facility and term loans of \$952.2 million and \$585.0 million, respectively, to fund acquisitions during 2016.

Net cash from financing activities decreased from net cash provided of \$2,162.3 million in 2014 to net cash used of \$648.1 million in 2015. The change is primarily due to increased net borrowings on our Credit Facility and Securitization Facility in 2014 to fund the purchase price for Comdata. Additionally, we made payments on contingent consideration arrangements of \$42 million in 2015 that were not made in 2014.

Capital spending summary

Our capital expenditures increased from \$41.9 million in 2015 to \$59.0 million in 2016, an increase of \$17 million, or 40.9%. This increase is primarily due to increased spending on strategic projects, including continued investment in our GFN application.

Our capital expenditures increased from \$27.1 million in 2014 to \$41.9 million in 2015, an increase of \$14.8 million, or 54.7%. The increase was primarily due to the impact of our acquisition of Comdata in November 2014.

Credit Facility

On June 22, 2011, FleetCor Technologies Operating Company, LLC, and certain of our domestic and foreign owned subsidiaries, as designated co-borrowers, entered into a Credit Agreement, which was a five-year, \$900 million Credit Agreement (the "Credit Agreement") with Bank of America, N.A., as administrative agent, swing line lender and L/C issuer, and a syndicate of financial institutions.

On October 24, 2014, FleetCor Technologies Operating Company, LLC, and certain of our domestic and foreign owned subsidiaries, as designated co-borrowers (the "Borrowers"), entered into a new \$3.36 billion Credit Agreement (the New Credit Agreement), with Bank of America, N.A., as administrative agent, swing line lender and local currency issuer, and a syndicate of financial institutions (the "Lenders"). The New Credit Agreement provided for senior secured credit facilities consisting of (a) a revolving A credit facility in the amount of \$1.0 billion, with sublimits for letters of credit, swing line loans and multicurrency borrowings, (b) a revolving B facility in the amount of \$35 million for loans in Australian Dollars or New Zealand Dollars, (c) a term A loan facility in the amount of \$2.02 billion and (d) a term B loan facility in the amount \$300 million. The revolving line of credit contains a \$20 million sublimit for letters of credit, a \$20 million sublimit for swing line loans and sublimits for multicurrency borrowings in Euros, Sterling, Japanese Yen, Australian Dollars and New Zealand Dollars. The New Credit Agreement also contains an accordion feature for borrowing an additional \$500 million in term A or revolver A and term B. Proceeds from the New Credit Facility may be used for working capital purposes, acquisitions, and other general corporate purposes. The proceeds of the New Credit Facility were used to paydown borrowings under the Credit Agreement. On November 14, 2014 in order to finance a portion of the Comdata Acquisition and to refinance our Credit Agreement, we made initial borrowings under the New Credit Agreement.

On August 22, 2016, the Company entered into the first amendment to the New Credit Agreement, which increased the size of our Term A loan from \$2.02 billion to \$2.62 billion. The proceeds from the additional \$600 million in term A loan were used to partially finance the STP acquisition. On January 20, 2017, the Company entered into the second amendment to the New Credit Agreement, which established a new term B loan ("Term B-2 Loan") in the amount of \$245 million to replace the existing term

B Loan. Interest on the Term B-2 loan facility accrues based on the Eurocurrency Rate or the Base Rate at 2.25% for Eurocurrency Loans and at 1.25% for Base Rate Loans.

The obligations of the Borrowers under the New Credit Agreement are secured by substantially all of the assets of FleetCor and its domestic subsidiaries, pursuant to a security agreement and includes a pledge of (i) 100% of the issued and outstanding equity interests owned by us of each Domestic Subsidiary and (2) 66% of the voting shares of the first-tier foreign subsidiaries, but excluding real property, personal property located outside of the United States, accounts receivables and related assets subject to the Securitization Facility and certain investments required under money transmitter laws to be held free and clear of liens. At December 31, 2016, we had \$2.4 billion in borrowings outstanding on the term A loan, excluding the related debt discount, \$245 million in borrowings outstanding on term B loan excluding the related debt discount, \$465 million in borrowings outstanding on the domestic revolving A facility, \$123.4 million in borrowings outstanding on the foreign revolving A facility and \$26.6 million in borrowings outstanding on the revolving A facility swing line of credit.

Interest on amounts outstanding under the New Credit Agreement (other than the Term B-2 loan) accrues based on the British Bankers Association LIBOR Rate (the Eurocurrency Rate), plus a margin based on a leverage ratio, or our option, the Base Rate (defined as the rate equal to the highest of (a) the Federal Funds Rate plus 0.50%, (b) the prime rate announced by Bank of America, N.A., or (c) the Eurocurrency Rate plus 1.00%) plus a margin based on a leverage ratio. Interest is payable quarterly in arrears. In addition, the Company pays a quarterly commitment fee at a rate per annum ranging from 0.20% to 0.40% of the daily unused portion of the credit facility. At December 31, 2016, the interest rate on the term loan A and the domestic revolving A facility was 2.52%, the interest rate on the foreign revolving A facility was 2.01%, the interest rate on the revolving A facility swing line of credit was 1.97% and the interest rate on the term loan B facility was 3.77%. The unused credit facility fee was 0.35% for all facilities at December 31, 2016.

The stated maturity dates for the term A loan, revolving loans, and letters of credit under the New Credit Agreement is November 14, 2019 and November 14, 2021 for the Term B-2 loan. The term loans are payable in quarterly installments and are due on the last business day of each March, June, September, and December with the final principal payment due on the respective maturity date. Borrowings on the revolving line of credit are repayable at our option of one, two, three or nine months after borrowing, depending on the term of the borrowing on the facility. Borrowings on the foreign swing line of credit are due no later than ten business days after such loan is made.

Our New Credit Agreement contains a number of negative covenants restricting, among other things, limitations on liens (with exceptions for our Securitization Facility) and investments, incurrence or guarantees of indebtedness, mergers, acquisitions, dissolutions, liquidations and consolidations, dispositions, dividends and other restricted payments and prepayments of other indebtedness. In particular, we are not permitted to make any restricted payments (which includes any dividend or other distribution) except that we may declare and make dividend payments or other distributions to our stockholders so long as (i) on a pro forma basis both before and after the distribution the consolidated leverage ratio is not greater than 3.00:1.00 and we are in compliance with the financial covenants and (ii) no default or event of default shall exist or result therefrom. The New Credit Agreement also contains customary events of default. The New Credit Agreement includes financial covenants where the Company is required to maintain a consolidated leverage ratio to consolidated EBITDA of less than (i) 4.25 to 1.0 as of the end of any fiscal quarter prior to December 31, 2015; (ii) 4.00 to 1.0 as of any fiscal quarter after December 31, 2015 but on or prior to December 31, 2016; (iii) 3.75 to 1.0 as of any fiscal quarter after December 31, 2016 but on or prior to June 30, 2018; 3.50 to 1.0 as of any fiscal quarter after June 30, 2018; and a consolidated interest coverage ratio of no more than 4.00 to 1.0.

During 2016, we made principal payments of \$116 million on the term A loan, \$2.5 million on the Term B-2 loan, \$730 million on the domestic revolving A facility, \$56.8 million on the foreign revolving A facility and \$13.5 million on the foreign revolving A facility swing line of credit.

Securitization Facility

We are a party to a receivables purchase agreement among FleetCor Funding LLC, as seller, PNC Bank, National Association as administrator, and various purchaser agents, conduit purchasers and related committed purchasers parties thereto, which was amended and restated for the Fifth time as of November 14, 2014. We refer to this arrangement as the Securitization Facility. There have been several amendments to the Securitization Facility. The current purchase limit under the Securitization Facility is \$950 million and the Securitization Facility expires on November 14, 2017. The Securitization Facility contains certain customary financial covenants.

There is a program fee equal to one month LIBOR or the Commercial Paper Rate plus 0.90%. At December 31, 2016 and 2015, the company used the Commercial Paper Rate of 0.85% plus 0.90% and 0.43% plus 0.90%, respectively. The unused facility fee is payable at a rate of 0.40% as of December 31, 2016 and 2015.

Under a related purchase and sale agreement, dated as of December 20, 2004, and most recently amended on November 14, 2014 to include Comdata as an originator, between FleetCor Funding LLC, as purchaser, and certain of our subsidiaries, as originators, the receivables generated by the originators are deemed to be sold to FleetCor Funding LLC immediately and without further action upon creation of such receivables. At the request of FleetCor Funding LLC, as seller, undivided percentage ownership interests in the receivables are ratably purchased by the purchasers in amounts not to exceed their respective commitments under the facility. Collections on receivables are required to be made pursuant to a written credit and collection policy and may be reinvested in other receivables, may be held in trust for the purchasers, or may be distributed. Fees are paid to each purchaser agent for the benefit of the purchasers and liquidity providers in the related purchaser group in accordance with the Securitization Facility and certain fee letter agreements.

The Securitization Facility provides for certain termination events, which includes nonpayment, upon the occurrence of which the administrator may declare the facility termination date to have occurred, may exercise certain enforcement rights with respect to the receivables, and may appoint a successor servicer, among other things.

We were in compliance with all financial and non-financial covenant requirements related to our Securitization Facility as of December 31, 2016.

Other Liabilities

In connection with our acquisition of certain businesses, we owe final payments of \$3.0 million, which are payable in the next twelve months.

Stock Repurchase Program

On February 4, 2016, the Company's Board of Directors approved a stock repurchase program (the "Program") under which the Company may begin purchasing up to \$500 million of its common stock over the next 18 month period. Any stock repurchases may be made at times and in such amounts as deemed appropriate. The timing and amount of stock repurchases, if any, will depend on a variety of factors including the stock price, market conditions, corporate and regulatory requirements, and any additional constraints related to material inside information the Company may possess. Any repurchases have been and are expected to be funded by available cash flow from the business and working capital. There were 1,259,145 common shares totaling \$187.7 million repurchased under the Program during 2016.

Critical accounting policies and estimates

In applying the accounting policies that we use to prepare our consolidated financial statements, we necessarily make accounting estimates that affect our reported amounts of assets, liabilities, revenue and expenses. Some of these estimates require us to make assumptions about matters that are highly uncertain at the time we make the accounting estimates. We base these assumptions and the resulting estimates on historical information and other factors that we believe to be reasonable under the circumstances, and we evaluate these assumptions and estimates on an ongoing basis. In many instances, however, we reasonably could have used different accounting estimates and, in other instances, changes in our accounting estimates could occur from period to period, with the result in each case being a material change in the financial statement presentation of our financial condition or results of operations. We refer to estimates of this type as critical accounting estimates. Our significant accounting policies are summarized in the consolidated financial statements contained elsewhere in this report. The critical accounting estimates that we discuss below are those that we believe are most important to an understanding of our consolidated financial statements.

See Footnote 2 to the Consolidated Financial Statements, Summary of Significant Accounting Policies.

Revenue recognition and presentation

Revenue is derived from our merchant and network relationships as well as from customers and partners. We recognize revenue on fees generated through services primarily to commercial fleets, commercial businesses, major oil companies, petroleum marketers and leasing companies and record revenue net of the wholesale cost of the underlying products and services based on the following: (i) we are not the primary obligor in the arrangement and we are not responsible for fulfillment and the

acceptability of the product; (ii) we have no inventory risk, do not bear the risk of product loss and do not make any changes to the product or have any involvement in the product specifications; (iii) we do not have significant latitude with respect to establishing the price for the product (predominantly fuel) and (iv) the amount we earn for our services is fixed, within a limited range. We recognize revenue from merchant and network relationships, processing and other arrangements when persuasive evidence of an arrangement exists, the services have been provided to the customer, the sales price is fixed or determinable and collectability is reasonably assured, as more fully described below.

Through our merchant and network relationships we provide fuel, prepaid cards, vehicle maintenance, lodging, food, toll, and transportation related services to our customers. We derive revenue from our merchant and network relationships based on the difference between the price charged to a customer for a transaction and the price paid to the merchant or network for the same transaction. Our revenue consists of margin on sales and fees for technical support, processing, communications and reporting. The price paid to a merchant or network may be calculated as (i) the merchant's wholesale cost of the product plus a markup; (ii) the transaction purchase price less a percentage discount; or (iii) the transaction purchase price less a fixed fee per unit. The difference between the price we pay to a merchant and the merchant's wholesale cost for the underlying products and services is considered a merchant commission and is recognized as expense when the fuel purchase transaction is executed. We have entered into agreements with major oil companies, petroleum marketers and leasing companies, among others, that specify that a transaction is deemed to be captured when we have validated that the transaction has no errors and have accepted and posted the data to our records.

We also derive revenue from customers and partners from a variety of program fees including transaction fees, card fees, network fees, report fees and other transaction-based fees which typically are calculated based on measures such as percentage of dollar volume processed, number of transactions processed, or some combination thereof. Such services are provided through proprietary networks or through the use of third-party networks. Transaction fees and other transaction-based fees generated from our proprietary networks and third-party networks are recognized at the time the transaction is captured. Card fees, network fees and program fees are recognized as we fulfill our contractual service obligations. In addition, we recognize revenue from late fees and finance charges, in jurisdictions where permitted under local regulations, primarily in the U.S. and Canada. Such fees are recognized net of a provision for estimated uncollectible amounts, at the time the fees and finance charges are assessed and services are provided. The Company ceases billing and accruing for late fees and finance charges approximately 30-40 days after the customer's balance becomes delinquent.

We also charge our customers transaction fees to load value onto prepaid fuel, food, toll and transportation vouchers and cards. We recognize fee revenue upon providing the activated fuel, food, toll and transportation vouchers and prepaid cards to the customer. Revenue is recognized on lodging and transportation management services when the lodging stay or transportation service is completed. Revenue is also derived from the sale of equipment in certain of our businesses, which is recognized at the time the device is sold and the risks and rewards of ownership have passed. This revenue is recognized gross of the cost of sales related to the equipment in revenues, net within the consolidated statements of income. The related cost of sales for the equipment is recorded within processing expenses. We have recorded \$91.6 million of expenses related to sales of equipment within the processing expenses line of the consolidated statements of income in 2016.

Our fiscal year ends on December 31. In certain of our U.K. businesses, we record the operating results using a 4-4-5 week accounting cycle with the fiscal year ending on the Friday on or immediately preceding December 31. Fiscal years 2015 and 2014 include 52 weeks for the businesses reporting using a 4-4-5 accounting cycle.

We deliver both stored value cards and card-based services primarily in the form of gift cards. For multiple-deliverable customer contracts, stored value cards and card-based services are separated into two units of accounting. Stored valued cards are generally recognized upon shipment to the customer. Card-based services are recognized when the card services are rendered.

Accounts receivable

As described above under the heading "Securitization Facility," we maintain a revolving trade accounts receivable Securitization Facility. The current purchase limit under the Securitization Facility is \$950 million. Accounts receivable collateralized within our Securitization Facility relate to trade receivables resulting from charge card activity. Pursuant to the terms of the Securitization Facility, we transfer certain of our domestic receivables, on a revolving basis, to FleetCor Funding LLC (Funding), a wholly-owned bankruptcy remote subsidiary (Conduit). In turn, Funding sells, without recourse, on a revolving basis, up to \$950 million of undivided ownership interests in this pool of accounts receivable to a multi-seller, asset-backed commercial paper conduit. Funding maintains a subordinated interest, in the form of over collateralization, in a portion of the receivables sold to the conduit. Purchases by the conduit are financed with the sale of highly-rated commercial paper.

We utilize proceeds from the sale of our accounts receivable as an alternative to other forms of financing, effectively reducing our overall borrowing costs. We have agreed to continue servicing the sold receivables for the financial institutions at market rates, which approximates our cost of servicing. We retain a residual interest in the accounts receivable sold as a form of credit enhancement. The residual interest's fair value approximates carrying value due to its short-term nature. Funding determines the level of funding achieved by the sale of trade accounts receivable, subject to a maximum amount.

On November 14, 2014, in order to finance a portion of the Comdata acquisition, the Company and certain of its subsidiaries entered into a New Receivables Purchase Agreement. Under the terms of the New Receivables Purchase agreement, the purchase limit was increased from \$500 million to \$1.2 billion, and the term of the facility was extended to November 14, 2017. On November 5, 2015, the first amendment to the fifth amended and restated receivables purchase agreement was entered into which allowed the Company to enter into a new contract with BP and modified the eligible receivables definition and on December 1, 2015, the second amendment to the fifth amended and restated receivables purchase agreement was entered into which reduced the commitments from \$1.2 billion to \$950 million.

All foreign receivables are owned receivables and are not included in our receivable securitization program. At December 31, 2016 and 2015, there was \$591 million and \$614 million, respectively, of short-term debt outstanding under our Securitization Facility.

Credit risk and reserve for losses on receivables

We control credit risk by performing periodic credit evaluations of our customers. Payments from customers are generally due within 14 days of billing. We routinely review our accounts receivable balances and make provisions for probable doubtful accounts based primarily on the aging of those balances. Accounts receivable are deemed uncollectible once they age past 90 days and are deemed uncollectible from the customer. We provide an allowance for receivables aged less than 90 days that we expect will be uncollectible based on historical collections experience and would include accounts that have filed for bankruptcy. At December 31, 2016, approximately 95% of outstanding accounts receivable were current. Accounts receivable deemed uncollectible are removed from accounts receivable and the allowance for doubtful accounts when internal collection efforts have been exhausted and accounts have been turned over to a third-party collection agency. Recoveries from the third-party collection agency are not significant.

Impairment of long-lived assets, intangibles and equity method investment

We test our other long-lived assets for impairment in accordance with relevant authoritative guidance. We evaluate whether impairment indicators related to our property, plant and equipment and other long-lived assets are present. These impairment indicators may include a significant decrease in the market price of a long-lived asset or asset group, a significant adverse change in the extent or manner in which a long-lived asset or asset group is being used or in its physical condition, or a current-period operating or cash flow loss combined with a history of operating or cash flow losses or a forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group. If impairment indicators are present, we estimate the future cash flows for the asset or group of assets. The sum of the undiscounted future cash flows attributable to the asset or group of assets is compared to their carrying amount. The cash flows are estimated utilizing various projections of revenues and expenses, working capital and proceeds from asset disposals on a basis consistent with management's intended actions. If the carrying amount exceeds the sum of the undiscounted future cash flows, we determine the assets' fair value by discounting the future cash flows using a discount rate required for a similar investment of like risk and records an impairment charge as the difference between the fair value and the carrying value of the asset group. Generally, we perform our testing of the asset group at the business-line level, as this is the lowest level for which identifiable cash flows are available.

We complete an impairment test of goodwill at least annually or more frequently if facts or circumstances indicate that goodwill might be impaired. Goodwill is tested for impairment at the reporting unit level, and the impairment test consists of two steps, as well as a qualitative assessment, as appropriate. As deemed appropriate, we have performed a qualitative assessment of certain of our reporting units. In this qualitative assessment we individually considered the following items for each reporting unit where we determined a qualitative analysis to be appropriate: the macroeconomic conditions, including any deterioration of general conditions, limitations on accessing capital, fluctuations in foreign exchange rates and other developments in equity and credit markets; industry and market conditions, including any deterioration in the environment where the reporting unit operates, increased competition, changes in the products/services and regulator and political developments; cost of doing business; overall financial performance, including any declining cash flows and performance in relation to planned revenues and earnings in past periods; other relevant reporting unit specific facts, such as changes in management or key personnel or pending litigation; events affecting the reporting unit, including changes in the carrying value of net assets, likelihood of disposal and whether there were any other impairment considerations within the business; the overall performance of our share price in relation to the market and our peers; and a quantitative stress test of the

previously completed step 1 test from the prior year, updated with current year results, weighted-average cost of capital rates and future projections.

In step 1 of the goodwill impairment test for our reporting units, the reporting unit's carrying amount, including goodwill is compared to its fair value which is measured based upon, among other factors, a discounted cash flow analysis as well as market multiples for comparable companies. If the carrying amount of the reporting unit is greater than its fair value, goodwill is considered impaired and step two must be performed. Step two measures the impairment loss by comparing the implied fair value of reporting unit goodwill with the carrying amount of that goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit to all the assets and liabilities of that unit (including unrecognized intangibles) as if the reporting unit had been acquired in a business combination. The excess of fair value over the amounts allocated to the assets and liabilities of the reporting unit is the implied fair value of goodwill. The excess of the carrying amount over the implied fair value is the impairment loss.

We estimate the fair value of our reporting units using a combination of the income approach and the market approach. The income approach utilizes a discounted cash flow model incorporating management's expectations for future revenue, operating expenses, earnings before interest, taxes, depreciation and amortization, capital expenditures and an anticipated tax rate. We discount the related cash flow forecasts using an estimated weighted-average cost of capital for each reporting unit at the date of valuation. The market approach utilizes comparative market multiples in the valuation estimate. Multiples are derived by relating the value of guideline companies, based on either the market price of publicly traded shares or the prices of companies being acquired in the marketplace, to various measures of their earnings and cash flow. Such multiples are then applied to the historical and projected earnings and cash flow of the reporting unit in developing the valuation estimate.

Preparation of forecasts and the selection of the discount rates involve significant judgments about expected future business performance and general market conditions. Significant changes in forecasts, the discount rates selected or the weighting of the income and market approach could affect the estimated fair value of one or more of our reporting units and could result in a goodwill impairment charge in a future period.

Based on the goodwill asset impairment analysis performed quantitatively on October 1, 2016, we determined that the fair value of each of our reporting units is in excess of the carrying value. No events or changes in circumstances have occurred since the date of our most recent annual impairment test that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

We also evaluate indefinite-lived intangible assets (primarily trademarks and trade names) for impairment annually. We also test for impairment if events and circumstances indicate that it is more likely than not that the fair value of an indefinite-lived intangible asset is below its carrying amount. Estimates critical to our evaluation of indefinite-lived intangible assets for impairment include the discount rate, royalty rates used in our evaluation of trade names, projected average revenue growth and projected long-term growth rates in the determination of terminal values. An impairment charge is recorded if the carrying amount of an indefinite-lived intangible asset exceeds the estimated fair value on the measurement date.

We also regularly evaluate the carrying value of our equity method investment, which is not carried at fair value, for other-than-temporary impairment. We estimate the fair value of our equity method investment using a combination of the income approach and the market approach. The income approach utilizes a discounted cash flow model incorporating management's expectations for future revenue, operating expenses, earnings before interest, taxes, depreciation and amortization, capital expenditures and an anticipated tax rate. We discount the related cash flow forecasts using an estimated weighted-average cost of capital for each reporting unit at the date of valuation. The market approach utilizes comparative market multiples in the valuation estimate. Multiples are derived by relating the value of guideline companies, based on either the market price of publicly traded shares or the prices of companies being acquired in the marketplace, to various measures of their earnings and cash flow. Such multiples are then applied to the historical and projected earnings and cash flow of our equity method investment in developing the valuation estimate. During the fourth quarters of 2016 and 2015, we determined that the performance improvement initiatives in our equity method investment in Masternaut Group Holdings Limited ("Masternaut") will take longer and be more challenging to implement than originally projected, based on revised cash flow projections provided by the business. As a result, we have recorded a \$36.1 million and \$40 million non-cash impairment charge in our equity method investment for 2016 and 2015, respectively.

Income taxes

We account for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to

apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the associated temporary differences became deductible. On a quarterly basis, we evaluate whether it is more likely than not that our deferred tax assets will be realized in the future and conclude whether a valuation allowance must be established.

We do not provide deferred taxes for the undistributed earnings of our foreign subsidiaries that are considered to be indefinitely reinvested outside of the United States in accordance with relevant authoritative literature. If in the future these earnings are repatriated to the United States, or if we determine that the earnings will be remitted in the foreseeable future, additional tax provisions may be required.

Current guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes threshold and measurement attributes for financial statement disclosure of tax positions taken or expected to be taken on a tax return. Under the relevant authoritative literature, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more likely than not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50 percent likelihood of being sustained. We include any estimated interest and penalties on tax related matters in income tax expense.

Business combinations

We have accounted for business combinations under the acquisition method of accounting. The acquisition method requires that the acquired assets and liabilities including contingencies, be recorded at fair value determined as of the acquisition date and changes thereafter reflected in income. For significant acquisitions, we obtain independent third party valuation studies for certain of the assets acquired and liabilities assumed to assist in determining fair value. Goodwill represents the excess of the purchase price over the fair value of the tangible and intangible assets acquired and liabilities assumed. The results of the acquired businesses are included in our results of operations beginning from the completion date of the applicable transaction.

Estimates of fair value are revised during an allocation period as necessary when, and if, information becomes available to further define and quantify the fair value of the assets acquired and liabilities assumed. Provisional estimates of the fair values of the assets acquired and liabilities assumed involves a number of estimates and assumptions that could differ materially from the final amounts recorded. The allocation period does not exceed one year from the date of the acquisition. To the extent additional information to refine the original allocation becomes available during the allocation period, the allocation of the purchase price is adjusted. Should information become available after the allocation period, those items are adjusted through operating results. The direct costs of the acquisition are recorded as operating expenses. Certain acquisitions include contingent consideration related to the performance of the acquired operations following the acquisition. Contingent consideration is recorded at estimated fair value at the date of the acquisition and is remeasured each reporting period, with any changes in fair value recorded in the consolidated statements of income. We estimate the fair value of the acquisition-related contingent consideration using various valuation approaches, as well as significant unobservable inputs, reflecting our assessment of the assumptions market participants would use to value these liabilities.

Stock-based compensation

We account for employee stock options and restricted stock in accordance with relevant authoritative literature. Stock options are granted with an exercise price estimated to be equal to the fair market value on the date of grant as authorized by our board of directors. Options granted have vesting provisions ranging from one to six years. Stock option grants are subject to forfeiture if employment terminates prior to vesting. We have selected the Black-Scholes option pricing model for estimating the grant date fair value of stock option awards granted. We have considered the retirement and forfeiture provisions of the options and utilized our historical experience to estimate the expected life of the options. We base the risk-free interest rate on the yield of a zero coupon U.S. Treasury security with a maturity equal to the expected life of the option from the date of the grant. Stock-based compensation cost is measured at the grant date based on the value of the award and is recognized as expense over the requisite service period based on the number of years for which the requisite service is expected to be rendered.

Awards of restricted stock and restricted stock units are independent of stock option grants and are subject to forfeiture if employment terminates prior to vesting. The vesting of shares granted is generally based on the passage of time, performance or market conditions, or a combination of these. Shares vesting based on the passage of time have vesting provisions of one year. The fair value of restricted stock shares where the shares vest based on the passage of time or performance is based on the grant date fair value of our stock. The fair value of restricted stock shares based on market conditions is estimated using the Monte Carlo option pricing model. The risk-free interest rate and volatility assumptions used within the Monte Carlo option

pricing model are calculated consistently with those applied in the Black-Scholes options pricing model utilized in determining the fair value of the stock option awards.

For performance-based restricted stock awards and performance based stock option awards, we must also make assumptions regarding the likelihood of achieving performance goals. If actual results differ significantly from these estimates, stock-based compensation expense and our results of operations could be materially affected.

Adoption of New Accounting Standards

Going Concern

In August 2013, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2014-15 "Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern", which requires entities to perform interim and annual assessments of the entity's ability to continue as a going concern within one year of the date of issuance of the entity's financial statements. This ASU is effective for fiscal years ending after December 15, 2016 and interim periods thereafter, with early adoption permitted. Our adoption of this ASU did not have a material impact on the results of operations, financial condition, or cash flows, as it is disclosure based.

Simplification of Guidance on Debt Issuance Costs

In April 2015, the FASB issued ASU 2015-3, "Interest—Imputation of Interest", which changes the presentation of debt issuance costs in financial statements as a direct deduction from the related debt liability rather than as an asset. This ASU is effective for us for fiscal years ending after December 15, 2015 and interim periods. Early adoption is permitted. In August 2015, the FASB issued ASU 2015-15, "Interest-Imputation of Interest: Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements", which is effective immediately. The SEC staff clarified that entities may continue presenting unamortized debt issuance costs for line-of-credit arrangements as an asset. We adopted this new guidance on January 1, 2016. As a result of the adoption of this ASU, \$0.6 million and \$1.5 million of unamortized debt issuance costs were retrospectively adjusted from prepaid expenses and other current assets to the current portion of notes payable and lines of credit and other assets to notes payable and other obligations, less current portion, respectively, in the our Consolidated Balance Sheet as of December 31, 2015.

