



## **Charter Human Resources and Compensation Committee Mastercard Incorporated**

### **PURPOSE**

The Human Resources and Compensation Committee (the **Committee**) of the Board of Directors (the **Board**) of Mastercard Incorporated (the **Company**) shall assist the Board by:

- ensuring that the compensation and benefit programs of the Company are fair and appropriate, and designed to attract, retain and motivate employees;
- ensuring that pay practices are consistent with the Company's stated compensation strategy, reasonable in view of company economics, take into consideration the relevant practices of similar companies, and are consistent with the requirements of the appropriate regulatory bodies;
- determining annual and long-term goals for the Company and ensuring that values transferred to the Chief Executive Officer (**CEO**), as well as other senior officers and key management through cash pay, or any type of long-term or stock-based awards, are commensurate with levels of performance;
- ensuring that the Company has a thorough succession planning process; and
- providing direction and perspective to management on strategies with significant human resource implications.

### **STRUCTURE**

The Committee shall be comprised of three or more members of the Board, each of whom is determined by the Board to be independent under the rules of the New York Stock Exchange (the **NYSE**). Additionally, no director may serve unless he or she (a) is a *Non-employee Director* for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the **Exchange Act**), and (b) satisfies the requirements of an *outside director* for purposes of Section 162(m) of the Internal Revenue Code (the **Code**).

At least two-thirds of the members of the Committee shall be directors who are not Industry Directors (as defined in the Company's certificate of incorporation).

The members of the Committee shall be appointed by the Board and shall serve until their respective successors are duly elected and qualified or until their earlier resignation or removal. The members of the Committee may be removed, with or without cause, by the Board.

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Unless a Chairperson is elected by the Board, the members of the Committee shall designate a Chairperson by majority vote of the full Committee membership. The Committee Chairperson shall be entitled to cast a vote to resolve any ties. The Committee Chairperson will chair all regular sessions of the Committee and, in consultation with other members of management and/or the Committee, set the agenda for Committee meetings. In the absence of the Committee Chairperson, the Committee shall select another member to preside.

The Committee may form subcommittees composed of two or more directors for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate.

The CEO is given full authority, which may be delegated, to determine the compensation and benefits for all other non-Section 16 employees of the Company whose pay is not subject to Committee approval.

The Committee may delegate to the Benefits Committee (or successor or similar entities) the review and approval of legally required or non-material changes to compensation and benefit plans in accordance with agreed upon parameters.

## **RESOURCES**

The Committee, in discharging its oversight role, may study or investigate any matter of interest or concern that the Committee deems appropriate and shall have the sole authority to engage and terminate any compensation consultant, independent counsel and other advisors as it determines necessary or appropriate to carry out its duties, including the authority to approve the fees payable to such firms or advisors and any other terms of retention.

The Company shall provide appropriate funding, as determined by the Committee, for any advisors that the Committee chooses to engage, as well as funding for the payment of ordinary Committee administrative expenses that are necessary and appropriate in carrying out its duties.

The Committee shall report regularly to the Board on its meetings and discussions. The Committee shall review with the