Accounting for Employee Stock-Based Payment

In March 2016, the FASB issued ASU 2016-09, "Compensation-Stock Compensation: Improvements to Employee Share-Based Payment Accounting", which requires excess tax benefits recognized on stock-based compensation expense be reflected in the consolidated statements of operations as a component of the provision for income taxes on a prospective basis. ASU 2016-09 also requires excess tax benefits recognized on stock-based compensation expense be classified as an operating activity in the consolidated statements of cash flows rather than a financing activity. Companies can elect to apply this provision retrospectively or prospectively. ASU 2016-09 also requires entities to elect whether to account for forfeitures as they occur or estimate expected forfeitures over the course of a vesting period. This ASU is effective for us for annual periods beginning after December 15, 2016. Early adoption is permitted.

During the third quarter of 2016, we elected to early adopt ASU 2016-09. The adoption of this ASU resulted in excess tax benefits being recorded as a reduction of income tax expense prospectively for all periods during 2016, rather than additional paid in capital, and an increase in the number of dilutive shares outstanding at the end of each period, which resulted in an increase to diluted earnings per share during the respective period. As required by ASU 2016-09, excess tax benefits recognized on stock-based compensation expense are classified as an operating activity in our consolidated statements of cash flows on a prospective basis within changes in accounts payable, accrued expenses and customer deposits. In accordance with ASU 2016-09, prior periods related to the classification of excess tax benefits have not been adjusted. We also elected to account for forfeitures as they occur, rather than estimate expected forfeitures over the course of a vesting period. As a result of the adoption of ASU 2016-09, the net cumulative effect of this change was not material.

The following table shows the impact of retrospectively applying ASU 2016-09 to the previously issued consolidated statements of operations for the three month period ended March 31 and the three and six month periods ended June 30 (in thousands, except per share amounts):

	Three Months Ended March 31, 2016			Three Months Ended June 30, 2016		
	As Previously Reported	Adjustments	As Recast	As Previously Reported	Adjustments	As Recast
Income before income taxes	\$ 156,912	\$ —	\$ 156,912	\$ 162,348	\$ —	\$ 162,348
Provision for income taxes	46,940	(1,118)	45,822	48,163	(2,068)	46,095
Net income	\$ 109,972	\$ 1,118	\$ 111,090	\$ 114,185	\$ 2,068	\$ 116,253
Earnings per share:						
Basic earnings per share	\$ 1.19	\$ 0.01	\$ 1.20	\$ 1.23	\$ 0.02	\$ 1.25
Diluted earnings per share	\$ 1.17	\$ —	\$ 1.17	\$ 1.21	\$ 0.01	\$ 1.22
Weighted average common shares outstanding:						
Basic	92,516	—	92,516	92,665	—	92,665
Diluted	94,329	701	95,030	94,549	729	95,279

	Six Months Ended June 30, 2016		
	As Previously Reported	Adjustments	As Recast
Income before income taxes	\$ 319,260	\$ —	\$ 319,260
Provision for income taxes	95,103	(3,186)	91,917
Net income	\$ 224,157	\$ 3,186	\$ 227,343
Earnings per share:			
Basic earnings per share	\$ 2.42	\$ 0.04	\$ 2.46
Diluted earnings per share	\$ 2.37	\$ 0.02	\$ 2.39
Weighted average common shares outstanding:			
Basic	92,591	—	92,591
Diluted	94,437	700	95,137

The following table shows the impact of retrospectively applying this guidance to the Consolidated Statement of Cash flows for the three months ended March 31, 2016 and six months ended June 30, 2016 (in thousands):

	Three Months Ended March 31, 2016			Six Months Ended June 30, 2016		
	As Previously Reported	Adjustments	As Recast	As Previously Reported	Adjustments	As Recast
Net cash provided by operating activities	\$ 121,505	\$ 1,118	\$ 122,623	\$ 208,856	\$ 3,186	\$ 212,042
Net cash used in investing activities	(20,745)	—	(20,745)	(37,924)	—	(37,924)
Net cash used in financing activities	(157,389)	(1,118)	(158,507)	(118,303)	(3,186)	(121,489)
Effect of foreign currency exchange rates on cash	8,795	—	8,795	(6,696)	—	(6,696)
Net (decrease) increase in cash	\$ (47,834)	\$ —	\$ (47,834)	\$ 45,933	\$ —	\$ 45,933

Simplification of Balance Sheet Classification of Deferred Taxes

In November 2015, the FASB issued ASU 2015-17, "Balance Sheet Classification of Deferred Taxes", which requires entities to present deferred tax assets (DTAs) and deferred tax liabilities (DTLs) as noncurrent in a classified balance sheet. It thus simplifies the current guidance, which requires entities to separately present DTAs and DTLs as current or noncurrent in a classified balance sheet. Netting of DTAs and DTLs by tax jurisdiction is still required under the new guidance. This ASU is effective for us for annual reporting periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted. During the fourth quarter of 2016, we elected to early adopt ASU 2015-17 on a

prospective basis and prior periods were not retrospectively adjusted. Our adoption of this ASU did not have a material impact on the results of operations, financial condition, or cash flows.

Pending Adoption of Recently Issued Accounting Standards

From time to time, new accounting pronouncements are issued by the FASB or other standards setting bodies that are adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company's management believes that the impact of recently issued standards that are not yet effective will not have a material impact on the Company's consolidated financial statements upon adoption.

Revenue Recognition

In May 2014, the FASB issued Accounting Standards Codification ("ASC") 606, "Revenue from Contracts with Customers", which amends the guidance in former ASC 605, Revenue Recognition. This amended guidance requires revenue to be recognized in an amount that reflects the consideration to which the company expects to be entitled for those goods and services when the performance obligation has been satisfied. This amended guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and related cash flows arising from contracts with customers. In August 2015, the FASB issued ASU 2015-14, "Revenue from Contracts with Customers: Deferral of the Effective Date", which defers the effective date of the new revenue recognition standard by one year. In March 2016, the FASB issued ASU 2016-08, "Revenue from Contracts with Customers: Principal versus Agent Considerations (Reporting Revenue Gross versus Net)", which clarifies how an entity should identify the unit of accounting for the principal versus agent evaluation and how it should apply the control principle to certain types of arrangements. In April 2016, the FASB issued ASU 2016-10, "Identifying Performance Obligations and Licensing", which clarifies the accounting for intellectual property licenses and identifying performance obligations. In May 2016, the FASB issued ASU 2016-11, "Rescission of SEC Guidance Because of Accounting Standards Updates 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 EITF Meeting", which rescinds certain SEC guidance in response to announcements made by the SEC staff at the EITF's March 3, 2016 meeting and ASU 2016-12, "Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients", which clarifies the guidance on collectibility, non-cash consideration, the presentation of sales and other similar taxes collected from customers and contract modifications and completed contracts at transition. Additionally, ASU 2016-12 clarifies that entities electing the full retrospective transition method would no longer be required to disclose the effect of the change in accounting principle on the period of adoption; however, entities would still be required to disclose the effects on preadoption periods that were retrospectively adjusted. These ASUs are effective for us for reporting periods beginning after December 15, 2017, but permit companies the option to adopt as of the original effective date. We are currently evaluating the impact of the provisions of ASC 606. In 2016, we continued our assessment of the new standard with a focus on identifying the performance obligations included within our revenue arrangements with customers and evaluating our methods of estimating the amount of and timing of variable consideration. The guidance permits the use of either a retrospective or cumulative effect transition method. We anticipate selecting the modified retrospective method, which would result in an adjustment to retained earnings for the cumulative effect, if any, of applying the standard to contracts in process as of the adoption date. Under this method, we would not restate the prior financial statements presented, therefore the new standard requires us to provide additional disclosures of the amount by which each financial statement line item is affected in the current reporting period during 2018, as compared to the guidance that was in effect before the change, and an explanation of the reasons for significant changes, if any. We are continuing our assessment to evaluate the impact of the provisions of ASC 606 on the results of operations, financial condition, and cash flows.

Accounting for Leases

In February 2016, the FASB issued ASU 2016-02, "Leases", which requires lessees to recognize a right-of-use asset and a lease liability on the balance sheet for all leases with the exception of short-term leases. This ASU also requires disclosures to provide additional information about the amounts recorded in the financial statements. This ASU is effective for us for annual periods beginning after December 15, 2018 and interim periods therein. Early adoption is permitted. The new standard must be adopted using a modified retrospective transition and requires application of the new guidance for leases that exist or are entered into after the beginning of the earliest comparative period presented. We are currently evaluating the impact of this ASU on the results of operations, financial condition, or cash flows.

Accounting for Breakage

In March 2016, the FASB issued ASU 2016-04, "Liabilities-Extinguishments of Liabilities: Recognition of Breakage for Certain Prepaid Stored-Value Products", which requires entities that sell prepaid stored value products redeemable for goods, services or cash at third-party merchants to derecognize liabilities related to those products for breakage. This ASU is effective for us for reporting periods beginning after December 15, 2017. Early adoption is permitted. The ASU must be adopted using either a modified retrospective approach with a cumulative effect adjustment to retained earnings as of the beginning of the

period of adoption or a full retrospective approach. Our adoption of this ASU is not expected to have a material impact on the results of operations, financial condition, or cash flows.

Cash Flow Classification

In August 2016, the FASB issued ASU 2016-15, "Classification of Certain Cash Receipts and Cash Payments", which amends the guidance in ASC 230, Statement of Cash Flows. This amended guidance reduces the diversity in practice that has resulted from the lack of consistent principles related to the classification of certain cash receipts and payments in the statement of cash flows. This ASU is effective for the Company for reporting periods beginning after December 15, 2017. Early adoption is permitted. Entities must apply the guidance retrospectively to all periods presented but may apply it prospectively from the earliest date practicable if retrospective application would be impracticable. Our adoption of this ASU is not expected to have a material impact on the results of operations, financial condition, or cash flows.

In November 2016, the FASB issued ASU 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash", which amends the guidance in ASC 230, Statement of Cash Flows, on the classification and presentation of restricted cash in the statement of cash flows. This ASU is effective for the Company for reporting periods beginning after December 15, 2017. Early adoption is permitted. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The amendments in this ASU should be applied using a retrospective transition method to each period presented. Our adoption of this ASU is not expected to have a material impact on the results of operations, financial condition, or cash flows.

Contractual obligations

The table below summarizes the estimated dollar amounts of payments under contractual obligations identified below as of December 31, 2016 for the periods specified:

(in millions)	Total	Payments due by period(a)			
		Less than 1 year	1-3 years	3-5 years	More than 5 years
Credit Facility	\$ 3,254.3	\$ 745.5	\$ 2,271.8	\$ 237.0	\$ —
Securitization Facility	591.0	591.0	—	—	—
Estimated interest payments- Credit Facility(c)	206.6	81.3	125.3	—	—
Estimated interest payments- Securitization Facility(c)	10.0	10.0	—	—	—
Operating leases	81.8	18.2	25.0	15.6	23.0
Deferred purchase price(b)	3.0	3.0	—	—	—
Other(b)	12.9	—	11.8	0.2	1.0
Total	<u>\$ 4,159.6</u>	<u>\$ 1,449.0</u>	<u>\$ 2,433.8</u>	<u>\$ 252.9</u>	<u>\$ 24.0</u>

- (a) Deferred income tax liabilities as of December 31, 2016 were approximately \$666.1 million. Refer to Note 11 to our audited consolidated financial statements. This amount is not included in the total contractual obligations table because we believe this presentation would not be meaningful. Deferred income tax liabilities are calculated based on temporary differences between the tax bases of assets and liabilities and their respective book bases, which will result in taxable amounts in future years when the liabilities are settled at their reported financial statement amounts. The results of these calculations do not have a direct connection with the amount of cash taxes to be paid in any future periods. As a result, scheduling deferred income tax liabilities as payments due by period could be misleading, as this scheduling would not relate to liquidity needs.
- (b) The long-term portion of contingent consideration agreements and deferred purchase price payments are included with 'other debt' in the detail of our debt instruments disclosed in Note 10 to our audited consolidated financial statements. To reconcile the amount of 'other debt' as disclosed in the footnote to the contractual obligations table above, the long-term portion of deferred purchase price payments should be combined with 'Other'.
- (c) We draw upon and pay down on the revolver within our New Credit Agreement and our Securitization Facility borrowings outside of a normal schedule, as excess cash is available. For our variable rate debt, we have assumed the December 31, 2016 interest rates to calculate the estimated interest payments, for all years presented. This analysis also assumes that outstanding principal is held constant at the December 31, 2016 balances for our New Credit Agreement and Securitization Facility, except for mandatory pay downs on the term loans in accordance with the loan documents. We typically expect to settle such interest payments with cash flows from operating activities and/or other short-term borrowings.

Management's Use of Non-GAAP Financial Measures

We have included in the discussion above certain financial measures that were not prepared in accordance with GAAP. Any analysis of non-GAAP financial measures should be used only in conjunction with results presented in accordance with GAAP. Below, we define the non-GAAP financial measures, provide a reconciliation of the non-GAAP financial measure to the most directly comparable financial measure calculated in accordance with GAAP, and discuss the reasons that we believe this information is useful to management and may be useful to investors.

Adjusted revenues

We have defined the non-GAAP measure adjusted revenues as revenues, net less merchant commissions as reflected in our income statement.

We use adjusted revenues as a basis to evaluate our revenues, net of the commissions that are paid to merchants to participate in our card programs. The commissions paid to merchants can vary when market spreads fluctuate in much the same way as revenues are impacted when market spreads fluctuate. We believe that adjusted revenue is an appropriate supplemental measure of financial performance and may be useful to investors to understanding our revenue performance on a consistent basis. Adjusted revenues are not intended to be a substitute for GAAP financial measures and should not be used as such.

Set forth below is a reconciliation of adjusted revenues to the most directly comparable GAAP measure, revenues, net (in thousands):

	Year Ended December 31,		
	2016	2015	2014
Revenues, net	\$ 1,831,546	\$ 1,702,865	\$ 1,199,390
Merchant commissions	104,345	108,257	96,254
Total adjusted revenues	<u>\$ 1,727,201</u>	<u>\$ 1,594,608</u>	<u>\$ 1,103,136</u>

Adjusted net income and adjusted net income per diluted share

We have defined the non-GAAP measure adjusted net income as net income as reflected in our statement of income, adjusted to eliminate (a) non-cash stock-based compensation expense related to share-based compensation awards, (b) amortization of deferred financing costs, discounts and intangible assets, (c) amortization of the premium recognized on the purchase of receivables, (d) loss on the early extinguishment of debt, (e) our proportionate share of amortization of intangible assets at our equity method investment, (f) impairment of equity method investment, (g) non-recurring net gain at equity method investment, and (h) other non-cash adjustments.

We have defined the non-GAAP measure adjusted net income per diluted share as the calculation previously noted divided by the weighted average diluted shares outstanding as reflected in our statement of income.

We use adjusted net income to eliminate the effect of items that we do not consider indicative of our core operating performance. We believe it is useful to exclude non-cash stock based compensation expense from adjusted net income because non-cash equity grants made at a certain price and point in time do not necessarily reflect how our business is performing at any particular time and stock based compensation expense is not a key measure of our core operating performance. We also believe that amortization expense can vary substantially from company to company and from period to period depending upon their financing and accounting methods, the fair value and average expected life of their acquired intangible assets, their capital structures and the method by which their assets were acquired. Therefore, we have excluded amortization expense from adjusted net income. We believe that adjusted net income and adjusted net income per diluted share are appropriate supplemental measures of financial performance and may be useful to investors to understanding our operating performance on a consistent basis. Adjusted net income and adjusted net income per diluted share are not intended to be a substitute for GAAP financial measures and should not be used as such.

Set forth below is a reconciliation of adjusted net income and adjusted net income per diluted share to the most directly comparable GAAP measure, net income and net income per diluted share (in thousands, except per share amounts):

	Year Ended December 31,		
	2016 ⁴	2015	2014
Net income	\$ 452,385	\$ 362,431	\$ 368,707
Net income per diluted share	\$ 4.75	\$ 3.85	\$ 4.24
Stock based compensation	63,946	90,122	37,649
Amortization of intangible assets	161,635	159,740	86,149
Amortization of premium on receivables	5,165	3,250	3,259
Amortization of deferred financing costs and discounts	7,582	7,049	2,796
Amortization of intangibles at equity method investment	10,093	10,665	7,982
Loss on extinguishment of debt	—	—	15,764
Non-recurring net gain at equity method investment	(10,845)	—	—
Impairment of equity method investment	36,065	40,000	—
Other non-cash adjustments	—	—	(28,869) ²
Total pre-tax adjustments	273,641	310,826	124,730
Income tax impact of pre-tax adjustments at the effective tax rate*	(66,850)	(80,632) ³	(45,767) ¹
Adjusted net income	\$ 659,176	\$ 592,625	\$ 447,670
Adjusted net income per diluted share	\$ 6.92	\$ 6.30	\$ 5.15
Diluted shares	95,213	94,139	86,982

¹The effective tax rate used to calculate the income tax impact of pre-tax adjustments during 2014 excludes the impact of a \$9.5 million discrete tax benefit, as well as other non-cash adjustments and their related income tax expense.

²Other non-cash adjustments are unusual items reflecting adjustments to purchase accounting entries for contingent consideration and tax indemnifications for our 2013 acquisitions of DB and VB in Brazil.

³The effective tax rate utilized excludes the impact of a one-time tax benefit recognized during 2015 of approximately \$0.8 million, as well as adjustments related to our equity method investment for all periods presented.

⁴Reflects the impact of the Company's adoption of Accounting Standards Update 2016-09, "Compensation-Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting", to simplify several aspects of the accounting for the share-based compensation, including the income tax consequences.

*Excludes the results of our equity method investment on our effective tax rate, as results from our equity method investment are reported within the Consolidated Income Statements on a post-tax basis and no tax-over-book outside basis differences related to our equity method investment reversed during 2016.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign currency risk

Our International segment exposes us to foreign currency exchange rate changes that can impact translations of foreign-denominated assets and liabilities into U.S. dollars and future earnings and cash flows from transactions denominated in different currencies. Revenue from our International segment was 30.2%, 27.7% and 44.3% of total revenue for the years ended December 31, 2016, 2015, and 2014, respectively. We measure foreign currency exchange risk based on changes in foreign currency exchange rates using a sensitivity analysis. The sensitivity analysis measures the potential change in earnings based on a hypothetical 10% change in currency exchange rates. Exchange rates and currency positions as of December 31, 2016 were used to perform the sensitivity analysis. Such analysis indicated that a hypothetical 10% change in foreign currency exchange rates would have increased or decreased consolidated operating income during the year ended December 31, 2016 by approximately \$24.8 million had the U.S. dollar exchange rate increased or decreased relative to the currencies to which we had exposure. When exchange rates and currency positions as of December 31, 2015 and 2014 were used to perform this sensitivity analysis, the analysis indicated that a hypothetical 10% change in currency exchange rates would have increased or decreased consolidated operating income for the years ended December 31, 2015 and 2014 by approximately \$22.5 million and \$27.8 million, respectively.

Interest rate risk

We are exposed to changes in interest rates on our cash investments and debt. We invest our excess cash either to pay down our Securitization Facility debt or in securities that we believe are highly liquid and marketable in the short term. These investments are not held for trading or other speculative purposes. Under our \$3.36 billion Credit Facility, we have syndicated \$2.02 billion and \$300 million term loan agreements with a syndicate of term loan A and term loan B investors in the United States, respectively, as well as a revolving A credit facility of \$1.0 billion and a revolving B credit facility of \$35 million. Interest on amounts outstanding under the Credit Agreement (other than the term loan B facility) accrues based on the British Bankers Association LIBOR Rate (the Eurocurrency Rate), plus a margin based on a leverage ratio, or our option, the Base Rate (defined as the rate equal to the highest of (a) the Federal Funds Rate plus 0.50%, (b) the prime rate announced by Bank of America, N.A., or (c) the Eurocurrency Rate plus 1.00%) plus a margin based on a leverage ratio.

Based on the amounts and mix of our fixed and floating rate debt (exclusive of our Securitization Facility) at December 31, 2016, 2015 and 2014, if market interest rates had increased or decreased an average of 100 basis points, our interest expense would have changed by \$27.9 million, \$26.2 million and \$31.6 million, respectively. We determined these amounts by considering the impact of the hypothetical interest rates on our borrowing costs. These analyses do not consider the effects of changes in the level of overall economic activity that could exist in such an environment.

Fuel price risk

Our fleet customers use our products and services primarily in connection with the purchase of fuel. Accordingly, our revenue is affected by fuel prices, which are subject to significant volatility. A decline in retail fuel prices could cause a change in our revenue from several sources, including fees paid to us based on a percentage of each customer's total purchase. Changes in the absolute price of fuel may also impact unpaid account balances and the late fees and charges based on these amounts. The impact of changes in fuel price is somewhat mitigated by our agreements with certain merchants, where the price paid to the merchant is equal to the lesser of the merchant's cost plus a markup or a percentage of the transaction purchase price. We do not enter into any fuel price derivative instruments.

Fuel-price spread risk

From our merchant and network relationships, we derive revenue from the difference between the price charged to a fleet customer for a transaction and the price paid to the merchant or network for the same transaction. The price paid to a merchant or network is calculated as the merchant's wholesale cost of fuel plus a markup. The merchant's wholesale cost of fuel is dependent on several factors including, among others, the factors described above affecting fuel prices. The fuel price that we charge to our customer is dependent on several factors including, among others, the fuel price paid to the fuel merchant, posted retail fuel prices and competitive fuel prices. We experience fuel-price spread contraction when the merchant's wholesale cost of fuel increases at a faster rate than the fuel price we charge to our customers, or the fuel price we charge to our customers decreases at a faster rate than the merchant's wholesale cost of fuel. Accordingly, if fuel-price spreads contract, we may generate less revenue, which could adversely affect our operating results. The impact of volatility in fuel spreads is somewhat mitigated by our agreements with certain merchants, where the price paid to the merchant is equal to the lesser of the merchant's cost plus a markup or a percentage of the transaction purchase price.

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

	Page
Reports of Independent Registered Public Accounting Firm	74
Consolidated Balance Sheets at December 31, 2016 and 2015	76
Consolidated Statements of Income for the Years Ended December 31, 2016, 2015 and 2014	77
Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2016, 2015 and 2014	78
Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 2016, 2015 and 2014	79
Consolidated Statements of Cash Flows for the Years Ended December 31, 2016, 2015 and 2014	80
Notes to Consolidated Financial Statements	82

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of FleetCor Technologies, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of FleetCor Technologies, Inc. and subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of FleetCor Technologies, Inc. and subsidiaries at December 31, 2016 and 2015, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), FleetCor Technologies, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 1, 2017 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Atlanta, Georgia
March 1, 2017

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of FleetCor Technologies, Inc. and Subsidiaries

We have audited FleetCor Technologies, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). FleetCor Technologies, Inc. and subsidiaries' management is responsible 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 the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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.

As indicated in the accompanying Management's Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Serviços e Tecnologia de Pagamentos S.A. and TravelCard Nederland B.V., which is included in the 2016 consolidated financial statements of FleetCor Technologies, Inc. and subsidiaries and constituted 18% of total assets as of December 31, 2016 and 5% of revenues for the year then ended. Our audit of internal control over financial reporting of FleetCor Technologies, Inc. and subsidiaries also did not include an evaluation of the internal control over financial reporting of Serviços e Tecnologia de Pagamentos S.A. and TravelCard Nederland B.V..

In our opinion, FleetCor Technologies, Inc. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of FleetCor Technologies, Inc. and subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2016 of FleetCor Technologies, Inc. and subsidiaries and our report dated March 1, 2017 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Atlanta, Georgia
March 1, 2017

FleetCor Technologies, Inc. and Subsidiaries
Consolidated Balance Sheets
(In Thousands, Except Share and Par Value Amounts)

	December 31,	
	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 475,018	\$ 447,152
Restricted cash	168,752	167,492
Accounts and other receivables (less allowance for doubtful accounts of \$32,506 and \$21,903, respectively)	1,202,009	638,954
Securitized accounts receivable—restricted for securitization investors	591,000	614,000
Prepaid expenses and other current assets	90,914	68,113
Deferred income taxes	—	8,913
Total current assets	2,527,693	1,944,624
Property and equipment	253,361	163,569
Less accumulated depreciation and amortization	(110,857)	(82,809)
Net property and equipment	142,504	80,760
Goodwill	4,195,150	3,546,034
Other intangibles, net	2,653,233	2,183,595
Equity method investment	36,200	76,568
Other assets	71,952	58,225
Total assets	\$ 9,626,732	\$ 7,889,806
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 1,151,432	\$ 669,528
Accrued expenses	238,812	150,677
Customer deposits	530,787	507,233
Securitization facility	591,000	614,000
Current portion of notes payable and lines of credit	745,506	261,100
Other current liabilities	38,781	44,936
Total current liabilities	3,296,318	2,247,474
Notes payable and other obligations, less current portion	2,521,727	2,059,900
Deferred income taxes	668,580	713,428
Other noncurrent liabilities	56,069	38,957
Total noncurrent liabilities	3,246,376	2,812,285
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Common stock, \$0.001 par value; 475,000,000 shares authorized; 121,259,960 shares issued and 91,836,938 shares outstanding at December 31, 2016; and 120,539,041 shares issued and 92,376,335 shares outstanding at December 31, 2015	121	121
Additional paid-in capital	2,074,094	1,988,917
Retained earnings	2,218,721	1,766,336
Accumulated other comprehensive loss	(666,403)	(570,811)
Less treasury stock (29,423,022 shares at December 31, 2016; and 28,162,706 shares at December 31, 2015)	(542,495)	(354,516)
Total stockholders' equity	3,084,038	2,830,047
Total liabilities and stockholders' equity	\$ 9,626,732	\$ 7,889,806

See accompanying notes.

FleetCor Technologies, Inc. and Subsidiaries
Consolidated Statements of Income
(In Thousands, Except Per Share Amounts)

	Year Ended December 31,		
	2016	2015	2014
Revenues, net	\$ 1,831,546	\$ 1,702,865	\$ 1,199,390
Expenses:			
Merchant commissions	104,345	108,257	96,254
Processing	355,414	331,073	173,337
Selling	131,443	109,075	75,527
General and administrative	283,625	297,715	205,963
Depreciation and amortization	203,256	193,453	112,361
Other operating, net	(690)	(4,242)	(29,501)
Operating income	754,153	667,534	565,449
Equity method investment loss	36,356	57,668	8,586
Other expense (income), net	2,982	2,523	(700)
Interest expense, net	71,896	71,339	28,856
Loss on early extinguishment of debt	—	—	15,764
Total other expense	111,234	131,530	52,506
Income before income taxes	642,919	536,004	512,943
Provision for income taxes	190,534	173,573	144,236
Net income	\$ 452,385	\$ 362,431	\$ 368,707
Earnings per share:			
Basic earnings per share	\$ 4.89	\$ 3.94	\$ 4.37
Diluted earnings per share	\$ 4.75	\$ 3.85	\$ 4.24
Weighted average shares outstanding:			
Basic weighted average shares outstanding	92,597	92,023	84,317
Diluted weighted average shares outstanding	95,213	94,139	86,982

See accompanying notes.

FleetCor Technologies, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
(In Thousands)

	Year Ended December 31,		
	2016	2015	2014
Net income	\$ 452,385	\$ 362,431	\$ 368,707
Other comprehensive loss:			
Foreign currency translation loss, net of tax	(95,592)	(279,303)	(223,691)
Total other comprehensive loss	(95,592)	(279,303)	(223,691)
Total comprehensive income	\$ 356,793	\$ 83,128	\$ 145,016

See accompanying notes.

FleetCor Technologies, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity
(In Thousands)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance at December 31, 2013	\$ 117	\$ 631,667	\$ 1,035,198	\$ (67,817)	\$ (375,663)	\$ 1,223,502
Net income	—	—	368,707	—	—	368,707
Other comprehensive loss, net of tax of \$4	—	—	—	(223,691)	—	(223,691)
Issuance of treasury stock	—	1,096,698	—	—	29,266	1,125,964
Issuance of common stock	3	124,077	—	—	—	124,080
Balance at December 31, 2014	120	1,852,442	1,403,905	(291,508)	(346,397)	2,618,562
Net income	—	—	362,431	—	—	362,431
Other comprehensive loss, net of tax of \$0	—	—	—	(279,303)	—	(279,303)
Acquisition of common stock	—	—	—	—	(8,119)	(8,119)
Issuance of common stock	1	136,475	—	—	—	136,476
Balance at December 31, 2015	121	1,988,917	1,766,336	(570,811)	(354,516)	2,830,047
Net income	—	—	452,385	—	—	452,385
Other comprehensive loss, net of tax of \$0	—	—	—	(95,592)	—	(95,592)
Acquisition/return of common stock	—	—	—	—	(187,979)	(187,979)
Issuance of common stock	—	85,177	—	—	—	85,177
Balance at December 31, 2016	\$ 121	\$ 2,074,094	\$ 2,218,721	\$ (666,403)	\$ (542,495)	\$ 3,084,038

See accompanying notes.

FleetCor Technologies, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(In Thousands)

	Year Ended Year Ended December 31,		
	2016	2015	2014
Operating activities			
Net income	\$ 452,385	\$ 362,431	\$ 368,707
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	36,456	30,462	21,097
Stock-based compensation	63,946	90,122	37,649
Provision for losses on accounts receivable	35,885	24,629	24,412
Amortization of deferred financing costs and discounts	7,582	7,049	2,796
Loss on extinguishment of debt	—	—	15,764
Amortization of intangible assets	161,635	159,740	86,149
Amortization of premium on receivables	5,165	3,250	3,259
Deferred income taxes	(28,681)	30,626	41,716
Equity method investment loss	36,356	57,668	8,586
Other non-cash operating expenses	(690)	(4,242)	(27,501)
Changes in operating assets and liabilities (net of acquisitions):			
Restricted cash	(2,306)	(35,676)	6,625
Accounts receivable	(338,796)	40,017	246,465
Prepaid expenses and other current assets	5,301	(12,564)	2,820
Other assets	(20,345)	(2,524)	12,455
Excess tax benefits related to stock-based compensation	—	(26,427)	(56,790)
Accounts payable, accrued expenses and customer deposits	292,019	30,023	(185,875)
Net cash provided by operating activities	705,912	754,584	608,334
Investing activities			
Acquisitions, net of cash acquired ¹	(1,331,985)	(49,069)	(2,395,778)
Purchases of property and equipment	(59,011)	(41,875)	(27,070)
Other	1,411	(8,470)	(171,239)
Net cash used in investing activities	(1,389,585)	(99,414)	(2,594,087)
Financing activities			
Excess tax benefits related to stock-based compensation	—	26,427	56,790
Proceeds from issuance of common stock	21,231	19,926	29,641
(Payments) borrowings on securitization facility, net	(23,000)	(61,000)	326,000
Repurchase of common stock	(187,678)	—	—
Deferred financing costs paid	(2,272)	—	(43,943)
Proceeds from notes payable	600,000	—	2,320,000
Principal payments on notes payable	(118,500)	(103,500)	(546,875)
Borrowings from revolver —A Facility	1,225,107	—	807,330
Payments on revolver —A Facility	(786,849)	(486,818)	(783,600)
Payments on foreign revolver —B Facility	—	—	(7,337)
Borrowings (payments) from swing line of credit, net	26,606	(546)	4,990
Payment of contingent consideration	—	(42,177)	—
Other	(676)	(377)	(731)
Net cash provided by (used in) financing activities	753,969	(648,065)	2,162,265
Effect of foreign currency exchange rates on cash	(42,430)	(37,022)	(37,548)
Net increase (decrease) in cash	27,866	(29,917)	138,964
Cash and cash equivalents, beginning of year	447,152	477,069	338,105

Cash and cash equivalents, end of year	\$ 475,018	\$ 447,152	\$ 477,069
Supplemental cash flow information			
Cash paid for interest	\$ 70,339	\$ 72,537	\$ 29,098
Cash paid for income taxes	\$ 101,951	\$ 83,380	\$ 79,124

¹Amounts reported in acquisitions and investment, net of cash acquired, includes debt assumed and immediately repaid in acquisitions.

See accompanying notes.

FleetCor Technologies, Inc. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2016

1. Description of Business

FleetCor Technologies, Inc. and its subsidiaries (the Company) is a global provider of workforce payment products. The Company primarily goes to market with its fuel card payments product solutions, corporate payments products, toll products, lodging cards and gift cards. The Company's products are used in 53 countries around the world, with its primary geographies in the U.S., Brazil and the U.K., which accounted for approximately 92% of revenue in 2016. The Company's core products are primarily sold to businesses, retailers, major oil companies and marketers and government entities. The Company's payment programs enable its customers to better manage and control their commercial payments, card programs, and employee spending and provide card-accepting merchants with a high volume customer base that can increase their sales and customer loyalty. The Company also provides a suite of fleet related and workforce payment products, including mobile telematics services, fleet maintenance management and employee benefit and transportation related payments.

The Company provides its payment products and services in a variety of combinations to create customized payment solutions for customers and partners. The Company sells a range of customized fleet and lodging payment programs directly and indirectly to our customers through partners, such as major oil companies, leasing companies and petroleum marketers. The Company refers to these major oil companies, leasing companies, petroleum marketers, value-added resellers (VARs) and other referral partners with whom we have strategic relationships as our "partners." The Company provides customers with various card products that typically function like a charge card to purchase fuel, lodging, food, toll, transportation and related products and services at participating locations.

The Company supports its products with specialized issuing, processing and information services that enables the Company to manage card accounts, facilitate the routing, authorization, clearing and settlement of transactions, and provide value-added functionality and data, including customizable card-level controls and productivity analysis tools. In order to deliver payment programs and services and process transactions, the Company owns and operates proprietary "closed-loop" networks through which the Company electronically connects to merchants and captures, analyzes and reports customized information in North America and internationally. The Company also uses third-party networks to deliver payment programs and services in order to broaden card acceptance and use. To support our payment products, the Company also provides a range of services, such as issuing and processing, as well as specialized information services that provide our customers with value-added functionality and data. Customers can use this data to track important business productivity metrics, combat fraud and employee misuse, streamline expense administration and lower overall workforce and fleet operating costs. Depending on customer's and partner's needs, the Company provides these services in a variety of outsourced solutions ranging from a comprehensive "end-to-end" solution (encompassing issuing, processing and network services) to limited back office processing services.

The Company's reportable segments, North America and International, reflect the Company's global organization. In North America, the Company sells a fuel card product, commercial payment and data solutions, lodging and transportation management services, gift card and stored value solutions, as well as a fleet telematics offering. In its International segment, the Company provides fuel card and related fuel services, work force payments, toll and parking payments products and vehicle maintenance management solutions.

2. Summary of Significant Accounting Policies

Revenue Recognition and Presentation

Revenue is derived from the Company's merchant and network relationships as well as from customers and partners. The Company recognizes revenue on fees generated through services primarily to commercial fleets, commercial businesses, major oil companies, petroleum marketers and leasing companies and records revenue net of the wholesale cost of the underlying products and services based on the following: (i) the Company is not the primary obligor in the arrangement and is not responsible for fulfillment and the acceptability of the product; (ii) the Company has no inventory risk, does not bear the risk of product loss and does not make any changes to the product or have any involvement in the product specifications; (iii) the Company does not have significant latitude with respect to establishing the price for the product (predominantly fuel); and (iv) the amount the Company earns for services is fixed, within a limited range. The Company recognizes revenue from merchant and network relationships, processing and other arrangements when persuasive evidence of an arrangement exists, the services have been provided to the customer, the sales price is fixed or determinable and collectability is reasonably assured, as more fully described below.

Through the Company's merchant and network relationships the Company provides fuel, prepaid cards, vehicle maintenance, lodging, food, toll, and transportation related services to our customers. The Company derives revenue from its merchant and network relationships based on the difference between the price charged to a customer for a transaction and the price paid to the merchant or network for the same transaction. The Company's revenue consists of margin on sales and fees for technical support, processing, communications and reporting. The price paid to a merchant or network may be calculated as (i) the merchant's wholesale cost of the product plus a markup; (ii) the transaction purchase price less a percentage discount; or (iii) the transaction purchase price less a fixed fee per unit. The difference between the price the Company pays to a merchant and the merchant's wholesale cost for the underlying products and services is considered a merchant commission and is recognized as expense when the fuel purchase transaction is executed. The Company has entered into agreements with major oil companies, petroleum marketers and leasing companies, among others, that specify that a transaction is deemed to be captured when we have validated that the transaction has no errors and have accepted and posted the data to the Company's records.

The Company also derives revenue from customers and partners from a variety of program fees including transaction fees, card fees, network fees, report fees and other transaction-based fees, which typically are calculated based on measures such as percentage of dollar volume processed, number of transactions processed, or some combination thereof. Such services are provided through proprietary networks or through the use of third-party networks. Transaction fees and other transaction-based fees generated from the Company's proprietary networks and third-party networks are recognized at the time the transaction is captured. Card fees, network fees and program fees are recognized as the Company fulfills its contractual service obligations. In addition, the Company recognizes revenue from late fees and finance charges, in jurisdictions where permitted under local regulations, primarily in the U.S. and Canada. Such fees are recognized net of a provision for estimated uncollectible amounts, at the time the fees and finance charges are assessed and services are provided. The Company ceases billing and accruing for late fees and finance charges approximately 30-40 days after the customer's balance becomes delinquent.

The Company also charges its customers transaction fees to load value onto prepaid fuel, food, toll and transportation vouchers and cards. The Company recognizes fee revenue upon providing the activated fuel, food, toll and transportation vouchers and prepaid cards to the customer. Revenue is recognized on lodging and transportation management services when the lodging stay or transportation service is completed. Revenue is also derived from the sale of equipment in certain of the Company's businesses, which is recognized at the time the device is sold and the risks and rewards of ownership have passed. This revenue is recognized gross of the cost of sales related to the equipment in revenues, net within the consolidated statements of income. The related cost of sales for the equipment is recorded within processing expenses. The Company has recorded \$91.6 million, \$84.1 million and \$13.2 million of expenses related to sales of equipment within the processing expenses line of the consolidated statements of income for the year ended December 31, 2016, 2015 and 2014, respectively.

The Company delivers both stored value cards and card-based services primarily in the form of gift cards. For multiple-deliverable customer contracts, stored value cards and card-based services are separated into two units of accounting. Stored valued cards are generally recognized upon shipment to the customer. Card-based services are recognized when the card services are rendered.

Set forth below is a breakdown of revenue by product for the years ended December 31, 2016 and 2015 (in millions):

Revenue by Product Category*	Year Ended December 31,	
	2016	2015
	Revenues, net	Revenues, net
Fuel cards	\$ 1,124	\$ 1,116
Gift	185	170
Corporate payments	180	162
Tolls	103	9
Lodging	101	92
Other	140	154
Consolidated revenues, net	\$ 1,832	\$ 1,703

* Columns may not calculate due to impact of rounding.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of FleetCor Technologies, Inc. and all of its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated.

The Company's fiscal year ends on December 31. In certain of the Company's U.K. businesses, the Company records the operating results using a 4-4-5 week accounting cycle with the fiscal year ending on the Friday on or immediately preceding December 31. Fiscal years 2016, 2015 and 2014 include 52 weeks for the businesses reporting using a 4-4-5 accounting cycle.

Credit Risk and Reserve for Losses on Receivables

The Company controls credit risk by performing periodic credit evaluations of its customers. Payments from customers are generally due within 14 days of billing. The Company routinely reviews its accounts receivable balances and makes provisions for probable doubtful accounts based primarily on the aging of those balances. Accounts receivable are deemed uncollectible once they age past 90 days and are deemed uncollectible from the customer. The Company also provides an allowance for receivables aged less than 90 days that it expects will be uncollectible based on historical collections experience including accounts that have filed for bankruptcy. At December 31, 2016 and 2015, approximately 95% and 98%, respectively, of outstanding accounts receivable were current. Accounts receivable deemed uncollectible are removed from accounts receivable and the allowance for doubtful accounts when internal collection efforts have been exhausted and accounts have been turned over to a third-party collection agency. Recoveries from the third-party collection agency are not significant.

Business Combinations

Business combinations completed by the Company have been accounted for under the acquisition method of accounting. The acquisition method requires that the acquired assets and liabilities, including contingencies, be recorded at fair value determined as of the acquisition date and changes thereafter reflected in income. For significant acquisitions, the Company obtains independent third-party valuation studies for certain of the assets acquired and liabilities assumed to assist the Company in determining fair value. Goodwill represents the excess of the purchase price over the fair values of the tangible and intangible assets acquired and liabilities assumed. The results of the acquired businesses are included in the Company's results of operations beginning from the completion date of the applicable transaction.

Estimates of fair value are revised during an allocation period as necessary when, and if, information becomes available to further define and quantify the fair value of the assets acquired and liabilities assumed. Provisional estimates of the fair values of the assets acquired and liabilities assumed involves a number of estimates and assumptions that could differ materially from the final amounts recorded. The allocation period does not exceed one year from the date of the acquisition. To the extent additional information to refine the original allocation becomes available during the allocation period, the allocation of the purchase price is adjusted. Should information become available after the allocation period, those items are adjusted through operating results. The direct costs of the acquisition are recorded as operating expenses. Certain acquisitions include contingent consideration related to the performance of the acquired operations following the acquisition. Contingent consideration is recorded at estimated fair value at the date of the acquisition, and is remeasured each reporting period, with any changes in fair value recorded in the consolidated statements of income. The Company estimates the fair value of the acquisition-related contingent consideration using various valuation approaches, as well as significant unobservable inputs, reflecting the Company's assessment of the assumptions market participants would use to value these liabilities.

Impairment of Long-Lived Assets, Goodwill, Intangibles and Equity Method Investment

The Company tests its long-lived assets for impairment in accordance with relevant authoritative guidance. The Company evaluates if impairment indicators related to its property, plant and equipment and other long-lived assets are present. These impairment indicators may include a significant decrease in the market price of a long-lived asset or asset group, a significant adverse change in the extent or manner in which a long-lived asset or asset group is being used or in its physical condition, or a current-period operating or cash flow loss combined with a history of operating or cash flow losses or a forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group. If impairment indicators are present,

the Company estimates the future cash flows for the asset or asset group. The sum of the undiscounted future cash flows attributable to the asset or asset group is compared to its carrying amount. The cash flows are estimated utilizing various projections of revenues and expenses, working capital and proceeds from asset disposals on a basis consistent with management's intended actions. If the carrying amount exceeds the sum of the undiscounted future cash flows, the Company determines the assets' fair value by discounting the future cash flows using a discount rate required for a similar investment of like risk and records an impairment charge as the difference between the fair value and the carrying value of the asset group. Generally, the Company performs its testing of the asset group at the business-line level, as this is the lowest level for which identifiable cash flows are available.

The Company completes an impairment test of goodwill at least annually or more frequently if facts or circumstances indicate that goodwill might be impaired. Goodwill is tested for impairment at the reporting unit level, and the impairment test consists of two steps, as well as a qualitative assessment, as appropriate. The Company has performed a qualitative assessment of certain of its reporting units. In this qualitative assessment, the Company individually considered the following items for each reporting unit where the Company determined a qualitative analysis to be appropriate: the macroeconomic conditions, including any deterioration of general conditions, limitations on accessing capital, fluctuations in foreign exchange rates and other developments in equity and credit markets; industry and market conditions, including any deterioration in the environment where the reporting unit operates, increased competition, changes in the products/services and regulator and political developments; cost of doing business; overall financial performance, including any declining cash flows and performance in relation to planned revenues and earnings in past periods; other relevant reporting unit specific facts, such as changes in management or key personnel or pending litigation; events affecting the reporting unit, including changes in the carrying value of net assets, likelihood of disposal and whether there were any other impairment considerations within the business; the overall performance of our share price in relation to the market and our peers; and a quantitative stress test of the previously completed step 1 test from the prior year, updated with current year results, weighted-average cost of capital rates and future projections.

In step 1 of the goodwill impairment test for reporting units, the reporting unit's carrying amount, including goodwill, is compared to its fair value which is measured based upon, among other factors, a discounted cash flow analysis, as well as market multiples for comparable companies. If the carrying amount of the reporting unit is greater than its fair value, goodwill is considered impaired and step two must be performed. Step two measures the impairment loss by comparing the implied fair value of reporting unit goodwill with the carrying amount of that goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit to all the assets and liabilities of that unit (including unrecognized intangibles) as if the reporting unit had been acquired in a business combination. The excess of fair value over the amounts allocated to the assets and liabilities of the reporting unit is the implied fair value of goodwill. The excess of the carrying amount over the implied fair value is the impairment loss.

The Company estimated the fair value of its reporting units using a combination of the income approach and the market approach. The income approach utilizes a discounted cash flow model incorporating management's expectations for future revenue, operating expenses, earnings before interest, taxes, depreciation and amortization, capital expenditures and an anticipated tax rate. The Company discounted the related cash flow forecasts using an estimated weighted-average cost of capital for each reporting unit at the date of valuation. The market approach utilizes comparative market multiples in the valuation estimate. Multiples are derived by relating the value of guideline companies, based on either the market price of publicly traded shares or the prices of companies being acquired in the marketplace, to various measures of their earnings and cash flow. Such multiples are then applied to the historical and projected earnings and cash flow of the reporting unit in developing the valuation estimate.

Preparation of forecasts and the selection of the discount rates involve significant judgments about expected future business performance and general market conditions. Significant changes in forecasts, the discount rates selected or the weighting of the income and market approach could affect the estimated fair value of one or more of our reporting units and could result in a goodwill impairment charge in a future period.

Based on the goodwill asset impairment analysis performed quantitatively on October 1, 2016, the Company determined that the fair value of each of our reporting units was in excess of the carrying value. No events or changes in circumstances have occurred since the date of this most recent annual impairment test that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

The Company also evaluates indefinite-lived intangible assets (primarily trademarks and trade names) for impairment annually. The Company also tests for impairment if events and circumstances indicate that it is more likely than not that the fair value of an indefinite-lived intangible asset is below its carrying amount. Estimates critical to the Company's evaluation of indefinite-lived intangible assets for impairment include the discount rate, royalty rates used in its evaluation of trade names, projected

average revenue growth and projected long-term growth rates in the determination of terminal values. An impairment charge is recorded if the carrying amount of an indefinite-lived intangible asset exceeds the estimated fair value on the measurement date.

The Company regularly evaluates the carrying value of its equity method investment, which is not carried at fair value, for other-than-temporary impairment. The Company estimates the fair value of its equity method investment using a combination of the income approach and the market approach. The income approach utilizes a discounted cash flow model incorporating management's expectations for future revenue, operating expenses, earnings before interest, taxes, depreciation and amortization, capital expenditures and an anticipated tax rate. The Company discounts the related cash flow forecasts using an estimated weighted-average cost of capital for each reporting unit at the date of valuation. The market approach utilizes comparative market multiples in the valuation estimate. Multiples are derived by relating the value of guideline companies, based on either the market price of publicly traded shares or the prices of companies being acquired in the marketplace, to various measures of their earnings and cash flow. Such multiples are then applied to the historical and projected earnings and cash flow of our equity method investment in developing the valuation estimate. During the fourth quarters of 2016 and 2015, the Company determined that the performance improvement initiatives in its equity method investment in Masternaut Group Holdings Limited ("Masternaut") will take longer to and be more challenging to implement than originally projected, based on revised cash flow projections provided by the business. As a result, the Company has recorded a \$36.1 million and \$40 million non-cash impairment charge in its equity method investment for 2016 and 2015, respectively.

Property, Plant and Equipment and Definite-Lived Intangible Assets

Property, plant and equipment are stated at cost and depreciated on the straight-line basis. Definite-lived intangible assets, consisting primarily of customer relationships, are stated at fair value upon acquisition and are amortized over their estimated useful lives. Customer and merchant relationship useful lives are estimated using historical attrition rates.

The Company develops software that is used in providing processing and information management services to customers. A significant portion of the Company's capital expenditures are devoted to the development of such internal-use computer software. Software development costs are capitalized once technological feasibility of the software has been established. Costs incurred prior to establishing technological feasibility are expensed as incurred. Technological feasibility is established when the Company has completed all planning, designing, coding and testing activities that are necessary to determine that the software can be produced to meet its design specifications, including functions, features and technical performance requirements. Capitalization of costs ceases when the software is ready for its intended use. Software development costs are amortized using the straight-line method over the estimated useful life of the software. The Company capitalized software costs of \$33.1 million, \$23.4 million and \$17.7 million in 2016, 2015 and 2014, respectively. Amortization expense for software totaled \$17.7 million, \$11.6 million and \$9.2 million in 2016, 2015 and 2014, respectively.

Income Taxes

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the associated temporary differences became deductible. The Company evaluates on a quarterly basis whether it is more likely than not that its deferred tax assets will be realized in the future and concludes whether a valuation allowance must be established.

The Company does not provide deferred taxes for the undistributed earnings of the Company's foreign subsidiaries that are considered to be indefinitely reinvested outside of the United States in accordance with authoritative literature. If in the future these earnings are repatriated to the United States, or if the Company determines that the earnings will be remitted in the foreseeable future, additional tax provisions may be required.

Current accounting guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes threshold and measurement attributes for financial statement disclosure of tax positions taken or expected to be taken on a tax return. Under the relevant authoritative literature, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more likely than not to be sustained upon audit by the

relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50 percent likelihood of being sustained. The Company includes any estimated interest and penalties on tax related matters in income tax expense.

Cash Equivalents

Cash equivalents consist of cash on hand and highly liquid investments with original maturities of three months or less. Restricted cash represents customer deposits repayable on demand.

Foreign Currency Translation

Assets and liabilities of foreign subsidiaries are translated into U.S. dollars at the rates of exchange in effect at period-end. The related translation adjustments are made directly to accumulated other comprehensive income. Income and expenses are translated at the average monthly rates of exchange in effect during the year. Gains and losses from foreign currency transactions of these subsidiaries are included in net income. The Company recognized a foreign exchange loss of \$2.8 million and \$2.4 million for the years ended December 31, 2016 and 2015, respectively, and a gain of \$1.4 million for the year ended 2014, which are recorded within other expense, net in the Consolidated Statements of Income.

Stock-Based Compensation

The Company accounts for employee stock options and restricted stock in accordance with relevant authoritative literature. Stock options are granted with an exercise price estimated to be equal to the fair market value on the date of grant as authorized by the Company's board of directors. Options granted have vesting provisions ranging from one to six years and vesting of the options is generally based on the passage of time or performance. Stock option grants are subject to forfeiture if employment terminates prior to vesting. The Company has selected the Black-Scholes option pricing model for estimating the grant date fair value of stock option awards granted. The Company has considered the retirement and forfeiture provisions of the options and utilized its historical experience to estimate the expected life of the options. The Company bases the risk-free interest rate on the yield of a zero coupon U.S. Treasury security with a maturity equal to the expected life of the option from the date of the grant. Stock-based compensation cost is measured at the grant date based on the value of the award and is recognized as expense over the requisite service period based on the number of years for which the requisite service is expected to be rendered.

Awards of restricted stock and restricted stock units are independent of stock option grants and are subject to forfeiture if employment terminates prior to vesting. The vesting of shares granted is generally based on the passage of time, performance or market conditions, or a combination of these. Shares vesting based on the passage of time have vesting provisions of one year. The fair value of restricted stock where the shares vest based on the passage of time or performance is based on the grant date fair value of the Company's stock. The fair value of restricted stock shares based on market conditions is estimated using the Monte Carlo option pricing model. The risk-free interest rate and volatility assumptions used within the Monte Carlo option pricing model are calculated consistently with those applied in the Black-Scholes options pricing model utilized in determining the fair value of the stock option awards.

For performance-based restricted stock awards and performance based stock option awards, the Company must also make assumptions regarding the likelihood of achieving performance goals. If actual results differ significantly from these estimates, stock-based compensation expense and the Company's results of operations could be materially affected.

Deferred Financing Costs/Debt Discounts

Costs incurred to obtain financing, net of accumulated amortization, are amortized over the term of the related debt, using the effective interest method and are included within interest expense. In November 2014, the Company expensed \$15.8 million and capitalized \$9.2 million of debt issuance costs associated with the refinancing of its Credit Facility. In 2016, the Company capitalized \$2.3 million of additional debt issuance costs associated with refinancing its Credit Facility. At December 31, 2016 and 2015, the Company had net deferred financing costs of \$13.1 million and \$18.1 million, respectively.

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the total of net income and all other changes in equity that result from transactions and other economic events of a reporting period other than transactions with owners.

Accounts Receivable

The Company maintains a \$950 million revolving trade accounts receivable Securitization Facility. Accounts receivable collateralized within our Securitization Facility relate to trade receivables resulting from charge card activity. Pursuant to the terms of the Securitization Facility, the Company transfers certain of its domestic receivables, on a revolving basis, to FleetCor Funding LLC (Funding), a wholly-owned bankruptcy remote subsidiary. In turn, Funding sells, without recourse, on a revolving basis, up to \$950 million of undivided ownership interests in this pool of accounts receivable to a multi-seller, asset-backed commercial paper conduit (Conduit). Funding maintains a subordinated interest, in the form of over-collateralization, in a portion of the receivables sold to the Conduit. Purchases by the Conduit are financed with the sale of highly-rated commercial paper.

The Company utilizes proceeds from the sale of its accounts receivable as an alternative to other forms of financing to reduce its overall borrowing costs. The Company has agreed to continue servicing the sold receivables for the financial institution at market rates, which approximates the Company's cost of servicing. The Company retains a residual interest in the accounts receivable sold as a form of credit enhancement. The residual interest's fair value approximates carrying value due to its short-term nature. Funding determines the level of funding achieved by the sale of trade accounts receivable, subject to a maximum amount.

The Company's consolidated balance sheets and statements of income reflect the activity related to securitized accounts receivable and the corresponding securitized debt, including interest income, fees generated from late payments, provision for losses on accounts receivable and interest expense. The cash flows from borrowings and repayments, associated with the securitized debt, are presented as cash flows from financing activities.

On November 14, 2014, the Company extended the term of its asset Securitization Facility to November 14, 2017. The Company capitalized \$3.1 million in deferred financing fees in connection with this extension in the year ended December 31, 2014.

The Company's accounts receivable and securitized accounts receivable include the following at December 31 (in thousands):

	2016	2015
Gross domestic accounts receivables	\$ 529,885	\$ 338,275
Gross domestic securitized accounts receivable	591,000	614,000
Gross foreign receivables	704,630	322,582
Total gross receivables	1,825,515	1,274,857
Less allowance for doubtful accounts	(32,506)	(21,903)
Net accounts and securitized accounts receivable	<u>\$ 1,793,009</u>	<u>\$ 1,252,954</u>

A rollforward of the Company's allowance for doubtful accounts related to accounts receivable for the years ended December 31 is as follows (in thousands):

	2016	2015	2014
Allowance for doubtful accounts beginning of year	\$ 21,903	\$ 23,842	\$ 22,416
Provision for bad debts	35,885	24,629	24,412
Write-offs	(25,282)	(26,568)	(22,986)
Allowance for doubtful accounts end of year	<u>\$ 32,506</u>	<u>\$ 21,903</u>	<u>\$ 23,842</u>

Foreign receivables are not included in the Company's receivable securitization program. At December 31, 2016 and 2015, there was \$591 million and \$614 million, respectively, of short-term debt outstanding under the Company's accounts receivable Securitization Facility.

Advertising

The Company expenses advertising costs as incurred. Advertising expense was \$22.2 million, \$19.9 million and \$14.4 million for the years ended December 31, 2016, 2015 and 2014, respectively.

Earnings Per Share

The Company reports basic and diluted earnings per share. Basic earnings per share is calculated using the weighted average of common stock and non-vested, non-forfeitable restricted shares outstanding, unadjusted for dilution, and net income attributable to common shareholders.

Diluted earnings per share is calculated using the weighted average shares outstanding and contingently issuable shares less weighted average shares recognized during the period. The net outstanding shares have been adjusted for the dilutive effect of common stock equivalents, which consist of outstanding stock options and unvested forfeitable restricted stock units.

Adoption of New Accounting Standards

Going Concern

In August 2013, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2014-15 "Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern", which requires entities to perform interim and annual assessments of the entity's ability to continue as a going concern within one year of the date of issuance of the entity's financial statements. This ASU is effective for fiscal years ending after December 15, 2016 and interim periods thereafter, with early adoption permitted. The Company's adoption of this ASU did not have a material impact on the results of operations, financial condition, or cash flows, as it is disclosure based.

Simplification of Guidance on Debt Issuance Costs

In April 2015, the FASB issued ASU 2015-3, "Interest—Imputation of Interest", which changes the presentation of debt issuance costs in financial statements as a direct deduction from the related debt liability rather than as an asset. This ASU is effective for us for fiscal years ending after December 15, 2015 and interim periods. Early adoption is permitted. In August 2015, the FASB issued ASU 2015-15, "Interest-Imputation of Interest: Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements", which is effective immediately. The SEC staff clarified that entities may continue presenting unamortized debt issuance costs for line-of-credit arrangements as an asset. The Company adopted this new guidance on January 1, 2016. As a result of the adoption of this ASU, \$0.6 million and \$1.5 million of unamortized debt issuance costs were retrospectively adjusted from prepaid expenses and other current assets to the current portion of notes payable and lines of credit and other assets to notes payable and other obligations, less current portion, respectively, in the Company's Consolidated Balance Sheet as of December 31, 2015.

Accounting for Employee Stock-Based Payment

In March 2016, the FASB issued ASU 2016-09, "Compensation-Stock Compensation: Improvements to Employee Share-Based Payment Accounting", which requires excess tax benefits recognized on stock-based compensation expense be reflected in the consolidated statements of operations as a component of the provision for income taxes on a prospective basis. ASU 2016-09 also requires excess tax benefits recognized on stock-based compensation expense be classified as an operating activity in the consolidated statements of cash flows rather than a financing activity. Companies can elect to apply this provision retrospectively or prospectively. ASU 2016-09 also requires entities to elect whether to account for forfeitures as they occur or estimate expected forfeitures over the course of a vesting period. This ASU is effective for the Company for annual periods beginning after December 15, 2016. Early adoption is permitted.

During the third quarter of 2016, the Company elected to early adopt ASU 2016-09. The adoption of this ASU resulted in excess tax benefits being recorded as a reduction of income tax expense prospectively for all periods during 2016, rather than additional paid in capital, and an increase in the number of dilutive shares outstanding at the end of each period, which resulted in an increase to diluted earnings per share during the respective period. As required by ASU 2016-09, excess tax benefits recognized on stock-based compensation expense are classified as an operating activity in our consolidated statements of cash flows on a prospective basis within changes in accounts payable, accrued expenses and customer deposits. In accordance with ASU 2016-09, prior periods related to the classification of excess tax benefits have not been adjusted. The Company also elected to account for forfeitures as they occur, rather than estimate expected forfeitures over the course of a vesting period. As a result of the adoption of ASU 2016-09, the net cumulative effect of this change was not material.

The following table shows the impact of retrospectively applying ASU 2016-09 to the previously issued consolidated statements of operations for the three month period ended March 31 and the three and six month periods ended June 30 (in thousands, except per share amounts):

	Three Months Ended March 31, 2016			Three Months Ended June 30, 2016		
	As Previously Reported	Adjustments	As Recast	As Previously Reported	Adjustments	As Recast
Income before income taxes	\$ 156,912	\$ —	\$ 156,912	\$ 162,348	\$ —	\$ 162,348
Provision for income taxes	46,940	(1,118)	45,822	48,163	(2,068)	46,095
Net income	\$ 109,972	\$ 1,118	\$ 111,090	\$ 114,185	\$ 2,068	\$ 116,253
Earnings per share:						
Basic earnings per share	\$ 1.19	\$ 0.01	\$ 1.20	\$ 1.23	\$ 0.02	\$ 1.25
Diluted earnings per share	\$ 1.17	\$ —	\$ 1.17	\$ 1.21	\$ 0.01	\$ 1.22
Weighted average common shares outstanding:						
Basic	92,516	—	92,516	92,665	—	92,665
Diluted	94,329	701	95,030	94,549	729	95,279

	Six Months Ended June 30, 2016		
	As Previously Reported	Adjustments	As Recast
Income before income taxes	\$ 319,260	\$ —	\$ 319,260
Provision for income taxes	95,103	(3,186)	91,917
Net income	\$ 224,157	\$ 3,186	\$ 227,343
Earnings per share:			
Basic earnings per share	\$ 2.42	\$ 0.04	\$ 2.46
Diluted earnings per share	\$ 2.37	\$ 0.02	\$ 2.39
Weighted average common shares outstanding:			
Basic	92,591	—	92,591
Diluted	94,437	700	95,137

The following table shows the impact of retrospectively applying this guidance to the Consolidated Statement of Cash flows for the three months ended March 31, 2016 and six months ended June 30, 2016 (in thousands):

	Three Months Ended March 31, 2016			Six Months Ended June 30, 2016		
	As Previously Reported	Adjustments	As Recast	As Previously Reported	Adjustments	As Recast
Net cash provided by operating activities	\$ 121,505	\$ 1,118	\$ 122,623	\$ 208,856	\$ 3,186	\$ 212,042
Net cash used in investing activities	(20,745)	—	(20,745)	(37,924)	—	(37,924)
Net cash used in financing activities	(157,389)	(1,118)	(158,507)	(118,303)	(3,186)	(121,489)
Effect of foreign currency exchange rates on cash	8,795	—	8,795	(6,696)	—	(6,696)
Net (decrease) increase in cash	\$ (47,834)	\$ —	\$ (47,834)	\$ 45,933	\$ —	\$ 45,933

Simplification of Balance Sheet Classification of Deferred Taxes

In November 2015, the FASB issued ASU 2015-17, "Balance Sheet Classification of Deferred Taxes", which requires entities to present deferred tax assets (DTAs) and deferred tax liabilities (DTLs) as noncurrent in a classified balance sheet. It thus simplifies the current guidance, which requires entities to separately present DTAs and DTLs as current or noncurrent in a classified balance sheet. Netting of DTAs and DTLs by tax jurisdiction is still required under the new guidance. This ASU is effective for the Company for annual reporting periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted. During the fourth quarter of 2016, the Company elected to early adopt ASU 2015-17 on a prospective basis and prior periods were not retrospectively adjusted. The Company's adoption of this ASU did not have a material impact on the results of operations, financial condition, or cash flows.

Pending Adoption of Recently Issued Accounting Standards

From time to time, new accounting pronouncements are issued by the FASB or other standards setting bodies that are adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company's management believes that the impact of recently issued standards that are not yet effective will not have a material impact on the Company's consolidated financial statements upon adoption.

Revenue Recognition

In May 2014, the FASB issued Accounting Standards Codification ("ASC") 606, "Revenue from Contracts with Customers", which amends the guidance in former ASC 605, Revenue Recognition. This amended guidance requires revenue to be recognized in an amount that reflects the consideration to which the company expects to be entitled for those goods and services when the performance obligation has been satisfied. This amended guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and related cash flows arising from contracts with customers. In August 2015, the FASB issued ASU 2015-14, "Revenue from Contracts with Customers: Deferral of the Effective Date", which defers the effective date of the new revenue recognition standard by one year. In March 2016, the FASB issued ASU 2016-08, "Revenue from Contracts with Customers: Principal versus Agent Considerations (Reporting Revenue Gross versus Net)", which clarifies how an entity should identify the unit of accounting for the principal versus agent evaluation and how it should apply the control principle to certain types of arrangements. In April 2016, the FASB issued ASU 2016-10, "Identifying Performance Obligations and Licensing", which clarifies the accounting for intellectual property licenses and identifying performance obligations. In May 2016, the FASB issued ASU 2016-11, "Rescission of SEC Guidance Because of Accounting Standards Updates 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 EITF Meeting", which rescinds certain SEC guidance in response to announcements made by the SEC staff at the EITF's March 3, 2016 meeting and ASU 2016-12, "Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients", which clarifies the guidance on collectibility, non-cash consideration, the presentation of sales and other similar taxes collected from customers and contract modifications and completed contracts at transition. Additionally, ASU 2016-12 clarifies that entities electing the full retrospective transition method would no longer be required to disclose the effect of the change in accounting principle on the period of adoption; however, entities would still be required to disclose the effects on preadoption periods that were retrospectively adjusted. These ASUs are effective for the Company for reporting periods beginning after December 15, 2017, but permit companies the option to adopt as of the original effective date. In 2016, the Company continued its assessment of the new standard with a focus on identifying the performance obligations included within its revenue arrangements with customers and evaluating its methods of estimating the amount of and timing of variable consideration. The guidance permits the use of either a retrospective or cumulative effect transition method. The Company anticipates selecting the modified retrospective method, which would result in an adjustment to retained earnings for the cumulative effect, if any, of applying the standard to contracts in process as of the adoption date. Under this method, the Company would not restate the prior financial statements presented, therefore the new standard requires the Company to provide additional disclosures of the amount by which each financial statement line item is affected in the current reporting period during 2018, as compared to the guidance that was in effect before the change, and an explanation of the reasons for significant changes, if any. The Company continues its assessment to evaluate the impact of the provisions of ASC 606 on the results of operations, financial condition, and cash flows.

Accounting for Leases

In February 2016, the FASB issued ASU 2016-02, "Leases", which requires lessees to recognize a right-of-use asset and a lease liability on the balance sheet for all leases with the exception of short-term leases. This ASU also requires disclosures to provide additional information about the amounts recorded in the financial statements. This ASU is effective for the Company for annual periods beginning after December 15, 2018 and interim periods therein. Early adoption is permitted. The new standard must be adopted using a modified retrospective transition and requires application of the new guidance for leases that exist or are entered into after the beginning of the earliest comparative period presented. The Company is currently evaluating the impact of this ASU on the results of operations, financial condition, or cash flows.

Accounting for Breakage

In March 2016, the FASB issued ASU 2016-04, "Liabilities-Extinguishments of Liabilities: Recognition of Breakage for Certain Prepaid Stored-Value Products", which requires entities that sell prepaid stored value products redeemable for goods, services or cash at third-party merchants to derecognize liabilities related to those products for breakage. This ASU is effective for the Company for reporting periods beginning after December 15, 2017. Early adoption is permitted. The ASU must be adopted using either a modified retrospective approach with a cumulative effect adjustment to retained earnings as of the beginning of the period of adoption or a full retrospective approach. The Company's adoption of this ASU is not expected to have a material impact on the results of operations, financial condition, or cash flows.

Cash Flow Classification

In August 2016, the FASB issued ASU 2016-15, "Classification of Certain Cash Receipts and Cash Payments", which amends the guidance in ASC 230, Statement of Cash Flows. This amended guidance reduces the diversity in practice that has resulted from the lack of consistent principles related to the classification of certain cash receipts and payments in the statement of cash flows. This ASU is effective for the Company for reporting periods beginning after December 15, 2017. Early adoption is permitted. Entities must apply the guidance retrospectively to all periods presented but may apply it prospectively from the earliest date practicable if retrospective application would be impracticable. The Company's adoption of this ASU is not expected to have a material impact on the results of operations, financial condition, or cash flows.

In November 2016, the FASB issued ASU 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash", which amends the guidance in ASC 230, Statement of Cash Flows, on the classification and presentation of restricted cash in the statement of cash flows. This ASU is effective for the Company for reporting periods beginning after December 15, 2017. Early adoption is permitted. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The amendments in this ASU should be applied using a retrospective transition method to each period presented. The Company's adoption of this ASU is not expected to have a material impact on the results of operations, financial condition, or cash flows.

3. Fair Value Measurements

Fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. GAAP discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions.

As the basis for evaluating such inputs, a three-tier value hierarchy prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable inputs such as quoted prices for identical assets or liabilities in active markets.
- Level 2: Observable inputs other than quoted prices that are directly or indirectly observable for the asset or liability, including quoted prices for similar assets or liabilities in active markets; quoted prices for similar or identical assets or liabilities in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3: Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The Company estimates the fair value of acquisition-related contingent consideration using various valuation approaches including the Monte Carlo Simulation approach and the probability-weighted discounted cash flow approach. Acquisition related contingent consideration liabilities are classified as Level 3 liabilities because the Company uses unobservable inputs to value them, reflecting the Company's assessment of the assumptions market participants would use to value these liabilities. A change in the unobservable inputs could result in a significantly higher or lower fair value measurement. Changes in the fair value of acquisition related contingent consideration are recorded as (income) expense in the Consolidated Statements of Income. The acquisition related contingent consideration liabilities are recorded in other current liabilities.

The following table presents the Company's financial assets and liabilities which are measured at fair values on a recurring basis as of December 31, 2016 and 2015, (in thousands):

	Fair Value	Level 1	Level 2	Level 3
December 31, 2016				
Assets:				
Repurchase agreements	\$ 232,131	\$ —	\$ 232,131	\$ —
Money market	50,179	—	50,179	—
Certificates of deposit	48	—	48	—
Total cash equivalents	<u>\$ 282,358</u>	<u>\$ —</u>	<u>\$ 282,358</u>	<u>\$ —</u>
December 31, 2015				
Assets:				
Repurchase agreements	\$ 144,082	\$ —	\$ 144,082	\$ —
Money market	55,062	—	55,062	—
Certificates of deposit	9,373	—	9,373	—
Total cash equivalents	<u>\$ 208,517</u>	<u>\$ —</u>	<u>\$ 208,517</u>	<u>\$ —</u>

The Company has highly liquid investments classified as cash equivalents, with original maturities of 90 days or less, included in our Consolidated Balance Sheets. The Company utilizes Level 2 fair value determinations derived from directly or indirectly observable (market based) information to determine the fair value of these highly liquid investments. The Company has certain cash and cash equivalents that are invested on an overnight basis in repurchase agreements, money markets and certificates of deposit. The value of overnight repurchase agreements is determined based upon the quoted market prices for the treasury securities associated with the repurchase agreements. The value of money market instruments is the financial institutions' month-end statement, as these instruments are not tradeable and must be settled directly by us with the respective financial institution. Certificates of deposit are valued at cost, plus interest accrued. Given the short term nature of these instruments, the carrying value approximates fair value.

The level within the fair value hierarchy and the measurement technique are reviewed quarterly. Transfers between levels are deemed to have occurred at the end of each quarter. There were no transfers between fair value levels during 2016 and 2015.

The Company's nonfinancial assets that are measured at fair value on a nonrecurring basis include those in connection with periodic testing for impairment including property, plant and equipment, equity method investment, goodwill and other intangible assets. While completing the preliminary acquisition accounting in 2016, the Company generally uses projected cash flows, discounted as appropriate, to estimate the fair values of the assets acquired and liabilities assumed using key inputs such as management's projections of cash flows on a held-and-used basis (if applicable), management's projections of cash flows upon disposition and discount rates. Accordingly, these fair value measurements are in Level 3 of the fair value hierarchy.

The Company regularly evaluates the carrying value of its equity method investment and during the fourth quarters of 2016 and 2015, the Company determined that the fair value of its 44% investment in Masternaut had declined as a result of the performance improvement initiatives taking longer than projected to implement. As a result, the Company determined that the carrying value of its investment exceeded its fair value and concluded that this decline in value was other than temporary. The Company recorded a \$36.1 million and \$40 million non-cash impairment charge during 2016 and 2015, respectively, which is included in the equity method investment loss in the accompanying Consolidated Statement of Income.

The fair value of the Company's cash, accounts receivable, securitized accounts receivable and related facility, prepaid expenses and other current assets, accounts payable, accrued expenses, customer deposits and short-term borrowings approximate their respective carrying values due to the short-term maturities of the instruments. The carrying value of the Company's debt obligations approximates fair value as the interest rates on the debt are variable market based interest rates that reset on a quarterly basis. These are each level 2 fair value measurements, except for cash, which is a level 1 fair value measurement.

4. Stockholders' Equity

On November 14, 2014, the Company acquired all of Comdata's outstanding shares for a total payment of \$3.4 billion, net of cash acquired, which included cash consideration of \$2.4 billion and the issuance of 7,625,380 shares of the Company's common stock from treasury shares to the former shareholders of Comdata.

On February 4, 2016, the Company's Board of Directors approved a stock repurchase program (the "Program") under which the Company may begin purchasing up to \$500 million of its common stock over the next 18 months period. Any stock repurchases may be made at times and in such amounts as deemed appropriate. The timing and amount of stock repurchases, if any, will depend on a variety of factors including the stock price, market conditions, corporate and regulatory requirements, and any additional constraints related to material inside information the Company may possess. Any repurchases are expected to be funded by available cash flow from the business and working capital. There were 1,259,145 common shares totaling \$187.7 million repurchased under the Program during 2016.

5. Stock Based Compensation

The Company accounts for stock-based compensation pursuant to relevant authoritative guidance, which requires measurement of compensation cost for all stock awards at fair value on the date of grant and recognition of compensation, net of estimated forfeitures, over the requisite service period for awards expected to vest. The Company has Stock Incentive Plans (the Plans) pursuant to which the Company's board of directors may grant stock options or restricted stock to employees. The Company is authorized to issue grants of restricted stock and stock options to purchase up to 26,963,150 shares for the years ended December 31, 2016, 2015 and 2014, respectively. On May 13, 2013, the Company's stockholders authorized an increase of 6,500,000 shares of common stock available for grant pursuant to the 2010 Equity Compensation Plan. Giving effect to this increase, there were 2,968,584 additional shares remaining available for grant under the Plans at December 31, 2016.

The table below summarizes the expense recognized related to share-based payments recognized for the years ended December 31 (in thousands):

	2016	2015	2014
Stock options	\$ 35,234	\$ 44,260	\$ 13,267
Restricted stock	28,712	45,862	24,382
Stock-based compensation	<u>\$ 63,946</u>	<u>\$ 90,122</u>	<u>\$ 37,649</u>

The tax benefits recorded on stock based compensation were \$35.0 million, \$35.7 million and \$13.0 million for the years ended December 31, 2016, 2015 and 2014, respectively.

The following table summarizes the Company's total unrecognized compensation cost related to stock-based compensation as of December 31, 2016 (cost in thousands):

	Unrecognized Compensation Cost	Weighted Average Period of Expense Recognition (in Years)
Stock options	\$ 53,026	1.48
Restricted stock	2,965	0.96
Total	<u>\$ 55,991</u>	

Stock Options

The following summarizes the changes in the number of shares of common stock under option for the following periods (shares and aggregate intrinsic value in thousands):

	Shares	Weighted Average Exercise Price	Options Exercisable at End of Year	Weighted Average Exercise Price of Exercisable Options	Weighted Average Fair Value of Options Granted During the Year	Aggregate Intrinsic Value
Outstanding at December 31, 2013	5,331	\$ 25.68	2,589	\$ 16.57		\$ 487,673
Granted	1,544	135.16			\$ 42.77	
Exercised	(1,429)	20.75				182,904
Forfeited	(315)	41.72				
Outstanding at December 31, 2014	5,131	58.71	2,370	21.75		461,770
Granted	654	154.56			\$ 35.32	
Exercised	(586)	33.97				63,863
Forfeited	(196)	95.16				
Outstanding at December 31, 2015	5,003	72.72	2,545	26.82		351,277
Granted	1,780	133.33			\$ 28.61	
Exercised	(500)	42.36				49,592
Forfeited	(137)	140.67				
Outstanding at December 31, 2016	6,146	\$ 91.20	3,429	\$ 55.00		\$ 309,238
Expected to vest at December 31, 2016	6,146	\$ 91.20				

The following table summarizes information about stock options outstanding at December 31, 2016 (shares in thousands):

Exercise Price	Options Outstanding	Weighted Average Remaining Vesting Life in Years	Options Exercisable
\$10.00 – 58.02	2,536	0.00	2,527
74.99 – 111.09	159	0.77	71
114.90 – 138.47	1,382	1.28	113
144.59 – 149.68	935	1.15	653
151.16 – 158.24	772	2.44	65
172.68 – 174.35	362	3.82	—
	6,146		3,429

The aggregate intrinsic value of stock options exercisable at December 31, 2016 was \$296.7 million. The weighted average remaining contractual term of options exercisable at December 31, 2016 was 5.0 years.

The fair value of stock option awards granted was estimated using the Black-Scholes option pricing model with the following weighted-average assumptions for grants or modifications during the years ended December 31 as follows:

	2016	2015	2014
Risk-free interest rate	1.08%	1.47%	1.24%
Dividend yield	—	—	—
Expected volatility	27.29%	27.77%	34.61%
Expected life (in years)	3.47	4.46	3.90

The weighted-average remaining contractual life for options outstanding was 6.7 years at December 31, 2016.

Restricted Stock

There were no restricted stock shares granted with performance based conditions or market conditions in 2016, 2015 and 2014. The following table summarizes the changes in the number of shares of restricted stock and restricted stock units for the following periods (shares in thousands):

	Shares	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2013	634	\$ 67.83
Granted	467	146.12
Cancelled	(76)	31.48
Issued	(309)	74.56
Outstanding at December 31, 2014	716	121.38
Granted	126	151.33
Cancelled	(52)	135.92
Issued	(293)	85.40
Outstanding at December 31, 2015	497	149.40
Granted	152	128.90
Cancelled	(41)	145.25
Issued	(229)	151.72
Outstanding at December 31, 2016	379	\$ 140.39

6. Acquisitions

2016 Acquisitions

During 2016, the Company completed acquisitions with an aggregate purchase price of \$1.3 billion, net of cash acquired of \$51.3 million, which includes deferred payments made during the period related to prior acquisitions of \$6.1 million.

During 2016, the Company made additional investments of \$7.9 million related to its equity method investment at Masternaut. The Company also received a \$9.2 million return of its investment in Masternaut in 2016.

STP

On August 31, 2016, the Company acquired all of the outstanding stock of Serviços e Tecnologia de Pagamentos S.A. (“STP”), for approximately \$1.23 billion, net of cash acquired of \$40.2 million. STP is an electronic toll payments company in Brazil and provides cardless fuel payments at a number of Shell sites throughout Brazil. The purpose of this acquisition was to expand our presence in the toll market in Brazil. The Company financed the acquisition using a combination of existing cash and borrowings under its existing credit facility. Results from the acquired business have been reported in the Company's international segment since the date of acquisition. The following table summarizes the preliminary acquisition accounting for STP (in thousands):

Trade and other receivables	\$	243,157
Prepaid expenses and other		6,998
Deferred tax assets		9,365
Property and equipment		38,732
Other long term assets		5,785
Goodwill		659,288
Customer relationships and other identifiable intangible assets		584,274
Liabilities assumed		(320,110)
Aggregate purchase price	\$	<u>1,227,489</u>

Along with the Company's acquisition of STP, the Company signed noncompete agreements with certain parties for approximately \$21.6 million. The estimated fair value of intangible assets acquired and the related estimated useful lives consisted of the following (in thousands):

	Useful Lives (in Years)	Value
Customer relationships	8.5-17	\$ 349,310
Trade names and trademarks - indefinite	N/A	189,547
Technology	6	45,417
		<u>\$ 584,274</u>

In connection with the STP acquisition, the Company recorded contingent liabilities aggregating \$20.0 million in the consolidated balance sheet, recorded within other noncurrent liabilities and accrued expenses in the consolidated balance sheet at the date of acquisition. A portion of these acquired liabilities have been indemnified by the respective sellers. As a result, an indemnification asset of \$4.8 million was recorded within other long term assets in the consolidated balance sheet. The contingent liabilities and the indemnification asset are included in the preliminary acquisition accounting for STP at the date of acquisition. The potential range of acquisition related contingent liabilities that the Company estimates would be incurred and ultimately recoverable is still being evaluated.

The purchase price allocation related to this acquisition is preliminary as the Company is still completing the valuation for intangible assets, income taxes, certain acquired contingencies and the working capital adjustment period remains open. Goodwill recognized is comprised primarily of expected synergies from combining the operations of the Company and STP and assembled workforce. The allocation of the goodwill to the reporting units has not been completed. The goodwill and definite lived intangibles acquired with this business is expected to be deductible for tax purposes.

Other

During 2016, the Company acquired additional fuel card portfolios in the U.S. and the United Kingdom, additional Shell fuel card markets in Europe and Travelcard in the Netherlands totaling approximately \$76.7 million, net of cash acquired of \$11.1 million. The following table summarizes the preliminary acquisition accounting for these acquisitions (in thousands):

Trade and other receivables	\$	27,810
Prepaid expenses and other		5,097
Property and equipment		992
Goodwill		28,540
Other intangible assets		61,823
Deferred tax asset		146
Deferred tax liabilities		(5,123)
Liabilities assumed		(42,550)
Aggregate purchase prices	\$	<u>76,735</u>

The estimated fair value of intangible assets acquired and the related estimated useful lives consisted of the following (in thousands):

	Useful Lives (in Years)	Value
Customer relationships and other identifiable intangible assets	10-18	\$ 61,823
		<u>\$ 61,823</u>

These other 2016 acquisitions were not material individually or in the aggregate to the Company's consolidated financial statements. The accounting for certain of these acquisitions is preliminary as the Company is still completing the valuation of intangible assets, income taxes and evaluation of acquired contingencies.

2015 Acquisitions

During 2015, the Company completed acquisitions of Shell portfolios related to our fuel card businesses in Europe, as well as a small acquisition internationally, with an aggregate purchase price of \$46.3 million, made additional investments of \$8.4 million related to its equity method investment at Masternaut and deferred payments of \$3.4 million related to acquisitions occurring in prior years. The following table summarizes the final acquisition accounting for the acquisitions completed during 2015 (in thousands):

Trade and other receivables	\$	521
Prepaid expenses and other		996
Property and equipment		197
Goodwill		9,561
Other intangible assets		39,791
Deferred tax liabilities		(2,437)
Liabilities assumed		(2,331)
Aggregate purchase prices	\$	<u>46,298</u>

The final estimated fair value of intangible assets acquired and the related estimated useful lives consisted of the following (in thousands):

	Useful Lives (in Years)	Value
Customer relationships	14-20	\$ 39,791
		<u>\$ 39,791</u>

These acquisitions were not material individually or in the aggregate to the Company's consolidated financial statements. The accounting for certain of these acquisitions is preliminary pending completing the valuation of intangible assets, income taxes and evaluation of acquired contingencies.

2014 Acquisitions

During 2014, the Company completed acquisitions with an aggregate purchase price of \$3.67 billion, net of cash acquired of \$165.8 million.

Equity Method Investment in Masternaut

On April 28, 2014, the Company completed an equity method investment in Masternaut, Europe's largest provider of telematics solutions to commercial fleets. The Company owns 44% of the outstanding equity of Masternaut. This investment is included in "Equity method investment" in the Company's consolidated balance sheets.

Comdata

On November 14, 2014, the Company acquired Comdata for \$3.4 billion, net of cash acquired. Comdata is a business-to-business provider of innovative electronic payment solutions. As an issuer and a processor, Comdata provides fleet, virtual card and gift card solutions. This acquisition complemented the Company's current fuel card business in the U.S. and added a new product with the virtual payments business. Goodwill recognized is comprised primarily of expected synergies from combining the operations of the Company and Comdata and assembled workforce. The goodwill acquired with this business is not deductible for tax purposes. FleetCor financed the acquisition with approximately \$2.4 billion of new debt and the issuance of approximately 7.6 million shares of FleetCor common stock, including amounts applied at the closing to the repayment of Comdata's debt. Results from the acquired business have been reported in the Company's North America segment since the date of acquisition. The following table summarizes the final acquisition accounting for Comdata (in thousands):

Restricted cash	\$	93,312
Trade and other receivables		638,137
Prepaid expenses and other		15,443
Property and equipment		17,984
Goodwill		2,253,348
Other intangible assets		1,630,700
Notes and other liabilities assumed		(804,032)
Deferred tax liabilities		(423,977)
Other long term liabilities		(6,841)
Aggregate purchase price	\$	<u>3,414,074</u>

The final estimated fair value of intangible assets acquired and the related estimated useful lives consisted of the following (in thousands):

	Useful Lives (in Years)	Value
Customer relationships	19	\$ 1,269,700
Trade names and trademarks—indefinite	N/A	237,100
Software	4 – 7	123,300
Non-competes	3	600
		<u>\$ 1,630,700</u>

Other

During 2014, the Company acquired Pacific Pride, a U.S. fuel card business, and a fuel card business from Shell in Germany. The following table summarizes the final acquisition accounting for these acquisitions during 2014 (in thousands):

Trade and other receivables	\$	62,604
Prepaid expenses and other		232
Property and equipment		71
Goodwill		30,596
Other intangible assets		47,974
Notes and other liabilities assumed		(66,499)
Aggregate purchase prices	\$	<u>74,978</u>

The final estimated fair value of intangible assets acquired and the related estimated useful lives consisted of the following (in thousands):

	Useful Lives (in Years)	Value
Customer relationships	8	\$ 15,574
Trade names and trademarks—indefinite	N/A	2,900
Franchisee agreements	20	29,500
		<u>\$ 47,974</u>

These acquisitions were not material individually or in the aggregate to the Company's consolidated financial statements.

The Company expensed acquisition related expenses related to its acquisitions of \$3.3 million, \$1.7 million and \$3.2 million in the years ending December 31, 2016, 2015 and 2014, respectively.

7. Goodwill and Other Intangible Assets

A summary of changes in the Company's goodwill by reportable business segment is as follows (in thousands):

Segment	December 31, 2015	Acquisitions	Acquisition Accounting Adjustments	Foreign Currency	December 31, 2016
North America	\$ 2,640,409	\$ —	\$ —	\$ —	\$ 2,640,409
International	905,625	687,828	(521)	(38,191)	1,554,741
	<u>\$ 3,546,034</u>	<u>\$ 687,828</u>	<u>\$ (521)</u>	<u>\$ (38,191)</u>	<u>\$ 4,195,150</u>

Segment	December 31, 2014	Acquisitions	Acquisition Accounting Adjustments	Foreign Currency	December 31, 2015
North America	\$ 2,659,417	\$ —	\$ (19,008)	\$ —	\$ 2,640,409
International	1,053,765	10,082	(2,237)	(155,985)	905,625
	<u>\$ 3,713,182</u>	<u>\$ 10,082</u>	<u>\$ (21,245)</u>	<u>\$ (155,985)</u>	<u>\$ 3,546,034</u>

At December 31, 2016 and 2015, approximately \$362.6 million and \$351.0 million of the Company's goodwill is deductible for tax purposes, respectively. Acquisition accounting adjustments recorded in 2016 and 2015 are a result of the Company completing its acquisition accounting and working capital adjustment periods for certain prior year acquisitions.

Other intangible assets consisted of the following at December 31 (in thousands):

	Weighted-Avg Useful Life (Years)	2016			2015		
		Gross Carrying Amounts	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amounts	Accumulated Amortization	Net Carrying Amount
Customer and vendor agreements	17.0	\$ 2,449,389	\$ (458,118)	\$ 1,991,271	\$ 2,071,928	\$ (329,664)	\$ 1,742,264
Trade names and trademarks—indefinite lived	N/A	510,952	—	510,952	318,048	—	318,048
Trade names and trademarks—other	14.7	2,746	(2,021)	725	3,067	(2,058)	1,009
Software	5.3	211,331	(85,167)	126,164	170,085	(54,250)	115,835
Non-compete agreements	5.0	35,191	(11,070)	24,121	15,209	(8,770)	6,439
Total other intangibles		\$ 3,209,609	\$ (556,376)	\$ 2,653,233	\$ 2,578,337	\$ (394,742)	\$ 2,183,595

Changes in foreign exchange rates resulted in an \$36.8 million decrease to the carrying values of other intangible assets in the year ended December 31, 2016. Amortization expense related to intangible assets for the years ended December 31, 2016, 2015 and 2014 was \$161.6 million, \$159.7 million and \$86.1 million, respectively.

The future estimated amortization of intangibles at December 31, 2016 is as follows (in thousands):

	2017	\$ 203,845
	2018	200,021
	2019	186,792
	2020	167,136
	2021	163,586
Thereafter		1,220,901

8. Property, Plant and Equipment

Property, plant and equipment, net consisted of the following at December 31 (in thousands):

	Estimated Useful Lives (in Years)	2016		2015	
Computer hardware and software	3 to 5	\$ 197,958	\$ 131,409		
Card-reading equipment	4 to 6	25,553	10,887		
Furniture, fixtures, and vehicles	2 to 10	15,418	10,291		
Buildings and improvements	5 to 50	14,432	10,982		
Property, plant and equipment, gross		253,361	163,569		
Less: accumulated depreciation		(110,857)	(82,809)		
Property, plant and equipment, net		\$ 142,504	\$ 80,760		

Depreciation expense related to property and equipment for the years ended December 31, 2016, 2015 and 2014 was \$36.5 million, \$30.5 million and \$21.1 million, respectively. Depreciation expense includes \$17.7 million, \$11.6 million and \$9.2 million, for capitalized computer software costs for the years ended December 31, 2016, 2015 and 2014, respectively. At December 31, 2016 and 2015, the Company had unamortized computer software costs of \$60.2 million and \$44.9 million, respectively.

9. Accrued Expenses

Accrued expenses consisted of the following at December 31 (in thousands):

	2016	2015
Accrued bonuses	\$ 15,866	\$ 11,995
Accrued payroll and severance	10,704	6,479
Accrued taxes	104,623	5,977
Accrued commissions/rebates	43,467	49,157
Other	64,152	77,069
	<u>\$ 238,812</u>	<u>\$ 150,677</u>

10. Debt

The Company's debt instruments at December 31 consist primarily of term notes, revolving lines of credit and a Securitization Facility as follows (in thousands):

	2016	2015
Term notes payable—domestic(a), net of discounts	\$ 2,639,279	\$ 2,157,376
Revolving line of credit A Facility—domestic(a)	465,000	160,000
Revolving line of credit A Facility—foreign(a)	123,412	—
Revolving line of credit A Facility—swing line(a)	26,608	—
Other(c)	12,934	3,624
Total notes payable and other obligations	3,267,233	2,321,000
Securitization Facility(b)	591,000	614,000
Total notes payable, credit agreements and Securitization Facility	<u>\$ 3,858,233</u>	<u>\$ 2,935,000</u>
Current portion	\$ 1,336,506	\$ 875,100
Long-term portion	2,521,727	2,059,900
Total notes payable, credit agreements and Securitization Facility	<u>\$ 3,858,233</u>	<u>\$ 2,935,000</u>

- (a) On October 24, 2014, the Company entered into a \$3.36 billion New Credit Agreement, which provides for senior secured credit facilities consisting of (a) a revolving A credit facility in the amount of \$1.0 billion, with sublimits for letters of credit, swing line loans and multicurrency borrowings, (b) a revolving B facility in the amount of \$35 million for loans in Australian Dollars or New Zealand Dollars, (c) a term A loan facility in the amount of \$2.02 billion and (d) a term loan B facility in the amount \$300 million. Proceeds from the Credit Facility may be used for working capital purposes, acquisitions, and other general corporate purposes. Interest on amounts outstanding under the New Credit Agreement (other than the term B loan) accrues based on the British Bankers Association LIBOR Rate (the Eurocurrency Rate), plus a margin based on a leverage ratio, or our option, the Base Rate (defined as the rate equal to the highest of (a) the Federal Funds Rate plus 0.50%, (b) the prime rate announced by Bank of America, N.A., or (c) the Eurocurrency Rate plus 1.00%) plus a margin based on a leverage ratio. Interest is payable quarterly in arrears. On August 22, 2016, the Company entered into the first Amendment to the existing New Credit Agreement, which established an incremental term A loan in the amount of \$600 million under the New Credit Agreement accordion feature. The proceeds from the additional \$600 million in term A loans were used to partially finance the STP acquisition. The amendment also established an accordion feature for borrowing an additional \$500 million in term A, term B or revolver A debt. On January 20, 2017, the Company entered into the second amendment to the New Credit Agreement, which established a new term B loan ("term B-2 loan") in the amount of \$245 million to replace the existing Term B loan. Interest on the Term B-2 loan facility accrues based on the Eurocurrency Rate or the Base Rate, except that the applicable margin is fixed at 2.25% for Eurocurrency Loans and at 1.25% for Base Rate Loans. In addition, the Company pays a quarterly commitment fee at a rate per annum ranging from 0.20% to 0.40% of the daily unused portion of the credit facility.

At December 31, 2016, the interest rate on the term A loan and the domestic revolving A facility was 2.52%, the interest rate on the foreign revolving A facility was 2.01%, the interest rate on the revolving A facility swing line of credit was 1.97% and the interest rate on the term B-2 loan was 3.77%. The unused credit facility was 0.35% for all facilities at

December 31, 2016. The stated maturity dates for the term A loan, revolving loans, and letters of credit under the New Credit Agreement is November 14, 2019 and November 14, 2021 for the term B loan.

The term loans are payable in quarterly installments and are due on the last business day of each March, June, September, and December with the final principal payment due on the respective maturity date. Borrowings on the revolving line of credit are repayable at the option of one, two, three or nine months after borrowing, depending on the term of the borrowing on the facility. Borrowings on the foreign swing line of credit are due no later than ten business days after such loan is made.

At December 31, 2016, the Company had \$2.4 billion in borrowings outstanding on term A loan, excluding the related debt discount, \$245.0 million in borrowings outstanding on term B-2 loan, excluding the related debt discount, \$465.0 million in borrowings outstanding on the domestic revolving A facility, \$123.4 million in borrowings outstanding on the foreign revolving A facility and \$26.6 million in borrowings outstanding on the swing line revolving A facility. The Company has unamortized debt discounts of \$6.2 million related to the term A facility and \$1.0 million related to the term B facility at December 31, 2016. The effective interest rate incurred on term loans was 2.57% and 2.04% during 2016 and 2015, respectively, related to the discount on debt. Principal payments of \$118.5 million were made on the term loans during 2016.

- (b) The Company is party to a \$950 million receivables purchase agreement (Securitization Facility) that was amended and restated for the fifth time on November 14, 2014 in connection with the Comdata acquisition to increase the commitments from \$500.0 million to \$1.2 billion, to extend the term of the facility to November 14, 2017, to add financial covenants and to add additional purchasers to the facility. On November 5, 2015, the first amendment to the fifth amended and restated receivables purchase agreement was entered into which allowed the Company to enter into a new contract with BP and modified the eligible receivables definition and on December 1, 2015, the second amendment to the fifth amended and restated receivables purchase agreement was entered into which reduced the commitments from \$1.2 billion to \$950 million. There is a program fee equal to one month LIBOR and the Commercial Paper Rate of 0.85% plus 0.90% and 0.43% plus 0.90% as of December 31, 2016 and 2015, respectively. The unused facility fee is payable at a rate of 0.40% as of December 31, 2016 and 2015. The Securitization Facility provides for certain termination events, which includes nonpayment, upon the occurrence of which the administrator may declare the facility termination date to have occurred, may exercise certain enforcement rights with respect to the receivables, and may appoint a successor servicer, among other things.
- (c) Other includes the long term portion of contingent consideration and deferred payments associated with certain of our businesses.

The Company was in compliance with all financial and non-financial covenants at December 31, 2016.

The contractual maturities of the Company's notes payable and other obligations at December 31, 2016 are as follows (in thousands):

2017	\$	745,506
2018		273,223
2019		2,010,302
2020		1,734
2021		235,518
Thereafter		950

11. Income Taxes

Income before the provision for income taxes is attributable to the following jurisdictions (in thousands) for years ended December 31:

	2016	2015	2014
United States	\$ 383,427	\$ 304,743	\$ 233,933
Foreign	259,492	231,261	279,010
Total	\$ 642,919	\$ 536,004	\$ 512,943

The provision for income taxes for the years ended December 31 consists of the following (in thousands):

	2016	2015	2014
Current:			
Federal	\$ 147,406	\$ 82,926	\$ 39,168
State	10,725	8,051	8,208
Foreign	61,084	51,970	55,144
Total current	219,215	142,947	102,520
Deferred:			
Federal	(18,723)	36,723	41,814
State	1,608	1,525	(596)
Foreign	(11,566)	(7,622)	498
Total deferred	(28,681)	30,626	41,716
Total provision	\$ 190,534	\$ 173,573	\$ 144,236

The provision for income taxes differs from amounts computed by applying the U.S. federal tax rate of 35% to income before income taxes for the years ended December 31 due to the following (in thousands):

	2016		2015		2014	
Computed "expected" tax expense	\$ 225,022	35.0 %	\$ 187,601	35.0 %	\$ 179,530	35.0 %
Changes resulting from:						
Change in valuation allowance	11,952	1.9	20,243	3.8	(53)	—
Foreign income tax differential	(25,533)	(4.0)	(23,718)	(4.4)	(24,972)	(4.9)
State taxes net of federal benefits	9,439	1.5	6,711	1.2	4,492	0.9
Foreign-sourced nontaxable income	(7,961)	(1.2)	(10,573)	(2.0)	(8,128)	(1.6)
IRC Section 199 deduction	(7,731)	(1.2)	(10,221)	(1.9)	—	—
Excess tax benefits related to stock-based compensation	(11,974)	(1.9)	—	—	—	—
Other	(2,680)	(0.4)	3,530	0.7	(6,633)	(1.3)
Provision for income taxes	\$ 190,534	29.7 %	\$ 173,573	32.4 %	\$ 144,236	28.1 %

The adoption of ASU 2016-09, "Compensation-Stock Compensation: Improvements to Employee Share-Based Payment Accounting" resulted in excess tax benefits being recorded as a reduction of income tax expense during 2016, rather than additional paid in capital as discussed in the summary of significant accounting policies footnote.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31 are as follows (in thousands):

	2016	2015
Deferred tax assets:		
Accounts receivable, principally due to the allowance for doubtful accounts	\$ 7,148	\$ 6,277
Accrued expenses not currently deductible for tax	2,647	5,797
Stock based compensation	41,415	35,066
Income tax credits	376	3,830
Net operating loss carry forwards	45,969	39,970
Equity investment	53,379	38,760
Accrued escheat	7,290	13,497
Fixed assets, intangibles and other	15,622	14,191
Deferred tax assets before valuation allowance	173,846	157,388
Valuation allowance	(76,395)	(62,605)
Deferred tax assets, net	97,451	94,783
Deferred tax liabilities:		
Intangibles—including goodwill	(687,443)	(732,017)
Basis difference in investment in foreign subsidiaries	(48,354)	(47,737)
Prepaid expenses	(3,644)	—
Property and equipment, principally due to differences between book and tax depreciation, and other	(24,157)	(19,544)
Deferred tax liabilities	(763,598)	(799,298)
Net deferred tax liabilities	\$ (666,147)	\$ (704,515)

The Company's deferred tax balances are classified in its balance sheets as of December 31 as follows (in thousands):

	2016	2015
Current deferred tax assets and liabilities:		
Current deferred tax assets	\$ —	\$ 9,585
Current deferred tax liabilities	—	(672)
Net current deferred taxes	—	8,913
Long term deferred tax assets and liabilities:		
Long term deferred tax assets	2,433	1,639
Long term deferred tax liabilities	(668,580)	(715,067)
Net long term deferred taxes	(666,147)	(713,428)
Net deferred tax liabilities	\$ (666,147)	\$ (704,515)

The Company elected to early adopt Accounting Standards Update 2015-17, "Balance Sheet Classification of Deferred Taxes". The new guidance requires that all deferred tax assets and liabilities, along with any related valuation allowance, be classified as noncurrent on the balance sheet. The guidance may be applied either prospectively, for all deferred tax assets and liabilities, or retrospectively (i.e., by reclassifying the comparative balance sheet). The Company elected to apply the new guidance prospectively.

We reduce federal and state income taxes payable by the tax benefits associated with the exercise of certain stock options. Prior to the adoption of ASU 2016-09, we recorded an excess tax benefit in stockholders' equity to the extent realized tax deductions for options exceeded the amount recognized as deferred tax benefits related to share-based compensation for these option awards. We recorded excess tax benefits of \$26.4 million and \$56.8 million in the years ended 2015 and 2014, respectively.

For 2016, as a result of the adoption of ASU 2016-09, the excess tax benefit was recorded as a reduction of income tax expense rather than as additional paid in capital. The excess tax benefit recorded in 2016 was \$12.0 million.

At December 31, 2016, U.S. taxes were not provided on earnings of the Company's foreign subsidiaries. The Company's intent is for such earnings to be reinvested by the subsidiaries or to be repatriated only when it would be tax effective through the utilization of foreign tax credits. If in the future these earnings are repatriated to the U.S., or if the Company determines that the earnings will be remitted in the foreseeable future, an additional tax provision and related liability may be required. If such earnings were distributed, U.S. income taxes would be partially reduced by available credits for taxes paid to the jurisdictions in which the income was earned.

Cumulative undistributed earnings of non-U.S. subsidiaries for which U.S. taxes have not been provided are included in consolidated retained earnings in the amount of approximately \$1,356.6 million at December 31, 2016. Because of the availability of United States foreign tax credits, it is not practicable to determine the domestic federal income tax liability that would be payable if such earnings were not reinvested indefinitely.

The valuation allowance for deferred tax assets at December 31, 2016 and 2015 was \$76.4 million and \$62.6 million, respectively. The valuation allowance relates to foreign and state net operating loss carry forwards, basis differences related to an equity method investment and foreign tax credit carry forwards. The net change in the total valuation allowance for the years ended December 31, 2016 and 2015 was an increase of \$13.8 million and \$35.5 million, respectively. The increases in 2016 and 2015 were primarily due to changes in our deferred tax asset related to basis differences in an equity method investment.

As of December 31, 2016, the Company had a net operating loss carryforward for state income tax purposes of approximately \$697.0 million that is available to offset future state taxable income through 2028. Additionally, the Company had \$43.5 million net operating loss carryforwards for foreign income tax purposes that are available to offset future foreign taxable income. The foreign net operating loss carryforwards will not expire in future years.

The Company recognizes interest and penalties on unrecognized tax benefits (including interest and penalties calculated on uncertain tax positions on which the Company believes it will ultimately prevail) within the provision for income taxes on continuing operations in the consolidated financial statements. During 2016 and 2015, the Company had recorded accrued interest and penalties related to the unrecognized tax benefits of \$5.9 million and \$5.4 million, respectively.

A reconciliation of the beginning and ending balances of the total amounts of gross unrecognized tax benefits including interest for the years ended December 31, 2016, 2015 and 2014 is as follows (in thousands):

Unrecognized tax benefits at December 31, 2013	\$	21,601
Additions based on tax provisions related to the current year		1,676
Deductions based on settlement/expiration of prior year tax positions		(4,636)
Unrecognized tax benefits at December 31, 2014		18,641
Additions based on tax provisions related to the current year		9,079
Additions based on tax provisions related to the prior year		477
Deductions based on settlement/expiration of prior year tax positions		(6,363)
Unrecognized tax benefits at December 31, 2015		21,834
Additions based on tax provisions related to the current year		3,332
Additions based on tax provisions related to the prior year		2,496
Deductions based on settlement/expiration of prior year tax positions		(1,507)
Unrecognized tax benefits at December 31, 2016	\$	26,155

As of December 31, 2016, the Company had total unrecognized tax benefits of \$26.2 million of which \$20.7 million, if recognized, would affect its effective tax rate. It is not anticipated that there are any unrecognized tax benefits that will significantly increase or decrease within the next twelve months.

The Company files numerous consolidated and separate income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. The statute of limitations for the Company's U.S. federal income tax returns has expired for years prior to 2013. The statute of limitations for the Company's U.K. income tax returns has expired for years prior to 2014. The statute of

limitations has expired for years prior to 2013 for the Company's Czech Republic income tax returns, 2013 for the Company's Russian income tax returns, 2011 for the Company's Mexican income tax returns, 2011 for the Company's Brazilian income tax returns, 2011 for the Company's Luxembourg income tax returns, 2012 for the Company's New Zealand income tax returns, and 2014 for the Company's Australian income tax returns.

12. Leases

The Company enters into noncancelable operating lease agreements for equipment, buildings and vehicles. The minimum lease payments for the noncancelable operating lease agreements are as follows (in thousands):

2017	\$	18,145
2018		14,408
2019		10,561
2020		8,029
2021		7,604
Thereafter		23,033

Rent expense for noncancelable operating leases approximated \$15.1 million, \$14.1 million and \$12.5 million for the years ended December 31, 2016, 2015 and 2014, respectively. The leases are generally renewable at the Company's option for periods of one to five years.

13. Commitments and Contingencies

In the ordinary course of business, the Company is involved in various pending or threatened legal actions. The Company has recorded reserves for certain legal proceedings. The amounts recorded are estimated and as additional information becomes available, the Company will reassess the potential liability related to its pending litigation and revise its estimate in the period that information becomes known. In the opinion of management, the amount of ultimate liability, if any, with respect to these actions will not have a material adverse effect on the Company's consolidated financial position, results of operations, or liquidity.

14. Earnings Per Share

The Company reports basic and diluted earnings per share. Basic earnings per share is computed by dividing net income attributable to shareholders of the Company by the weighted average number of common shares outstanding during the reported period. Diluted earnings per share reflect the potential dilution related to equity-based incentives using the treasury stock method. The calculation and reconciliation of basic and diluted earnings per share for the years ended December 31 (in thousands, except per share data) follows:

	2016	2015	2014
Net income	\$ 452,385	\$ 362,431	\$ 368,707
Denominator for basic earnings per share	92,597	92,023	84,317
Dilutive securities	2,616	2,116	2,665
Denominator for diluted earnings per share	95,213	94,139	86,982
Basic earnings per share	\$ 4.89	\$ 3.94	\$ 4.37
Diluted earnings per share	4.75	3.85	4.24

There were 0.1 million antidilutive shares for the year ended December 31, 2016. Diluted earnings per share for the years ended December 31, 2016 and 2015 excludes the effect of 0.4 million and 1.4 million shares, respectively, of common stock that may be issued upon the exercise of employee stock options because such effect would be antidilutive. There were no antidilutive shares for 2014. Diluted earnings per share also excludes the effect of 0.2 million, 0.2 million and 0.5 million shares of performance based restricted stock for which the performance criteria have not yet been achieved for the years ended December 31, 2016, 2015 and 2014, respectively.

15. Segments

The Company reports information about its operating segments in accordance with the authoritative guidance related to segments. The Company's reportable segments represent components of the business for which separate financial information is evaluated regularly by the chief operating decision maker in determining how to allocate resources and in assessing performance. The Company operates in two reportable segments, North America and International. There were no intersegment sales.

The Company's segment results are as follows as of and for the years ended December 31 (in thousands):

	2016	2015	2014
Revenues, net:			
North America	\$ 1,279,102	\$ 1,231,957	\$ 668,328
International	552,444	470,908	531,062
	<u>\$ 1,831,546</u>	<u>\$ 1,702,865</u>	<u>\$ 1,199,390</u>
Operating income:			
North America	\$ 506,414	\$ 442,052	\$ 287,303
International	247,739	225,482	278,146
	<u>\$ 754,153</u>	<u>\$ 667,534</u>	<u>\$ 565,449</u>
Depreciation and amortization:			
North America	\$ 129,653	\$ 127,863	\$ 39,275
International	73,603	65,590	73,086
	<u>\$ 203,256</u>	<u>\$ 193,453</u>	<u>\$ 112,361</u>
Capital expenditures:			
North America	\$ 39,000	\$ 19,883	\$ 9,407
International	20,011	21,992	17,663
	<u>\$ 59,011</u>	<u>\$ 41,875</u>	<u>\$ 27,070</u>
Long-lived assets (excluding goodwill):			
North America	\$ 1,664,224	\$ 1,719,639	\$ 1,833,311
International	1,203,465	602,941	698,925
	<u>\$ 2,867,689</u>	<u>\$ 2,322,580</u>	<u>\$ 2,532,236</u>

The Company attributes revenues, net from external customers to individual countries based upon the country in which the related services were rendered. The table below presents certain financial information related to the Company's significant operations as of and for the years ended December 31 (in thousands):

	2016	2015	2014
Revenues, net by location:			
United States (country of domicile)	\$ 1,278,828	\$ 1,231,641	\$ 667,878
Brazil	167,769	85,124	117,485
United Kingdom	229,125	248,598	262,613

	2016	2015 ¹
Long-lived assets (excluding goodwill):		
United States (country of domicile)	\$ 1,664,224	\$ 1,719,541
Brazil	784,816	146,596
United Kingdom	286,928	332,788

¹Reflects the impact of the Company's adoption of ASU 2015-03, "Interest—Imputation of Interest", which changes the presentation of debt issuance costs in financial statements as a direct deduction from the related debt liability rather than as an asset.

No single customer represented more than 10% of the Company's consolidated revenue in 2016, 2015 and 2014.

16. Selected Quarterly Financial Data (Unaudited)

Fiscal Quarters Year Ended December 31, 2016*	First	Second	Third	Fourth
Revenues, net	\$ 414,262	\$ 417,905	\$ 484,426	\$ 514,953
Operating income	175,955	171,168	191,055	215,975
Net income	111,090	116,253	129,618	95,424
Earnings per share:				
Basic earnings per share	\$ 1.20	\$ 1.25	\$ 1.40	\$ 1.03
Diluted earnings per share	1.17	1.22	1.36	1.00
Weighted average shares outstanding:				
Basic weighted average shares outstanding	92,516	92,665	92,631	92,574
Diluted weighted average shares outstanding	95,030	95,279	95,307	95,235

Fiscal Quarters Year Ended December 31, 2015	First	Second	Third	Fourth
Revenues, net	\$ 416,166	\$ 404,605	\$ 451,493	\$ 430,601
Operating income	163,774	169,151	188,460	146,149
Net income	94,153	98,678	116,770	52,830
Earnings per share:				
Basic earnings per share	\$ 1.03	\$ 1.07	\$ 1.27	\$ 0.57
Diluted earnings per share	1.00	1.05	1.24	0.56
Weighted average shares outstanding:				
Basic weighted average shares outstanding	91,750	91,904	92,110	92,321
Diluted weighted average shares outstanding	93,934	94,050	94,157	94,350

*2016 quarterly amounts reflect the impact of the Company's adoption of Accounting Standards Update 2016-09, *Compensation-Stock Compensation (Topic 718): Improvements to Employee Share-Based Payments Accounting*, to simplify several aspects of the accounting for share-based compensation, including the income tax consequences.

The sum of the quarterly earnings per common share amounts for 2016 and 2015 may not equal the earnings per common share for the 2016 and 2015 due to rounding.

The fourth quarter of 2016 includes unusual net unfavorable items totaling \$4.3 million. This represents a \$36.1 million impairment charge related to the Company's minority investment in Masternaut, partially offset by a \$31.8 million decrease in non-cash stock based compensation expense.

The fourth quarter of 2015 includes unusual unfavorable items totaling \$74.4 million. This represents a \$40.0 million impairment charge related to the Company's minority investment in Masternaut and a \$34.4 million increase in non-cash stock based compensation expense.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of December 31, 2016, management carried out, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2016, our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and are designed to ensure that information required to be disclosed in those reports is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management Report on Internal Control over Financial Reporting

Our management team is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2016. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework*. As of December 31, 2016, management believes that the Company's internal control over financial reporting is effective based on those criteria. Our independent registered public accounting firm has issued an audit report on our internal control over financial reporting, which is included in this annual report.

In connection with management's evaluation, our management team excluded from its assessment of the effectiveness of our internal control over financial reporting as of December 31, 2016, the internal controls related to two subsidiaries that we acquired during the year ended December 31, 2016, and for which financial results are included in our consolidated financial statements.

On August 31, 2016, we acquired all of the stock of Serviços e Tecnologia de Pagamentos S.A. ("STP"), an electronic toll payments company in Brazil and provider of cardless fuel payments at a number of Shell sites throughout Brazil. On August 4, 2016, we acquired all of the stock of Travelcard Nederland B.V. ("Travelcard"), a leading universal fuel card issuer in the Netherlands. Collectively we refer to these transactions as the Acquisitions. These Acquisitions constituted 18% of total assets, at December 31, 2016, and 5% of revenues, for the year then ended. This exclusion was in accordance with Securities and Exchange Commission guidance that an assessment of a recently acquired business may be omitted in management's report on internal control over financial reporting the year of acquisition.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. 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. Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Due to such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, such risk.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

A list of our executive officers and biographical information appears in Part I, Item X of this Form 10-K. Information about our directors may be found under the caption “Nominees” and “Continuing Directors” in our Proxy Statement for the Annual Meeting of Shareholders to be held June 21, 2017 (the “Proxy Statement”). Information about our Audit Committee may be found under the caption “Board Committees” in the Proxy Statement. That information is incorporated herein by reference.

The information in the Proxy Statement set forth under the caption “Section 16(a) Beneficial Ownership Reporting Compliance” is incorporated herein by reference.

We have adopted the FleetCor Code of Business Conduct and Ethics (the “code of ethics”), which applies to our Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and Corporate Controller, and other finance organization employees. The code of ethics is publicly available on our Web site at www.fleetcor.com under Investor Relations. If we make any substantive amendments to the code of ethics or grant any waiver, including any implicit waiver, from a provision of the code to our Chief Executive Officer, Chief Financial Officer, or Chief Accounting Officer, we will disclose the nature of the amendment or waiver on that Web site or in a report on Form 8-K.

ITEM 11. EXECUTIVE COMPENSATION

The information in the Proxy Statement set forth under the captions “Director Compensation,” “Named Executive Officer Compensation,” “Compensation Committee Report,” and “Compensation Committee Interlocks and Insider Participation” is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information in the Proxy Statement set forth under the captions “Securities Authorized for Issuance Under Equity Compensation Plans,” “Information Regarding Beneficial Ownership of Principal Shareholders, Directors, and Management” and “Equity Compensation Plan Information” is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information set forth in the Proxy Statement under the captions “Director Independence” and “Certain Relationships and Related Transactions” is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information concerning principal accountant fees and services appears in the Proxy Statement under the headings “Fees Billed by Ernst & Young” and “Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditor” and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Financial Statements and Schedules

The financial statements are set forth under Item 8 of this Form 10-K, as indexed below. Financial statement schedules have been omitted since they either are not required, not applicable, or the information is otherwise included.

Index to Financial Statements

	<u>Page</u>
Reports of Independent Registered Public Accounting Firm	74
Consolidated Balance Sheets at December 31, 2016 and 2015	76
Consolidated Statements of Income for the Years Ended December 31, 2016, 2015 and 2014	77
Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2016, 2015 and 2014	78
Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 2016, 2015 and 2014	79
Consolidated Statements of Cash Flows for the Years Ended December 31, 2016, 2015 and 2014	80
Notes to Consolidated Financial Statements	82

(b) Exhibit Listing

<u>Exhibit no.</u>	
2.1	Stock Purchase Agreement, dated as of April 1, 2009, among FleetCor Technologies Operating Company, LLC, CLC Group, Inc., and the entities and individuals identified on the signature pages thereto (incorporated by reference to Exhibit No. 2.1 to Amendment No. 1 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC on May 20, 2010)
2.2	Share Purchase Agreement among Arval UK Group Limited, FleetCor UK Acquisition Limited and FleetCor Technologies, Inc. (incorporated by reference to exhibit No. 2.1 to the registrant's Form 8-K, filed with the SEC on December 13, 2011)
2.3	Agreement and Plan of Merger, dated August 12, 2014, by and among Comdata Inc., Ceridian LLC, FleetCor Technologies, Inc. and FCHC Project, Inc. (incorporated by reference to Exhibit No. 2.1 to the registrant's Form 10-Q, filed with the SEC with the SEC on November 10, 2014)
2.4	Amendment to Agreement and Plan of Merger, dated November 10, 2014, by and among Comdata Inc., Ceridian LLC, FleetCor Technologies, Inc. and FCHC Project, Inc. (incorporated by reference to Exhibit No. 10.2 to the registrant's Form 8-K, filed with the SEC on November 17, 2014)
2.5	Acquisition agreement to acquire Serviços e Tecnologia de Pagamentos S.A. (incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K, File No. 001-35004, filed with the Securities and Exchange Commission on March 18, 2016)
3.1	Amended and Restated Certificate of Incorporation of FleetCor Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the registrant's Annual Report on Form 10-K, File No. 001-35004, filed with SEC on March 25, 2011)
3.2	Amended and Restated Bylaws of FleetCor Technologies, Inc. (incorporated by reference to Exhibit 3.1 to the registrant's Current Report on Form 8-K, filed with the SEC on October 28, 2016)
4.1	Form of Stock Certificate for Common Stock (incorporated by reference to Exhibit 4.1 to Amendment No. 3 to the registrant's Registration Statement on Form S-1, File No. 333-166092, filed with the SEC on June 29, 2010)
10.1*	Form of Indemnity Agreement entered into between FleetCor and its directors and executive officers (incorporated by reference to Exhibit 10.1 to Amendment No. 3 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC on June 29, 2010)

10.2*	FleetCor Technologies, Inc. Amended and Restated Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to Amendment No. 1 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC on May 20, 2010)
10.3*	First Amendment to FleetCor Technologies, Inc. Amended and Restated Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to Amendment No. 1 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC on May 20, 2010)
10.4*	Second Amendment to FleetCor Technologies, Inc. Amended and Restated Stock Incentive Plan (incorporated by reference to Exhibit 10.4 to Amendment No. 1 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC on May 20, 2010)
10.5*	Third Amendment to FleetCor Technologies, Inc. Amended and Restated Stock Incentive Plan (incorporated by reference to Exhibit 10.5 to Amendment No. 1 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC on May 20, 2010)
10.6*	Fourth Amendment to FleetCor Technologies, Inc. Amended and Restated Stock Incentive Plan (incorporated by reference to Exhibit 10.6 to Amendment No. 1 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC on May 20, 2010)
10.7*	Form of Incentive Stock Option Award Agreement pursuant to the FleetCor Technologies, Inc. Amended and Restated Stock Incentive Plan (incorporated by reference to Exhibit 10.7 to Amendment No. 1 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC on May 20, 2010)
10.8*	Form of Non-Qualified Stock Option Award Agreement pursuant to the FleetCor Technologies, Inc. Amended and Restated Stock Incentive Plan (incorporated by reference to Exhibit 10.8 to Amendment No. 1 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC on May 20, 2010)
10.9*	Form of Performance Share Restricted Stock Agreement pursuant to the FleetCor Technologies, Inc. Amended and Restated Stock Incentive Plan (incorporated by reference to Exhibit 10.9 to Amendment No. 1 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC on May 20, 2010)
10.10*	Form of FleetCor Technologies, Inc. 2010 Equity Compensation Plan (incorporated by reference to Exhibit 10.10 to Amendment No. 2 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC with the SEC on June 8, 2010)
10.11*	FleetCor Technologies, Inc. Annual Executive Bonus Program (incorporated by reference to Exhibit 10.11 to Amendment No. 2 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC with the SEC on June 8, 2010)
10.12*	Employee Noncompetition, Nondisclosure and Developments Agreement, dated September 25, 2000, between Fleetman, Inc. and Ronald F. Clarke (incorporated by reference to Exhibit 10.12 to Amendment No. 2 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC with the SEC on June 8, 2010)
10.13*	Offer Letter, dated September 20, 2002, between FleetCor Technologies, Inc. and Eric R. Dey (incorporated by reference to Exhibit 10.13 to Amendment No. 2 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC with the SEC on June 8, 2010)
10.14*	Offer Letter, dated March 17, 2009, between FleetCor Technologies, Inc. and Todd W. House (incorporated by reference to Exhibit 10.15 to Amendment No. 2 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC with the SEC on June 8, 2010)
10.15*	Service Agreement, dated July 9, 2007, between FleetCor Technologies, Inc. and Andrew R. Blazye (incorporated by reference to Exhibit 10.16 to Amendment No. 2 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC with the SEC on June 8, 2010)
10.16	Sixth Amended and Restated Registration Rights Agreement, dated April 1, 2009, between FleetCor Technologies, Inc. and each of the stockholders party thereto (incorporated by reference to Exhibit 10.17 to Amendment No. 2 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC with the SEC on June 8, 2010)
10.17	First Amendment to Sixth Amended and Restated Registration Rights Agreement (incorporated by reference to Exhibit No. 10.17 to the registrant's form 10-K, filed with the SEC with the SEC on March 25, 2011)
10.18	Form of Indemnity Agreement to be entered into between FleetCor and representatives of its major stockholders (incorporated by reference to Exhibit 10.37 to Amendment No. 3 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC with the SEC on June 29, 2010).

10.19	Form of Director Restricted Stock Grant Agreement pursuant to the FleetCor Technologies, Inc. 2010 Equity Compensation Plan (incorporated by reference to Exhibit 10.38 to Amendment No. 6 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC with the SEC on November 30, 2010).
10.20*	Form of Employee Performance Share Restricted Stock Agreement pursuant to the FleetCor Technologies, Inc. 2010 Equity Compensation Plan (incorporated by reference to Exhibit 10.39 to Amendment No. 6 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC with the SEC on November 30, 2010).
10.21*	Form of Employee Incentive Stock Option Award Agreement pursuant to the FleetCor Technologies, Inc. 2010 Equity Compensation Plan (incorporated by reference to Exhibit 10.40 to Amendment No. 6 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC on November 30, 2010).
10.22*	Form of Employee Non-Qualified Stock Option Award Agreement pursuant to the FleetCor Technologies, Inc. 2010 Equity Compensation Plan (incorporated by reference to Exhibit 10.41 to Amendment No. 6 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC with the SEC on November 30, 2010).
10.23	Form of Director Non-Qualified Stock Option Award Agreement pursuant to the FleetCor Technologies, Inc. 2010 Equity Compensation Plan (incorporated by reference to Exhibit 10.42 to Amendment No. 6 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC with the SEC on November 30, 2010).
10.24*	Amended and Restated Employee Noncompetition, Nondisclosure and Developments Agreement, dated November 29, 2010, between FleetCor Technologies, Inc. and Ronald F. Clarke (incorporated by reference to Exhibit No. 10.43 to Amendment No. 6 to the registrant's Registration Statement on Form S-1, file number 333-166092, filed with the SEC with the SEC on November 30, 2010).
10.25	Arrangement Agreement Among FleetCor Luxembourg Holdings2 S.À.R.L, FleetCor Technologies, Inc. and CTF Technologies, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q, filed with the SEC on May 10, 2012)
10.26	Repurchase Agreement, dated November 26, 2012, among the Company and the Repurchase Stockholders (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed with the SEC on November 27, 2012)
10.27*	FleetCor Technologies, Inc. 2010 Equity Compensation Plan, as amended and restated effective May 30, 2013 (incorporated by reference from Appendix A to the Proxy Statement, filed with the SEC on April 24, 2013)
10.28	FleetCor Technologies, Inc. Section 162(M) Performance—Based Program (incorporated by reference to Annex A to the Registrant's Proxy Statement, filed with the SEC on April 18, 2014)
10.29	Credit Agreement, dated October 24, 2014, among FleetCor Technologies Operating Company, LLC, as Borrower, FleetCor Technologies, Inc., as Parent, FleetCor Technologies Operating Company, LLC, as a borrower and guarantor, certain of the our foreign subsidiaries as borrowers, Bank of America, N.A., as administrative agent, swing line lender and L/C issuer and a syndicate of financial institutions (incorporated by reference to Exhibit No. 10.4 to the Registrant's Form 10-Q filed with the SEC on November 10, 2014)
10.30	Fifth Amended and Restated Receivables Purchase Agreement, dated November 14, 2014, by and among FleetCor Technologies, Inc. and PNC Bank, National Association, as administrator for a group of purchasers and purchaser agents, and certain other parties (incorporated by reference to Exhibit No. 10.1 to the Registrant's Form 8-K, filed with the SEC on November 17, 2014)
10.31	Amended and Restated Performance Guaranty dated as of November 14, 2014 made by FleetCor Technologies, Inc. and FleetCor Technologies Operating Company, LLC, in favor of PNC Bank, National Association, as administrator under the Fifth Amended and Restated Receivables Purchase Agreement (incorporated by reference to Exhibit 10.32 to the registrant's Form 10-K, file number 001-35004, filed with the SEC on March 2, 2015)
10.32	Amended and Restated Purchase and Sale Agreement dated as of November 14, 2014, among various entities listed on Schedule I thereto, as originators, and FleetCor Funding LLC (incorporated by reference to Exhibit 10.32 to the registrant's Form 10-K, file number 001-35004, filed with the SEC on March 2, 2015)
10.33	Receivables Purchase and Sale Agreement dated as of November 14, 2014, among Comdata TN, Inc. and Comdata Network, Inc. of California, as the sellers, and Comdata Inc., as the buyer (incorporated by reference to Exhibit 10.32 to the registrant's Form 10-K, file number 001-35004, filed with the SEC on March 2, 2015)
10.34	Investor Rights Agreement, dated November 14, 2014, between FleetCor Technologies, Inc. and Ceridian LLC (incorporated by reference to Exhibit 10.32 to the registrant's Form 10-K, file number 001-35004, filed with the SEC on March 2, 2015)

10.35*	Offer Letter, dated June 19, 2013, between FleetCor Technologies, Inc. and John A. Reed (incorporated by reference to Exhibit No. 10.3 to the registrant's Form 10-Q, filed with the SEC on March 12, 2014)
10.36*	Offer Letter, dated July 29, 2014, between FleetCor Technologies, Inc. and Armando Lins Netto (incorporated by reference to Exhibit 10.1 to the registrant's Form 10-Q, file number 001-35004, filed with the SEC on May 11, 2015)
10.37	First Amendment to the Fifth Amended and Restated Receivables Purchase Agreement, dated as of November 5, 2015, by and among FleetCor Funding LLC, FleetCor Technologies Operating Company, LLC and PNC Bank, National Association, as administrator for a group of purchasers and purchaser agents, and certain other parties (incorporated by reference to Exhibit 10.2 to the registrant's Form 10-Q, file number 001-35004, filed with the SEC on November 9, 2015)
10.38*	Employee agreement on confidentiality, work product, non-competition, and non-solicitation (incorporated by reference to Exhibit 10.39 to the registrant's Form 10-K, file number 001-35004, filed with the SEC on February 29, 2016)
10.39	Second Amendment to the Fifth Amended and Restated Receivables Purchase Agreement, dated as of December 1, 2015, by and among FleetCor Funding LLC, FleetCor Technologies Operating Company, LLC and PNC Bank, National Association, as administrator for a group of purchasers and purchaser agents, and certain other parties (incorporated by reference to Exhibit 10.39 to the registrant's Form 10-K, file number 001-35004, filed with the SEC on February 29, 2016)
10.40	First Amendment to Credit Agreement and Lender Joiner Agreement, dated as of August 22, 2016, by and among FleetCor Funding LLC, FleetCor Technologies Operating Company, LLC and PNC Bank, National Association, as administrator for a group of purchasers and purchaser agents, and certain other parties (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q, filed with the Securities and Exchange Commission on November 9, 2016)
10.41	Second Amendment to Credit Agreement, dated as of January 2017, among FleetCor Technologies Operating Company, LLC, as the Company, FleetCor Technologies, Inc., as the Parent, the designated borrowers party hereto, the other guarantors party hereto, Bank of America, N.A., as administrative agent, swing line lender and l/c issuer, and the other lenders party hereto Merrill Lynch, Pierce, Fenner & Smith Incorporated, as sole lead arranger and sole bookrunner
11.1	Statement of Computation of Share Earnings (See Note 14)
21.1	List of subsidiaries of FleetCor Technologies, Inc.
23.1	Consent of Independent Registered Public Accounting Firm
31.1	Certification of Chief Executive Officer Pursuant to Section 302
31.2	Certification of Chief Financial Officer Pursuant to Section 302
32.1	Certification of Chief Executive Officer Pursuant to Section 906
32.2	Certification of Chief Financial Officer Pursuant to Section 906
101	The following financial information for the Registrant formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Unaudited Consolidated Statements of Income, (iii) the Unaudited Consolidated Statements of Comprehensive Income; (iv) the Unaudited Consolidated Statements of Cash Flows and (v) the Notes to Unaudited Consolidated Financial Statements

* Identifies management contract or compensatory plan or arrangement.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned; thereunto duly authorized, in the City of Atlanta, State of Georgia, on March 1, 2017.

FleetCor Technologies, Inc.

By: _____ /s/ RONALD F. CLARKE
Ronald F. Clarke
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of Registrant and in the capacities indicated on March 1, 2017.

<u>Signature</u>	<u>Title</u>
_____ /s/ RONALD F. CLARKE Ronald F. Clarke	President, Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)
_____ /s/ ERIC R. DEY Eric R. Dey	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
_____ /s/ MICHAEL BUCKMAN Michael Buckman	Director
_____ /s/ JOSEPH W. FARRELLY Joseph W. Farrelly	Director
_____ /s/ THOMAS M. HAGERTY Thomas M. Hagerty	Director
_____ /s/ MARK A. JOHNSON Mark A. Johnson	Director
_____ /s/ RICHARD MACCHIA Richard Macchia	Director
_____ /s/ JEFFREY S. SLOAN Jeffrey S. Sloan	Director
_____ /s/ STEVEN T. STULL Steven T. Stull	Director

SECOND AMENDMENT TO CREDIT AGREEMENT

Dated as of January 20, 2017

among

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC,
as the Company,

FLEETCOR TECHNOLOGIES, INC.,
as the Parent,

THE DESIGNATED BORROWERS PARTY HERETO,

THE OTHER GUARANTORS PARTY HERETO,

BANK OF AMERICA, N.A.,
as Administrative Agent, Swing Line Lender and L/C Issuer,

and

THE OTHER LENDERS PARTY HERETO

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
as Sole Lead Arranger and Sole Bookrunner

SECOND AMENDMENT TO CREDIT AGREEMENT

THIS SECOND AMENDMENT TO CREDIT AGREEMENT (this "Amendment") dated as of January 20, 2017 (the "Second Amendment Effective Date") is entered into among FleetCor Technologies Operating Company, LLC, a Georgia limited liability company (the "Company"), FLEETCOR TECHNOLOGIES, INC., a Delaware corporation (the "Parent"), the Designated Borrowers party hereto (including FleetCor Luxembourg Holding2, a société à responsabilité limitée, incorporated under the laws of the Grand-Duchy of Luxembourg, with a share capital of EUR 143,775,650, having its registered office at 5, rue Guillaume Kroll, L-1882 Luxembourg and registered with the Registre de Commerce et des Sociétés, Luxembourg under number B 121.980), the other Guarantors party hereto, the Lenders party hereto and Bank of America, N.A., as Administrative Agent (in such capacity, the "Administrative Agent"), L/C Issuer and Swing Line Lender. Capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Credit Agreement (as defined below) as amended hereby.

RECITALS

WHEREAS, pursuant to that certain Credit Agreement dated as of October 24, 2014 (as amended, modified, supplemented, increased or extended from time to time, the "Credit Agreement") among the Company, the Parent, the

Designated Borrowers from time to time party thereto, the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent, L/C Issuer and Swing Line Lender, the Lenders have agreed to provide the Borrowers with the credit facilities provided for therein;

WHEREAS, the Company has requested the institution of a new term B loan tranche (the “Term B-2 Loan”) in replacement of the existing Term B Loan in an aggregate principal amount of \$245,000,000; and

WHEREAS, each of the Persons identified on Schedule 1 attached hereto (each, a “Term B-2 Lender” and collectively the “Term B-2 Lenders”) has agreed to provide a portion of the Term B-2 Loan to the Company on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Establishment of Term B-2 Loan; Conversion of Existing Term B Loan; Non-Consenting Term B Lenders.

(a) Subject to the terms and conditions set forth herein, the Term B-2 Loan in the original principal amount of \$245,000,000 is hereby established and the parties hereto agree that, on the Second Amendment Effective Date, the Term B Loan made by the Term B Lenders under the Credit Agreement is hereby replaced in its entirety with the Term B-2 Loan.

(b) The Term B Lenders set forth on Schedule 2 attached hereto are Term B Lenders of record of the portion of the existing Term B Loan set forth on Schedule 2 opposite such Term B Lender’s name. Each such Term B Lender represents and warrants that it holds such portion of the existing Term B Loan and has not assigned or participated the existing Term B Loan to any other Person. The Loan Parties, the Administrative Agent and each Term B Lender set forth on Schedule 2 attached hereto hereby agree that on the Second Amendment Effective Date the principal amount of the portion of the existing Term B Loan set forth on Schedule 2 opposite such Term B Lender’s name and owing to such Term B Lender under the Credit Agreement shall be converted (the “Conversion”) into a portion of the Term B-2 Loan in an aggregate principal amount equal to the amount set forth on Schedule 2 opposite such Term B Lender’s name, as contemplated by and to be evidenced and governed by the Credit Agreement and the related Loan Documents, in each case, as amended hereby, all on the terms and conditions set forth in the Credit Agreement, as amended hereby, and this Amendment.

(c) In order to effect the Conversion, (i) the Administrative Agent has notified the Company that upon the Second Amendment Effective Date it will mark the Register to reflect the existing Term B Loan as no longer outstanding on the Second Amendment Effective Date, and (ii) each Term B Lender set forth on Schedule 2 shall be deemed to become a party to the Credit Agreement as a Term B-2 Lender on the Second Amendment Effective Date in respect of the Term B-2 Loan in the amount set forth opposite such Term B Lender’s name on Schedule 2. The Conversion will not affect the right of any Term B Lender to receive any accrued and unpaid interest with respect to the existing Term B Loan that is owed to such Term B Lender, all of which shall be paid by the Company on the Second Amendment Effective Date (but it is understood and agreed that the existing Term B Loan shall not bear any interest from and after the Conversion). Furthermore, each Term B Lender set forth on Schedule 2 attached hereto agrees that, effective upon the Conversion and subject to receipt of such accrued and unpaid interest, it no longer holds any portion of the existing Term B Loan.

(d) Upon giving effect to this Amendment, (i) the outstanding portion of the Term B Loan of each Term B Lender set forth on Schedule 3 attached hereto (each, a “Non-Consenting Term B Lender”) shall be fully assigned at par to Term B-2 Lenders so that, after giving effect to such assignments, the Term B-2 Lenders shall hold the portions of the Term B-2 Loan as set forth on Schedule 1 attached hereto, and (ii) each Non-Consenting Term B Lender shall no longer be a Term B Lender under the Credit Agreement.

(e) The parties hereto agree that the Company, the Lenders and the Administrative Agent shall effect such assignments, prepayments, borrowings and reallocations as are necessary to effectuate the modifications contemplated in this Amendment such that, after giving effect thereto, the Term B-2 Lenders shall hold the portions of the Term B-2 Loan as set forth on Schedule 1 attached hereto.

2. Amendments. The Credit Agreement is hereby amended as follows:

(a) The following definitions are added to Section 1.01 of the Credit Agreement in the appropriate alphabetical order to read as follows:

“Second Amendment Effective Date” means January 20, 2017.

“Term B-2 Lender” means a Lender with a Term B-2 Loan Commitment or holding a portion of the Term B-2 Loan.

“Term B-2 Loan” has the meaning specified in Section 2.01(d).

“Term B-2 Loan Commitment” means, as to each Lender, its obligation to make its portion of the Term B-2 Loan to the Company pursuant to Section 2.01(d), in the principal amount set forth opposite such Lender’s name on Schedule 2.01. The aggregate principal amount of the Term B-2 Loan Commitments of all of the Lenders as in effect on the Second Amendment Effective Date is TWO HUNDRED FORTY FIVE MILLION DOLLARS (\$245,000,000).

(b) The definitions of “Term B Lender”, “Term B Loan” and “Term B Loan Commitment” in Section 1.01 of the Credit Agreement are amended to read as follows:

“Term B Lender” means a Lender with a Term B Loan Commitment or holding a portion of the Term B Loan, in each case, immediately prior to the Second Amendment Effective Date.

“Term B Loan” has the meaning specified in Section 2.01(d). As of the Second Amendment Effective Date, the Term B Loan was replaced in its entirety by the Term B-2 Loan.

“Term B Loan Commitment” means, as to each Lender, its obligation to make its portion of the Term B Loan to the Company pursuant to Section 2.01(d) on the Initial Borrowing Date. The aggregate principal amount of the Term B Loan Commitments of all of the Lenders as in effect on the Initial Borrowing Date was THREE HUNDRED MILLION DOLLARS (\$300,000,000). As of the borrowing of the Term B Loan on the Initial Borrowing Date, the Term B Loan Commitment of each Lender was automatically and permanently reduced to ZERO DOLLARS (\$0).

(c) The reference to “the Term B Loans” in the definition of “All-In-Yield” in Section 1.01 of the Credit Agreement is amended to read “the Term B-2 Loan”.

(d) Clause (d) in the definition of “Applicable Percentage” in Section 1.01 of the Credit Agreement is amended to read as follows:

(d) with respect to such Lender’s portion of the outstanding Term B-2 Loan at any time, the percentage of the outstanding principal amount of the Term B-2 Loan held by such Lender at such time,

(e) Clause (b) in the definition of “Applicable Rate” in Section 1.01 of the Credit Agreement is amended to read as follows:

(b) with respect to the Term B-2 Loan, 2.25% per annum in the case of Eurocurrency Rate Loans and 1.25% per annum in the case of Base Rate Loans, and

(f) The reference to “the Term B Loan Commitment” in the definition of “Commitment” in Section 1.01 of the Credit Agreement is amended to read “the Term B-2 Loan Commitment”.

(g) The last sentence in the definition of “Eurocurrency Base Rate” in Section 1.01 of the Credit Agreement is amended to read as follows:

Notwithstanding the foregoing, for all purposes under this Agreement, if the Eurocurrency Base Rate shall be less than zero, such rate shall be deemed zero for such purposes under this Agreement.

(h) The reference to “the Term B Loan” in clause (b) of the definition of “Maturity Date” in Section 1.01 of the Credit Agreement is amended to read “the Term B-2 Loan”.

(i) Each reference to “the Term B Loan” in the definition of “Repricing Transaction” in Section 1.01 of the Credit Agreement is amended to read “the Term B-2 Loan”.

(j) The reference to “a Term B Loan Commitment” in the definition of “Term Commitment” in Section 1.01 of the Credit Agreement is amended to read “a Term B-2 Loan Commitment”.

(k) The reference to “Term B Loan” in the definition of “Term Loan” in Section 1.01 of the Credit Agreement is amended to read “Term B-2 Loan”.

(l) Section 2.01(d) of the Credit Agreement is amended to read as follows:

(d) Term B Loan; Term B-2 Loan. On the Initial Borrowing Date, each Term B Lender severally made its portion of a term loan (the “Term B Loan”) to the Company in Dollars. On the Second Amendment Effective Date, the Term B Loan is replaced by a new term loan B tranche (the “Term B-2 Loan”). Subject to the terms and conditions set forth herein, each Term B-2 Lender severally agrees to make its portion of the Term B-2 Loan to the Company in Dollars on the Second Amendment Effective Date in an amount not to exceed such Term B-2 Lender’s Term B-2 Loan Commitment. Amounts repaid on the Term B-2 Loan may not be reborrowed. The Term B-2 Loan may consist of Base Rate Loans or Eurocurrency Rate Loans or a combination thereof, as further provided herein.

(m) The reference to “the Term B Loan” in the lead-in to Section 2.02(f)(ii) of the Credit Agreement is amended to read “the Term B-2 Loan”.

(n) The reference to “the Term B Loan” in the proviso of Section 2.02(f)(ii)(E)(1) of the Credit Agreement is amended to read “the Term B-2 Loan”.

(o) The reference to “the Term B Loan” in the proviso of Section 2.02(f)(ii)(E)(2) of the Credit Agreement is amended to read “the Term B-2 Loan”.

(p) Each reference to “the Term B Loan” in Section 2.02(f)(ii)(E)(3) of the Credit Agreement is amended to read “the Term B-2 Loan”.

(q) Each reference to “the Term B Loan” and “the outstanding Term B Loan” in Section 2.02(f)(ii)(E)(5) of the Credit Agreement is amended to read “the Term B-2 Loan” and “the outstanding Term B-2 Loan”, as applicable.

(r) Each reference to “the Term B Loan” in Section 2.05(a)(i) of the Credit Agreement is amended to read “the Term B-2 Loan”.

(s) Section 2.05(a)(iii) of the Credit Agreement is amended to read as follows:

(iii) Prepayment Premium. If a Repricing Transaction occurs prior to the date that is six months after the Second Amendment Effective Date, then the Company shall pay to the Administrative

Agent, for the ratable account of the Term B-2 Lenders, a prepayment premium in an amount equal to (A) 1.0% of the principal amount of the Term B-2 Loan that is prepaid or repaid, in the case of a prepayment or repayment of the Term B-2 Loan described in clause (a) of the definition of “Repricing Transaction,” or (B) 1.0% of the aggregate outstanding principal amount of the Term B-2 Loan, in the case of an amendment described in clause (b) of the definition of “Repricing Transaction” (it being understood that such prepayment premium shall apply if such prepayment is made to a Lender as the result of a mandatory assignment of its portion of the Term B-2 Loan pursuant to Section 11.13 following its failure to consent to an amendment that would reduce the interest rate or interest rate margins applicable to the Term B-2 Loan).

(t) Each reference to “the Term B Loan” in Section 2.05(b)(v)(B) of the Credit Agreement is amended to read “the Term B-2 Loan”.

(u) A new Section 2.06(b)(iv) is hereby added to the Credit Agreement and shall read as follows:

(iv) The aggregate Term B-2 Loan Commitments shall be automatically and permanently reduced to zero on the Second Amendment Effective Date upon the borrowing of the Term B-2 Loan.

(v) Section 2.07(d) of the Credit Agreement is amended to read as follows:

(d) Term B-2 Loan. The Company shall repay the outstanding principal amount of the Term B-2 Loan in consecutive installments on the last Business Day of each March, June, September and December, beginning on March 31, 2017, each such installment to be in an amount equal to 0.25% of the aggregate principal amount of the Term B-2 Loan advanced on the Second Amendment Effective Date (as such installments may hereafter be adjusted as a result of prepayments made pursuant to Section 2.05), unless accelerated sooner pursuant to Section 9.02, with the entire outstanding principal balance of the Term B-2 Loan due and payable in full on the Maturity Date.

(w) The reference to “the Term B Loan” in the last sentence in Section 9.01 of the Credit Agreement is amended to read “the Term B-2 Loan”.

(x) Schedule 2.01 to the Credit Agreement is amended to replace the columns labeled “Term B Loan Commitments” and “Term B Loan Commitment Percentages” with the columns set forth on Schedule 1 attached hereto.

3. Conditions Precedent. This Amendment shall be effective upon satisfaction of the following conditions precedent:

(a) Receipt by the Administrative Agent of counterparts of this Amendment duly executed by (i) a Responsible Officer of the Company, the Designated Borrowers and the Guarantors and (ii) each of the Term B-2 Lenders and the other Required Lenders.

(b) Receipt by the Administrative Agent of Term Notes dated the Second Amendment Effective Date executed by a Responsible Officer of the Company in favor of each Term B-2 Lender requesting a Term Note from the Company.

(c) Receipt by the Administrative Agent of favorable domestic opinions of legal counsel to the Loan Parties, addressed to the Administrative Agent and each Lender (including each Term B-2 Lender), and dated as of the Second Amendment Effective Date, in form and substance satisfactory to the Administrative Agent, to the extent required by the Administrative Agent.

(d) Receipt by the Administrative Agent of a certificate of the Company, the Parent, and each other Guarantor, in each case, duly executed by a Responsible Officer of each such Loan Party, dated as of the Second Amendment Effective Date, (i) certifying and attaching the resolutions adopted by such Loan Party

approving or consenting to the Term B-2 Loan, this Amendment and the transactions contemplated hereby, (ii) certifying and attaching copies of the Organization Documents of such Loan Party, certified to be true and complete as of a recent date by the appropriate Governmental Authority of the state or other jurisdiction of its incorporation or organization, where applicable (or, as to any such Organization Documents that have not been amended, modified or terminated since the Initial Borrowing Date or the First Amendment Effective Date, as applicable, certifying that such Organization Documents have not been amended, modified or terminated since the Initial Borrowing Date or the First Amendment Effective Date, as applicable, and remain in full force and effect, and true and complete, in the form delivered to the Administrative Agent on the Initial Borrowing Date or the First Amendment Effective Date, as applicable), (iii) certifying as to the incumbency, identity, authority and capacity of each Responsible Officer of such Loan Party authorized to act as a Responsible Officer in connection with the Term B-2 Loan, this Amendment and the other Loan Documents to which such Loan Party is a party, and (iv) in the case of the Company, certifying that, before and after giving effect to the Term B-2 Loan and this Amendment, (A) the representations and warranties contained in Article VI of the Credit Agreement and the other Loan Documents are true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality) on and as of the Second Amendment Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality) as of such earlier date (and, for purposes hereof, the representations and warranties contained in subsections (a) and (b) of Section 6.05 of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 7.01 of the Credit Agreement), and (B) no Default or Event of Default exists.

(e) Receipt by the Administrative Agent of such documents and certifications as the Administrative Agent may require to evidence that the Company, the Parent, and each other Guarantor is duly organized or formed, and is validly existing, in good standing and qualified to engage in business in its state of organization or formation.

(f) Receipt by MLPFS (or any of its designated Affiliates) and the Term B-2 Lenders of any fees required to be paid on or before the Second Amendment Effective Date.

(g) Receipt by the Administrative Agent of a Loan Notice with respect to the Term B-2 Loan in accordance with the requirements of the Credit Agreement.

(h) The Company shall have paid all accrued and unpaid interest and fees on the outstanding Term B Loan to the Second Amendment Effective Date.

(i) Receipt by each Lender (including each Term B-2 Lender) of all documentation and other information that it has reasonably requested in writing that it has reasonably determined is required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including without limitation the PATRIOT Act.

(j) Unless waived by the Administrative Agent, the Company shall have paid all fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel, if so requested by the Administrative Agent) to the extent invoiced prior to or on the Second Amendment Effective Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Company and the Administrative Agent).

4. Miscellaneous.

(a) The Credit Agreement and the obligations of the Loan Parties thereunder and under the other Loan Documents are hereby ratified and confirmed and shall remain in full force and effect according to their terms, as amended hereby.

(b) Each Guarantor (i) acknowledges and consents to all of the terms and conditions of the Term B-2 Loan and this Amendment, and the transactions contemplated hereby, (ii) affirms all of its obligations under the Loan Documents to which it is a party and (iii) agrees that this Amendment and all documents executed in connection herewith do not operate to reduce or discharge its obligations under the Loan Documents to which it is a party.

(c) Each Loan Party hereby represents and warrants to the Administrative Agent and the Lenders as follows:

(i) The execution, delivery and performance by such Loan Party of this Amendment has been duly authorized by all necessary corporate or other organizational action, and do not (A) contravene the terms of any of such Loan Party's Organization Documents; (B) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (I) any material Contractual Obligation to which such Loan Party is a party or affecting such Loan Party or the properties of such Loan Party or any of its Subsidiaries or (II) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Loan Party or its property is subject; or (C) violate any Law.

(ii) This Amendment has been duly executed and delivered by such Loan Party and constitutes such Loan Party's legal, valid and binding obligation, enforceable in accordance with its terms, subject to laws generally affecting creditors' rights, to statutes of limitations and to principles of equity.

(iii) No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, such Loan Party of this Amendment or the Credit Agreement as amended hereby.

(iv) The representations and warranties of such Loan Party set forth in Article VI of the Credit Agreement and in each other Loan Document are true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality) on and as of the Second Amendment Effective Date with the same effect as if made on and as of the Second Amendment Effective Date, except to the extent such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality) as of such earlier date, and except that for purposes of this Section 4(c)(iv), the representations and warranties contained in subsections (a) and (b) of Section 6.05 of the Credit Agreement shall be deemed to refer to the most recent financial statements furnished pursuant to subsections (a) and (b), respectively, of Section 7.01 of the Credit Agreement.

(v) No Default has occurred and is continuing or would result from the transactions contemplated by this Amendment.

(vi) The Persons signing this Amendment as Guarantors include all of the Subsidiaries existing as of the Second Amendment Effective Date that are required to become Guarantors pursuant to the Credit Agreement.

(d) Each Term B-2 Lender (i) represents and warrants that (A) it has full power and authority, and has taken all action necessary, to execute and deliver this Amendment and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (B) it meets all requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (C) from and after the Second Amendment Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and shall have the obligations of a Lender thereunder,

(D) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 7.01 thereof, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (E) if it is a Foreign Lender, it has delivered any documentation required to be delivered by it pursuant to the terms of the Credit Agreement; and (ii) agrees that (A) it will, independently and without reliance on the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (B) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

(e) Each of the Administrative Agent, the Company, the Designated Borrowers and the Guarantors agree that, as of the Second Amendment Effective Date, each Term B-2 Lender shall (i) be a party to the Credit Agreement and the other Loan Documents, (ii) be a "Term B-2 Lender" for all purposes of the Credit Agreement and the other Loan Documents and (iii) have the rights and obligations of a Term B-2 Lender under the Credit Agreement and the other Loan Documents.

(f) The address of each Term B-2 Lender for purposes of all notices and other communications is as set forth on the Administrative Questionnaire delivered by such Term B-2 Lender to the Administrative Agent.

(g) This Amendment may be executed in any number of counterparts and by the various parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of this Amendment by telecopy or in any other electronic format (such as .pdf format) shall be effective as delivery of a manually executed original counterpart of this Amendment.

(h) This Amendment is a Loan Document. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor, except as expressly provided herein, constitute a waiver or amendment of any provision of any of the Loan Documents.

(i) THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. This Amendment shall be further subject to the terms and conditions of Sections 11.14 and 11.15 of the credit agreement, the terms of which are incorporated herein by reference as if fully set forth herein.

[remainder of page intentionally left blank]

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC
SECOND AMENDMENT TO CREDIT AGREEMENT

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered by a duly authorized officer as of the date first above written.

COMPANY: FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC,
a Georgia limited liability company

By: /s/Steve Pisciotta
Name: Steve Pisciotta
Title: Treasurer

PARENT: FLEETCOR TECHNOLOGIES, INC.,

a Delaware corporation

By: /s/Steve Pisciotta
Name: Steve Pisciotta
Title: Treasurer

DESIGNATED
BORROWERS:

FLEETCOR UK ACQUISITION LIMITED,
a private limited company registered in England and Wales

By: /s/Steve Pisciotta
Name: Steve Pisciotta
Title: Director

ALLSTAR BUSINESS SOLUTIONS LIMITED,
a private limited company registered in England and Wales

By: /s/Steve Pisciotta
Name: Steve Pisciotta
Title: Director

BUSINESS FUEL CARDS PTY LTD (formerly FleetCor Technologies Australia Pty Ltd),
a proprietary limited company registered in Australia, in accordance with section 127 of the *Corporations Act 2001* (Cth)
ACN 161 721 106

By: /s/ Eric Dey
Name: Eric Dey
Title: Director

By: /s/Steve Pisciotta
Name: Steve Pisciotta
Title: Director

FLEETCOR TECHNOLOGIES NEW ZEALAND LIMITED,
a company registered in New Zealand

By: /s/Steven Joseph Pisciotta
Name: Steven Joseph Pisciotta
Title: Director

FLEETCOR LUXEMBOURG HOLDING2,
a *société à responsabilité limitée* incorporated under the laws of Luxembourg

By: /s/Steve Pisciotta
Name: Steve Pisciotta
Title: Type A Manager

GUARANTORS: CFN HOLDING CO.,

a Delaware corporation

By: /s/ Steve Pisciotta
Name: Steve Pisciotta
Title: Treasurer

CLC GROUP, INC.,
a Delaware corporataion

By: /s/ Steve Pisciotta
Name: Steve Pisciotta
Title: Treasurer

CORPORATE LODGING CONSULTANTS, INC.,
a Kansas corporation

By: /s/ Steve Pisciotta
Name: Steve Pisciotta
Title: Treasurer

CREW TRANSPORTATION SPECIALISTS, INC.,
a Kansas corporation

By: /s/ Steve Pisciotta
Name: Steve Pisciotta
Title: Treasurer

MANNATEC, INC.,
a Georgia corporation

By: /s/ Steve Pisciotta
Name: Steve Pisciotta
Title: Treasurer

FLEETCOR FUEL CARDS LLC,
a Delaware limited liability company

By: /s/ Steve Pisciotta
Name: Steve Pisciotta
Title: Treasurer

Fleet Management Holding Corporation,
a Delaware corporation

By: /s/ Steve Pisciotta
Name: Steve Pisciotta
Title: Treasurer

Discrete Wireless, Inc.,
a Georgia corporation

By: /s/ Steve Pisciotta
Name: Steve Pisciotta
Title: Treasurer

Pacific Pride Services, LLC,
a Delaware limited liability company

By: /s/ Steve Pisciotta
Name: Steve Pisciotta
Title: Treasurer

FCHC Holding Company, LLC,
a Delaware limited liability company

By: /s/ John Coughlin
Name: John Coughlin
Title: President

Comdata Inc.,
a Delaware corporation

By: /s/ Robert E. Kribbs
Name: Robert E, Kribbs
Title: Vice President

Comdata TN, Inc.,
a Tennessee corporation

By: /s/ Robert E. Kribbs
Name: Robert E, Kribbs
Title: Vice President

Comdata Network, Inc. of California,
a California corporation

By: /s/ Robert E. Kribbs
Name: Robert E, Kribbs
Title: Vice President

ADMINISTRATIVE

AGENT: bank of america, n.a.,
as Administrative Agent

By: /s/ Angela Larkin
Name: Angela Larkin

Title: Assistant Vice President

LENDERS: bank of america, n.a.,
as a Lender, Swing Line Lender and L/C Issuer

By: /s/ Ryan Maples
Name: Ryan Maples
Title: Sr. Vice President

CITIZENS BANK, N.A.,
As a Lender

By: /s/ Caroline Conole
Name: Caroline Conole
Title: Officer

THE BANK OF NOVA SCOTIA,
As a Lender

By: /s/ Michael Grad
Name: Michael Grad
Title: Director

SYNOVUS BANK
As a Lender

By: /s/ Matthew Mckee
Name: Matthew Mckee
Title: Corporate Banker

AZB FUNDING 7,
As a Lender

By: /s/ Robert Gates
Name: Robert Gates
Title: Authorized Signatory

TD BANK, N.A.,
As a Lender

By: /s/ Craig Welch
Name: Craig Welch
Title: Senior Vice President

FIFTH THIRD BANK, an Ohio banking corporation,
As a Lender

By: /s/ Dan Komitor
Name: Dan Komitor
Title: Managing Director

KEYBANK NATIONAL ASSOCIATION,
As a Lender

By: /s/ Geoff Smith
Name: Geoff Smith
Title: Senior Vice President

BANCO DE SABADELL, S.A., MIAMI BRANCH,
As a Lender

By: /s/ Enrique Castillo
Name: Craig Welch
Title: Structured Finance Americas Director

MUFG UNION BANK, N.A.,
As a Lender

By: /s/ Maria Iarriccio
Name: Maria Iarriccio
Title: Director

Credit Industriel et Commercial, New York Branch
As a Lender

By: /s/ Garry Weiss
Name: Garry Weiss
Title: Managing Director

By: /s/ Clifford Abramsky
Name: Geoff Smith
Title: Managing Director

REGIONS BANK
As a Lender

By: /s/ Jason Douglas
Name: Jason Douglas
Title: Director

FIRST HAWAIIAN BANK,
As a Lender

By: /s/ Jeffrey Inouye
Name: Geoff Smith
Title: Vice President

BANK OF THE WEST,
As a Lender

By: /s/ Mary Smith
Name: Mary Smith
Title: Director

AXA INVESTMENT MANAGERS Paris SA for and on behalf of
Matignon Leveraged Loans Limited
As a Lender

By: /s/ Yannick Le Serviget
Name: Yannick Le Serviget
Title: Senior Porfolio Manager

AXA INVESTMENT MANAGERS Paris SA for and on behalf of
AXA IM Loan Limited
As a Lender

By: /s/ Yannick Le Serviget
Name: Yannick Le Serviget
Title: Senior Porfolio Manager

AXA INVESTMENT MANAGERS Paris SA for and on behalf of
Matigon Loans Fund
As a Lender

By: /s/ Yannick Le Serviget

Name: Yannick Le Serviget
Title: Senior Porfolio Manager

AXA INVESTMENT MANAGERS Paris SA for and on behalf of
AXA Germany Leveraged Loans Fund
As a Lender

By: /s/ Yannick Le Serviget
Name: Yannick Le Serviget
Title: Senior Porfolio Manager

AXA INVESTMENT MANAGERS Paris SA for and on behalf of
FCP Columbus Global Debt Fund
As a Lender

By: /s/ Yannick Le Serviget
Name: Yannick Le Serviget
Title: Senior Porfolio Manager

AXA INVESTMENT MANAGERS Paris SA for and on behalf of
ACM US Loans Fund
As a Lender

By: /s/ Yannick Le Serviget
Name: Yannick Le Serviget
Title: Senior Porfolio Manager

AXA INVESTMENT MANAGERS Paris SA for and on behalf of
Matignon Derivatives Loans
As a Lender

By: /s/ Yannick Le Serviget
Name: Yannick Le Serviget
Title: Senior Porfolio Manager

AXA INVESTMENT MANAGERS Paris SA for and on behalf of
Columbus Diversified Leveraged Loans Fund
As a Lender

By: /s/ Yannick Le Serviget
Name: Yannick Le Serviget
Title: Senior Porfolio Manager

MANUFACTURERS BANK,
As a Lender

By: /s/ Dirk Price
Name: Dirk Price
Title: Vice President

BARCLAYS BANK PLC,
As a Lender

By: /s/ Christopher Aitkin
Name: Christopher Aitkin
Title: Assistant Vice President

PNC BANK, NATIONAL ASSOCIATION,
As a Lender

By: /s/ Andrew Fraser
Name: Andrew Fraser
Title: Vice President

COMPASS BANK,
As a Lender

By: /s/ Mark Haddad
Name: Mark Haddad
Title: Vice President

JPMORGAN CHASE BANK, N.A.,
As a Lender

By: /s/ Peter B. Thauer
Name: Peter B. Thauer
Title: Managing Director

MIZUHO BANK, LTD.,
As a Lender

By: /s/ James R. Fayen
Name: James R. Fayen
Title: Managing Director

Bank of Taiwan, Los Angeles Branch

As a Lender

By: /s/ Ti Kang Wang
Name: Ti Kang Wang
Title: Vice President and General Manager

HSBC BANK USA, NATIONAL ASSOCIATION,
As a Lender

By: /s/ Rafael De Paoli
Name: Rafael De Paoli
Title: Director

CAPITAL ONE, N.A.,
As a Lender

By: /s/ Jeremy Mipro
Name: Jeremy Mipro
Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION,
As a Lender

By: /s/ Lex Mayers
Name: Lex Mayers
Title: Senior Vice President

Sumitomo Mitsui Banking Corporation,
As a Lender

By: /s/ David W. Kee
Name: David W. Kee
Title: Managing Director

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK,
As a Lender

By: /s/ Gary Herzog
Name: Gary Herzog
Title: Managing Director

By: /s/ Gordon Yip
Name: Gordon Yip

Title: Director

State Bank of India, London
As a Lender

By: /s/ Lalatendu Mohapatra
Name: Lalatendu Mohapatra
Title: Head Syndications

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC SECOND AMENDMENT

By executing this signature page as an existing Term B Lender, the undersigned institution consents and agrees to the terms of this Amendment.

Consent and Convert (Cashless Settlement). The undersigned existing Term B Lender hereby irrevocably and unconditionally approves the Amendment and converts 100% of the outstanding principal amount of its portion of the existing Term B Loan (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion) into a portion of the Term B-2 Loan.

Consent and Reallocation. The undersigned existing Term B Lender hereby irrevocably and unconditionally (a) approves the Amendment and the prepayment of 100% of the outstanding principal amount of its portion of the existing Term B Loan, and (b) agrees to purchase by way of assignment from the Term B-2 Lenders in accordance with the terms of the Amendment, a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion). Such Term B Lender will receive a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan so prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion).

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer as of the date first written above.

Houston Casualty Company,
as a Lender
BY: BlackRock Investment Management, LLC, its
Investment Manager

By: /s/ Gina Forziati
Name: Gina Forziati
Title: Authorized Signatory

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC SECOND AMENDMENT

By executing this signature page as an existing Term B Lender, the undersigned institution consents and agrees to the terms of this Amendment.

Consent and Convert (Cashless Settlement). The undersigned existing Term B Lender hereby irrevocably and unconditionally approves the Amendment and converts 100% of the outstanding principal amount of its portion of the existing Term B Loan (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion) into a portion of the Term B-2 Loan.

Consent and Reallocation. The undersigned existing Term B Lender hereby irrevocably and unconditionally (a) approves the Amendment and the prepayment of 100% of the outstanding principal amount of its portion of the existing Term B Loan, and (b) agrees to purchase by way of assignment from the Term B-2 Lenders in accordance with the terms of the Amendment, a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion). Such Term B Lender will receive a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan so prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion).

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer as of the date first written above.

55 Loan Strategy Fund a series Trust of Multi Manager Global Investment Trust,
as a Lender
BY: BlackRock Financial Management Inc., its
Investment Manager

By: /s/ Gina Forziati
Name: Gina Forziati

Title: Authorized Signatory

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC SECOND AMENDMENT

By executing this signature page as an existing Term B Lender, the undersigned institution consents and agrees to the terms of this Amendment.

Consent and Convert (Cashless Settlement). The undersigned existing Term B Lender hereby irrevocably and unconditionally approves the Amendment and converts 100% of the outstanding principal amount of its portion of the existing Term B Loan (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion) into a portion of the Term B-2 Loan.

Consent and Reallocation. The undersigned existing Term B Lender hereby irrevocably and unconditionally (a) approves the Amendment and the prepayment of 100% of the outstanding principal amount of its portion of the existing Term B Loan, and (b) agrees to purchase by way of assignment from the Term B-2 Lenders in accordance with the terms of the Amendment, a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion). Such Term B Lender will receive a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan so prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion).

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer as of the date first written above.

55 Loan Strategy Fund Series 2 A Series Trust of Multi Manager Global Investment Trust,
as a Lender
BY: BlackRock Financial Management Inc., its
Investment Manager

By: /s/ Gina Forziati
Name: Gina Forziati
Title: Authorized Signatory

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC SECOND AMENDMENT

By executing this signature page as an existing Term B Lender, the undersigned institution consents and agrees to the terms of this Amendment.

Consent and Convert (Cashless Settlement). The undersigned existing Term B Lender hereby irrevocably and unconditionally approves the Amendment and converts 100% of the outstanding principal amount of its portion of the existing Term B Loan (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent

in its sole discretion) into a portion of the Term B-2 Loan.

Consent and Reallocation. The undersigned existing Term B Lender hereby irrevocably and unconditionally (a) approves the Amendment and the prepayment of 100% of the outstanding principal amount of its portion of the existing Term B Loan, and (b) agrees to purchase by way of assignment from the Term B-2 Lenders in accordance with the terms of the Amendment, a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion). Such Term B Lender will receive a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan so prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion).

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer as of the date first written above.

ABR Reinsurance LTD.,
as a Lender
BY: BlackRock Financial Management Inc., its
Investment Manager

By: /s/ Gina Forziati
Name: Gina Forziati
Title: Authorized Signatory

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC SECOND AMENDMENT

By executing this signature page as an existing Term B Lender, the undersigned institution consents and agrees to the terms of this Amendment.

Consent and Convert (Cashless Settlement). The undersigned existing Term B Lender hereby irrevocably and unconditionally approves the Amendment and converts 100% of the outstanding principal amount of its portion of the existing Term B Loan (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion) into a portion of the Term B-2 Loan.

Consent and Reallocation. The undersigned existing Term B Lender hereby irrevocably and unconditionally (a) approves the Amendment and the prepayment of 100% of the outstanding principal amount of its portion of the existing Term B Loan, and (b) agrees to purchase by way of assignment from the Term B-2 Lenders in accordance with the terms of the Amendment, a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion). Such Term B Lender will receive a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan so prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion).

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and

delivered by a duly authorized officer as of the date first written above.

ACE Property & Casualty Insurance Company,
as a Lender

BY: BlackRock Financial Management Inc., its
Investment Advisor

By: /s/ Gina Forziati
Name: Gina Forziati
Title: Authorized Signatory

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC SECOND AMENDMENT

By executing this signature page as an existing Term B Lender, the undersigned institution consents and agrees to the terms of this Amendment.

Consent and Convert (Cashless Settlement). The undersigned existing Term B Lender hereby irrevocably and unconditionally approves the Amendment and converts 100% of the outstanding principal amount of its portion of the existing Term B Loan (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion) into a portion of the Term B-2 Loan.

Consent and Reallocation. The undersigned existing Term B Lender hereby irrevocably and unconditionally (a) approves the Amendment and the prepayment of 100% of the outstanding principal amount of its portion of the existing Term B Loan, and (b) agrees to purchase by way of assignment from the Term B-2 Lenders in accordance with the terms of the Amendment, a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion). Such Term B Lender will receive a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan so prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion).

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer as of the date first written above.

AIB Debt Management Ltd,
as a Lender

By: /s/ Roisin O'Connell
Name: Roisin O'Connell
Title: Senior Vice President
Advisor to AIB Debt Management, Limited

By: /s/ Paul McGinley
Name: Paul McGinley

Title: Assistant Vice President
Advisor to AIB Debt Management, Limited

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC SECOND AMENDMENT

By executing this signature page as an existing Term B Lender, the undersigned institution consents and agrees to the terms of this Amendment.

Consent and Convert (Cashless Settlement). The undersigned existing Term B Lender hereby irrevocably and unconditionally approves the Amendment and converts 100% of the outstanding principal amount of its portion of the existing Term B Loan (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion) into a portion of the Term B-2 Loan.

Consent and Reallocation. The undersigned existing Term B Lender hereby irrevocably and unconditionally (a) approves the Amendment and the prepayment of 100% of the outstanding principal amount of its portion of the existing Term B Loan, and (b) agrees to purchase by way of assignment from the Term B-2 Lenders in accordance with the terms of the Amendment, a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion). Such Term B Lender will receive a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan so prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion).

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer as of the date first written above.

Erste Group Bank AG,
as a Lender

By: /s/ Bryan Lynch
Name: Bryan Lynch
Title: SVP - Head of Lending

By: /s/ Patrick Kunkel
Name: Patrick Kunkel
Title: Managing Director

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC SECOND AMENDMENT

By executing this signature page as an existing Term B Lender, the undersigned institution consents and agrees to the terms of this Amendment.

Consent and Convert (Cashless Settlement). The undersigned existing Term B Lender hereby irrevocably and unconditionally approves the Amendment and converts 100% of the outstanding principal amount of its portion of the existing Term B Loan (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent

in its sole discretion) into a portion of the Term B-2 Loan.

Consent and Reallocation. The undersigned existing Term B Lender hereby irrevocably and unconditionally (a) approves the Amendment and the prepayment of 100% of the outstanding principal amount of its portion of the existing Term B Loan, and (b) agrees to purchase by way of assignment from the Term B-2 Lenders in accordance with the terms of the Amendment, a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion). Such Term B Lender will receive a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan so prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion).

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer as of the date first written above.

CSAA Insurance Exchange,
as a Lender

By: Oaktree Capital Management, L.P.

By: /s/ Lin Tien
Name: Lin Tien
Title: Vice President

By: /s/ Armen Panossian
Name: Armen Panossian
Title: Managing Director

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC SECOND AMENDMENT

By executing this signature page as an existing Term B Lender, the undersigned institution consents and agrees to the terms of this Amendment.

Consent and Convert (Cashless Settlement). The undersigned existing Term B Lender hereby irrevocably and unconditionally approves the Amendment and converts 100% of the outstanding principal amount of its portion of the existing Term B Loan (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion) into a portion of the Term B-2 Loan.

Consent and Reallocation. The undersigned existing Term B Lender hereby irrevocably and unconditionally (a) approves the Amendment and the prepayment of 100% of the outstanding principal amount of its portion of the existing Term B Loan, and (b) agrees to purchase by way of assignment from the Term B-2 Lenders in accordance with the terms of the Amendment, a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its

sole discretion). Such Term B Lender will receive a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan so prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion).

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer as of the date first written above.

Credit Industriel et Commercial, New York Branch,
as a Lender

By: /s/ Gary Weiss
Name: Gary Weiss
Title: Managing Director

By: /s/ Clifford Abramsky
Name: Armen Panossian
Title: Managing Director

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC SECOND AMENDMENT

By executing this signature page as an existing Term B Lender, the undersigned institution consents and agrees to the terms of this Amendment.

Consent and Convert (Cashless Settlement). The undersigned existing Term B Lender hereby irrevocably and unconditionally approves the Amendment and converts 100% of the outstanding principal amount of its portion of the existing Term B Loan (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion) into a portion of the Term B-2 Loan.

Consent and Reallocation. The undersigned existing Term B Lender hereby irrevocably and unconditionally (a) approves the Amendment and the prepayment of 100% of the outstanding principal amount of its portion of the existing Term B Loan, and (b) agrees to purchase by way of assignment from the Term B-2 Lenders in accordance with the terms of the Amendment, a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion). Such Term B Lender will receive a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan so prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion).

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer as of the date first written above.

Argo Re Ltd.,

as a Lender

By: Oaktree Capital Management, L.P.

Its: Investment Manager

By: /s/ Lin Tien

Name: Lin Tien

Title: Vice President

By: /s/ Armen Panossian

Name: Armen Panossian

Title: Managing Director

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC SECOND AMENDMENT

By executing this signature page as an existing Term B Lender, the undersigned institution consents and agrees to the terms of this Amendment.

Consent and Convert (Cashless Settlement). The undersigned existing Term B Lender hereby irrevocably and unconditionally approves the Amendment and converts 100% of the outstanding principal amount of its portion of the existing Term B Loan (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion) into a portion of the Term B-2 Loan.

Consent and Reallocation. The undersigned existing Term B Lender hereby irrevocably and unconditionally (a) approves the Amendment and the prepayment of 100% of the outstanding principal amount of its portion of the existing Term B Loan, and (b) agrees to purchase by way of assignment from the Term B-2 Lenders in accordance with the terms of the Amendment, a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion). Such Term B Lender will receive a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan so prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion).

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer as of the date first written above.

Argonaut Insurance Company,
as a Lender

By: Oaktree Capital Management, L.P.

Its: Investment Manager

By: /s/ Lin Tien

Name: Lin Tien
Title: Vice President

By: /s/ Armen Panossian
Name: Armen Panossian
Title: Managing Director

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC SECOND AMENDMENT

By executing this signature page as an existing Term B Lender, the undersigned institution consents and agrees to the terms of this Amendment.

Consent and Convert (Cashless Settlement). The undersigned existing Term B Lender hereby irrevocably and unconditionally approves the Amendment and converts 100% of the outstanding principal amount of its portion of the existing Term B Loan (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion) into a portion of the Term B-2 Loan.

Consent and Reallocation. The undersigned existing Term B Lender hereby irrevocably and unconditionally (a) approves the Amendment and the prepayment of 100% of the outstanding principal amount of its portion of the existing Term B Loan, and (b) agrees to purchase by way of assignment from the Term B-2 Lenders in accordance with the terms of the Amendment, a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion). Such Term B Lender will receive a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan so prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion).

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer as of the date first written above.

MACQUARIE BANK LIMITED,
as a Lender

By: /s/ Andrew McGrath
Name: Andrew McGrath
Title: Executive Director

By: /s/ Fiona Smith
Name: Fiona Smith
Title: Division Director

Signed in Sydney, POA Ref.

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC SECOND AMENDMENT

By executing this signature page as an existing Term B Lender, the undersigned institution consents and agrees to the terms of this Amendment.

Consent and Convert (Cashless Settlement). The undersigned existing Term B Lender hereby irrevocably and unconditionally approves the Amendment and converts 100% of the outstanding principal amount of its portion of the existing Term B Loan (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion) into a portion of the Term B-2 Loan.

Consent and Reallocation. The undersigned existing Term B Lender hereby irrevocably and unconditionally (a) approves the Amendment and the prepayment of 100% of the outstanding principal amount of its portion of the existing Term B Loan, and (b) agrees to purchase by way of assignment from the Term B-2 Lenders in accordance with the terms of the Amendment, a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion). Such Term B Lender will receive a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan so prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion).

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer as of the date first written above.

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK,
as a Lender

By: /s/ Gary Herzog
Name: Gary Herzog
Title: Managing Director

By: /s/ Gordon Yip
Name: Gordon Yip
Title: Director

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC SECOND AMENDMENT

By executing this signature page as an existing Term B Lender, the undersigned institution consents and agrees to the terms of this Amendment.

Consent and Convert (Cashless Settlement). The undersigned existing Term B Lender hereby irrevocably and unconditionally approves the Amendment and converts 100% of the outstanding principal amount of its portion of the existing Term B Loan (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion) into a portion of the Term B-2 Loan.

Consent and Reallocation. The undersigned existing Term B Lender hereby irrevocably and unconditionally (a) approves the Amendment and the prepayment of 100% of the outstanding principal amount of its portion of the existing Term B Loan, and (b) agrees to purchase by way of assignment from the Term B-2 Lenders in accordance with the terms of the Amendment, a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion). Such Term B Lender will receive a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan so prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion).

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer as of the date first written above.

Central Pacific Bank,
as a Lender

By: /s/ Carl A. Morita
Name: Carl A. Morita
Title: Vice President

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC SECOND AMENDMENT

By executing this signature page as an existing Term B Lender, the undersigned institution consents and agrees to the terms of this Amendment.

Consent and Convert (Cashless Settlement). The undersigned existing Term B Lender hereby irrevocably and unconditionally approves the Amendment and converts 100% of the outstanding principal amount of its portion of the existing Term B Loan (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion) into a portion of the Term B-2 Loan.

Consent and Reallocation. The undersigned existing Term B Lender hereby irrevocably and unconditionally (a) approves the Amendment and the prepayment of 100% of the outstanding principal amount of its portion of the existing Term B Loan, and (b) agrees to purchase by way of assignment from the Term B-2 Lenders in accordance with the terms of the Amendment, a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion). Such Term B Lender will receive a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan so prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion).

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer as of the date first written above.

JMP CREDIT ADVISORS CLO III LTD.
By: JMP Credit Advisors LLC, As Attorney-in-Fact

By: /s/ Shawn S. O'Leary
Name: Shawn S. O'Leary
Title: Director

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC SECOND AMENDMENT

By executing this signature page as an existing Term B Lender, the undersigned institution consents and agrees to the terms of this Amendment.

Consent and Convert (Cashless Settlement). The undersigned existing Term B Lender hereby irrevocably and unconditionally approves the Amendment and converts 100% of the outstanding principal amount of its portion of the existing Term B Loan (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion) into a portion of the Term B-2 Loan.

Consent and Reallocation. The undersigned existing Term B Lender hereby irrevocably and unconditionally (a) approves the Amendment and the prepayment of 100% of the outstanding principal amount of its portion of the existing Term B Loan, and (b) agrees to purchase by way of assignment from the Term B-2 Lenders in accordance with the terms of the Amendment, a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion). Such Term B Lender will receive a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan so prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion).

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer as of the date first written above.

AXA IM Paris SA for and on behalf of Matignon Leveraged Loan Limited,
as a Lender

By: /s/ Yannick Le Serviget
Name: Yannick Le Serviget
Title: Senior Portfolio Manager

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC SECOND AMENDMENT

By executing this signature page as an existing Term B Lender, the undersigned institution consents and agrees to the terms of this Amendment.

Consent and Convert (Cashless Settlement). The undersigned existing Term B Lender hereby irrevocably and unconditionally approves the Amendment and converts 100% of the outstanding principal amount of its portion of the existing Term B Loan (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion) into a portion of the Term B-2 Loan.

Consent and Reallocation. The undersigned existing Term B Lender hereby irrevocably and unconditionally (a) approves the Amendment and the prepayment of 100% of the outstanding principal amount of its portion of the existing Term B Loan, and (b) agrees to purchase by way of assignment from the Term B-2 Lenders in accordance with the terms of the Amendment, a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion). Such Term B Lender will receive a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan so prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion).

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer as of the date first written above.

AZB FUNDING 7,
as a Lender

By: /s/ Robert Gates
Name: Robert Gates
Title: Authorized Signatory

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC SECOND AMENDMENT

By executing this signature page as an existing Term B Lender, the undersigned institution consents and agrees to the terms of this Amendment.

Consent and Convert (Cashless Settlement). The undersigned existing Term B Lender hereby irrevocably and unconditionally approves the Amendment and converts 100% of the outstanding principal amount of its portion of the existing Term B Loan (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion) into a portion of the Term B-2 Loan.

Consent and Reallocation. The undersigned existing Term B Lender hereby irrevocably and unconditionally (a) approves the Amendment and the prepayment of 100% of the outstanding principal amount of its portion of the existing Term B Loan, and (b) agrees to purchase by way of assignment from the Term B-2 Lenders in accordance with the terms of the Amendment, a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion). Such Term B Lender will receive a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan

so prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion).

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer as of the date first written above.

BANCO DE SABADELL, S.A., MIAMI BRANCH,
as a Lender

By: /s/ Enrique Castillo
Name: Enrique Castillo
Title: Structured Finance Americas Director

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC SECOND AMENDMENT

By executing this signature page as an existing Term B Lender, the undersigned institution consents and agrees to the terms of this Amendment.

Consent and Convert (Cashless Settlement). The undersigned existing Term B Lender hereby irrevocably and unconditionally approves the Amendment and converts 100% of the outstanding principal amount of its portion of the existing Term B Loan (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion) into a portion of the Term B-2 Loan.

Consent and Reallocation. The undersigned existing Term B Lender hereby irrevocably and unconditionally (a) approves the Amendment and the prepayment of 100% of the outstanding principal amount of its portion of the existing Term B Loan, and (b) agrees to purchase by way of assignment from the Term B-2 Lenders in accordance with the terms of the Amendment, a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion). Such Term B Lender will receive a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan so prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion).

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer as of the date first written above.

Bank of the Cascades,
as a Lender

By: /s/ Chip Reeves
Name: Chip Reeves
Title: President & Chief Operating Officer

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC SECOND AMENDMENT

By executing this signature page as an existing Term B Lender, the undersigned institution consents and agrees to the terms of this Amendment.

Consent and Convert (Cashless Settlement). The undersigned existing Term B Lender hereby irrevocably and unconditionally approves the Amendment and converts 100% of the outstanding principal amount of its portion of the existing Term B Loan (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion) into a portion of the Term B-2 Loan.

Consent and Reallocation. The undersigned existing Term B Lender hereby irrevocably and unconditionally (a) approves the Amendment and the prepayment of 100% of the outstanding principal amount of its portion of the existing Term B Loan, and (b) agrees to purchase by way of assignment from the Term B-2 Lenders in accordance with the terms of the Amendment, a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion). Such Term B Lender will receive a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan so prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion).

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer as of the date first written above.

BAWAG P.S.K. BANK FUR ARBEIT UND WIRTSCHAFT UND OSTERREICHISCHE
POSTSPARKASSE AKTIENGESELLSCHAFT,
as a Lender

By: /s/ Stephan Schaffer
Name: Stephan Schaffer

By: /s/ Christian BeBenroth
Name: Christian BeBenroth

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC SECOND AMENDMENT

By executing this signature page as an existing Term B Lender, the undersigned institution consents and agrees to the terms of this Amendment.

Consent and Convert (Cashless Settlement). The undersigned existing Term B Lender hereby irrevocably and unconditionally approves the Amendment and converts 100% of the outstanding principal amount of its portion of the existing Term B Loan (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion) into a portion of the Term B-2 Loan.

Consent and Reallocation. The undersigned existing Term B Lender hereby irrevocably and unconditionally (a) approves the Amendment and the prepayment of 100% of the outstanding principal amount of its portion of the existing Term B Loan, and (b) agrees to purchase by way of assignment from the Term B-2 Lenders in accordance with the terms of the Amendment, a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion). Such Term B Lender will receive a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan so prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion).

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer as of the date first written above.

Bronco Trading, LLC,
as a Lender

By: /s/ Karen Weich
Name: Karen Weich
Title: Vice President

FLEETCOR TECHNOLOGIES OPERATING COMPANY, LLC SECOND AMENDMENT

By executing this signature page as an existing Term B Lender, the undersigned institution consents and agrees to the terms of this Amendment.

Consent and Convert (Cashless Settlement). The undersigned existing Term B Lender hereby irrevocably and unconditionally approves the Amendment and converts 100% of the outstanding principal amount of its portion of the existing Term B Loan (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion) into a portion of the Term B-2 Loan.

Consent and Reallocation. The undersigned existing Term B Lender hereby irrevocably and unconditionally (a) approves the Amendment and the prepayment of 100% of the outstanding principal amount of its portion of the existing Term B Loan, and (b) agrees to purchase by way of assignment from the Term B-2 Lenders in accordance with the terms of the Amendment, a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion). Such Term B Lender will receive a portion of the Term B-2 Loan in a principal amount equal to the principal amount of its portion of the existing Term B Loan so prepaid (or such lesser amount notified and allocated to such Term B Lender by the Administrative Agent in its sole discretion).

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer as of the date first written above.

CALIFORNIA FIRST NATIONAL BANK

as a Lender

By: /s/ Mark D. Cross

Name: Mark D. Cross

Title: Executive Vice President, Chief Credit Officer

CHAR1\1502572v6

Schedule 1

TERM B-2 LOAN COMMITMENTS AND APPLICABLE PERCENTAGES

LENDER	TERM B-2 LOAN COMMITMENT	APPLICABLE PERCENTAGE OF TERM B-2 LOAN COMMITMENT
Bawag PSK Bank Fur Arbeit Und Wirtschaft Und Osterreichische Post SPA Rkeasse Aktiengesellschaft	\$36,772,216.60	15.009068000%
Raymond James Bank, N. A.	\$36,750,000.00	15.000000000%
State Street Bank and Trust Company	\$19,600,000.00	8.000000000%
Bank of America, N.A.	\$15,923,267.69	6.499292935%
AIB Debt Management Limited	\$15,173,904.65	6.193430469%
Erste Group Bank AG	\$14,886,075.96	6.075949371%
Aozora Bank Ltd.	\$12,250,000.00	5.000000000%
Credit Industriel Et Commercial	\$12,250,000.00	5.000000000%
BlackRock Financial Management Inc.	\$11,699,153.72	4.775164784%
Credit Agricole Corporate and Investment Bank	\$10,126,666.70	4.133333347%
State Bank of India Nassau Offshore Banking Unit	\$9,898,989.77	4.040403988%
Neuberger Berman Fixed Income LLC	\$9,064,107.65	3.699635776%
Sumitomo Mitsui Trust Bank, Limited, New York Branch	\$5,716,666.69	2.333333343%
Central Pacific Bank	\$4,982,999.29	2.033877261%
Bank of the Cascades	\$4,083,333.31	1.666666657%
Stifel Bank and Trust	\$4,083,333.30	1.666666653%
Seix Investment Advisors LLC	\$3,266,666.69	1.333333343%
California First National Bank	\$2,701,052.33	1.102470339%
Octagon Credit Investors LLC	\$2,654,166.69	1.083333343%
AXA Investment Managers	\$2,654,166.62	1.083333314%
Wintrust Bank	\$2,450,000.00	1.000000000%
State Bank of India, London Branch	\$2,071,363.64	0.845454547%
ABRY	\$1,837,500.00	0.750000000%
GSO Capital Partners LP	\$1,633,333.31	0.666666657%
MJX Asset Management, LLC	\$837,702.08	0.341919216%
JMP Credit Advisors LLC	\$816,666.69	0.333333343%
Banco de Sabadell, S.A., Miami Branch	\$408,333.31	0.166666657%
Macquarie Bank Limited	\$408,333.31	0.166666657%
TOTAL:	\$245,000,000.00	100.000000000%

Schedule 2

CONVERSIONS

LENDER	PRINCIPAL AMOUNT HELD OF TERM B LOAN	PRINCIPAL AMOUNT HELD OF TERM B-2 LOAN
Bawag PSK Bank Fur Arbeit Und Wirtschaft Und Osterreichische Post SPA Rkeasse Aktiengesellschaft	\$36,772,216.60	\$36,772,216.60
Raymond James Bank, N. A.	\$36,750,000.00	\$36,750,000.00
State Street Bank and Trust Company	\$19,600,000.00	\$19,600,000.00
AIB Debt Management Limited	\$15,173,904.65	\$15,173,904.65
Erste Group Bank AG	\$14,886,075.96	\$14,886,075.96
Credit Industriel Et Commercial	\$12,250,000.00	\$12,250,000.00
Aozora Bank Ltd.	\$12,250,000.00	\$12,250,000.00
BlackRock Financial Management Inc.	\$11,699,153.72	\$11,699,153.72
Credit Agricole Corporate and Investment Bank	\$10,126,666.70	\$10,126,666.70
State Bank of India Nassau Offshore Banking Unit	\$9,898,989.77	\$9,898,989.77
Neuberger Berman Fixed Income LLC	\$9,064,107.65	\$9,064,107.65
Sumitomo Mitsui Trust Bank, Limited, New York Branch	\$5,716,666.69	\$5,716,666.69
Central Pacific Bank	\$4,982,999.29	\$4,982,999.29
Bank of the Cascades	\$4,083,333.31	\$4,083,333.31
Stifel Bank and Trust	\$4,083,333.30	\$4,083,333.30
Seix Investment Advisors LLC	\$3,266,666.69	\$3,266,666.69
California First National Bank	\$2,701,052.33	\$2,701,052.33
Octagon Credit Investors LLC	\$2,654,166.69	\$2,654,166.69
AXA Investment Managers	\$2,654,166.62	\$2,654,166.62
Wintrust Bank	\$2,450,000.00	\$2,450,000.00
State Bank of India, London Branch	\$2,071,363.64	\$2,071,363.64
ABRY	\$1,837,500.00	\$1,837,500.00
GSO Capital Partners LP	\$1,633,333.31	\$1,633,333.31
MJX Asset Management, LLC	\$2,746,969.77	\$837,702.08
JMP Credit Advisors LLC	\$816,666.69	\$816,666.69
Banco de Sabadell, S.A., Miami Branch	\$408,333.31	\$408,333.31
Macquarie Bank Limited	\$408,333.31	\$408,333.31
Oaktree Capital Management LP	\$7,644,000.00	\$0.00
Land Bank of Taiwan Los Angeles Branch	\$3,511,666.69	\$0.00
Monroe Capital Management LLC	\$2,450,000.00	\$0.00
Bank of the Ozarks	\$408,333.31	\$0.00
TOTAL:	\$245,000,000.00	\$229,076,732.31

Schedule 3

NON-CONSENTING TERM B LENDERS

Bank of the Ozarks
Land Bank of Taiwan Los Angeles Branch
Monroe Capital Management LLC

SUBSIDIARIES OF REGISTRANT

Subsidiaries of FleetCor Technologies, Inc.

<u>Name</u>	<u>Jurisdiction of Organization</u>
FleetCor Technologies Operating Company, LLC	Georgia, United States
FleetCor Funding, LLC	Delaware, United States
Mannatec, Inc.	Georgia, United States
CFN Holding Co.	Delaware, United States
CLC Group, Inc.	Delaware, United States
Corporate Lodging Consultants, Inc.	Kansas, United States
Crew Transportation Specialists, Inc.	Kansas, United States
FleetCor Commercial Card Management (Canada) Ltd.	British Columbia, Canada
FleetCor Technologies Operating Company - CFN Holding Co.	Luxembourg
FleetCor Luxembourg Holding1 S.a.r.l.	Luxembourg
FleetCor Luxembourg Holding2 S.a.r.l.	Luxembourg
FleetCor Luxembourg Holding3 S.a.r.l.	Luxembourg
FleetCor Luxembourg Holding4 S.a.r.l.	Luxembourg
FleetCor Technologieën B.V.	The Netherlands
FleetCor UK Acquisition Limited	United Kingdom
FleetCor Europe Limited	United Kingdom
CH Jones Limited	United Kingdom
Fuel Vend Limited	United Kingdom
Petro Vend (Europe) Limited	United Kingdom
Croft Holdings Limited	United Kingdom
Croft Fuels Limited	United Kingdom
Croft Petroleum Limited	United Kingdom
Fuelcards UK Limited	United Kingdom
FleetCor UK International Management Limited	United Kingdom
Fambo UK Limited	United Kingdom
The Fuelcard Company UK Limited	United Kingdom
Abbey Group (Oxon) Limited	United Kingdom
Abbey Fuelcards Limited	United Kingdom
Ace Fuelcards Limited	United Kingdom
Abbey Euro Diesel Limited	United Kingdom
Fuel Supermarket Limited	United Kingdom
Fuelcard Supermarket Limited	United Kingdom
Diesel Supermarket Limited	United Kingdom
Petrol Supermarket Limited	United Kingdom
FleetCor Fuel Cards LLC	Delaware, United States
FleetCor Fuel Cards (Europe) Ltd	United Kingdom
CCS Ceska spolecnost pro platebni karty sro	Czech Republic
CCS Slovenska spoleènost pro platebne karty sro	Slovakia

LLC "Petrol Plus Region"	Russia
UAB "Transit Card International"	Lithuania
Transit Card Int'l Polska Sp. z.o.o.	Poland
OU Transit Cargo International	Estonia
LLC "Eltop"	Russia
LLC "OILCARD"	Russia
FleetCor Technologies Mexico S. de R.L. de C.V.	Mexico
Efectivale, S. de R.L. de C.V.	Mexico
Efectivale Servicios, S. de R.L. de C.V.	Mexico
CTF Technologies (Canada), ULC	Canada
CTF Technologies Do Brasil, Ltda	Brasil
LLC "TD NCT" (new)	Russia
LLC "STC" "Petrol Plus" (new)	Russia
FEIDOSSA INVESTMENTS LIMITED	Cyprus
LLC "NCT Software"	Russia
LLC "Smart Cards and Systems" (Ukraine)	Ukraine
LLC Petrol Plus Cards Ukraine	Ukraine
LLC Petrol Plus Cards Asia	Asia
Allstar Business Solutions Limited	United Kingdom
FleetCor Technologies Pty Limited	Australia
Business Fuel Cards Pty Limited	Australia
FleetCor Technologies New Zealand Limited	New Zealand
Cardlink Systems Limited	New Zealand
Strata Nova Holdings Limited	Republic of Cyprus
Dlodax Investments Limited (Cyprus)	Republic of Cyprus
LLC Avto-Kart neft	Russia
VB - SERVIÇOS, COMÉRCIO E ADMINISTRAÇÃO LTDA	Brazil
GESTREK - SERVIÇO DE GESTÃO, CALL CENTER E LOGÍSTICA EMPRESARIAL LTDA	Brazil
DB Trans Administracao de Meios de Pagamento Ltda.	Brazil
Auto Expresso Tecnologia S.A.	Brazil
CGMP Centro de Gestao de Meios de Pagamentos S.A.	Brazil
SGMP - Sociedade de Gestao de Meios de Pagamentos Ltda.	Brazil
Quadrum Investments Group Limited	England and Wales
Epyx Limited	England and Wales
Your Car Limited	England and Wales
Oasis Global Systems Limited	England and Wales
Epyx France SAS	France
Fleet Management Holding Corporation	Delaware, United States
Discrete Wireless, Inc (d/b/a NexTraq)	Georgia, United States
Pacific Pride Services, LLC	Delaware, United States
FleetCor Deutschland GmbH	Germany
Masternaut Luxembourg Holding, S.a.r.l.	Luxembourg
Masternaut Bidco Limited	United Kingdom
Masternaut Group Holdings Ltd	United Kingdom
Masternaut Holding Limited	UK

FCHC Holding Company, LLC	Delaware, United States
FleetCor Tankkarten GmbH	Austria
Comdata Inc.	Delaware, United States
Comdata TN, Inc.	Tennessee, United States
Comdata Network Inc. of California	California, United States
Permicom Permits Services, Inc.	Canada
Stored Value Solutions International B.V.	The Netherlands
Stored Value Solutions GmbH	Germany
Stored Value Solutions France SAS	France
Stored Value Solutions Hong Kong Limited	China
Stored Value Solutions Canada Ltd.	Canada
Shanghai Stored Value Solutions Information Technology Co., Ltd.	China
Ceridian SVS GmbH	Austria
Stored Value Solutions UK Limited	United Kingdom
Venturo Technogien Swiss GmbH	Switzerland
FleetCor Belgium Société Privée à Responsabilité Limitée	Belgium
FleetCor POLAND SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOSC	Poland
FleetCor Hungary Korlátolt Felelősségű Társaság	Hungary
Venturo Technologies S.à r.l.	Luxembourg
FleetCor Czech Republic sro	Czech Republic
FleetCor Slovakia s.r.o.	Slovakia

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

- Registration Statement (Form S-8 No. 333-171289) pertaining to the FleetCor Technologies, Inc. Amended and Restated Stock Incentive Plan and the FleetCor Technologies, Inc. 2010 Equity Compensation Plan, and
- Registration Statement (Form S-8 No. 333-190483) pertaining to the FleetCor Technologies, Inc. Amended and Restated Stock Incentive Plan and the FleetCor Technologies, Inc. 2010 Equity Compensation Plan;

of our reports dated March 1, 2017, with respect to the consolidated financial statements of FleetCor Technologies, Inc. and Subsidiaries, and the effectiveness of internal control over financial reporting of FleetCor Technologies, Inc. and Subsidiaries, included in this Annual Report (Form 10-K) of FleetCor Technologies, Inc. and Subsidiaries for the year ended December 31, 2016.

/s/ Ernst & Young LLP

Atlanta, Georgia
March 1, 2017

CERTIFICATIONS

I, Ronald F. Clarke, certify that:

1. I have reviewed this annual report on Form 10-K of FleetCor Technologies, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Ronald F. Clarke

Ronald F. Clarke
Chief Executive Officer

March 1, 2017

CERTIFICATIONS

I, Eric R. Dey, certify that:

1. I have reviewed this annual report on Form 10-K of FleetCor Technologies, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Eric R. Dey

Eric R. Dey
Chief Financial Officer

March 1, 2017

**CERTIFICATIONS PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

In connection with the Annual Report of FleetCor Technologies, Inc., a Delaware corporation (the "Company"), on Form 10-K for the year ended December 31, 2016, as filed with the Securities and Exchange Commission (the "Report"), Ronald F. Clarke, Chief Executive Officer of the Company, does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that to his knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ronald F. Clarke

Ronald F. Clarke
Chief Executive Officer

March 1, 2017

[A signed original of this written statement required by Section 906 has been provided to FleetCor Technologies, Inc. and will be retained by FleetCor Technologies, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.]

**CERTIFICATIONS PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

In connection with the Annual Report of FleetCor Technologies, Inc., a Delaware corporation (the "Company"), on Form 10-K for the year ended December 31, 2016, as filed with the Securities and Exchange Commission (the "Report"), Eric R. Dey, Chief Financial Officer of the Company, does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that to his knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Eric R. Dey

Eric R. Dey
Chief Financial Officer

March 1, 2017

[A signed original of this written statement required by Section 906 has been provided to FleetCor Technologies, Inc. and will be retained by FleetCor Technologies, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.]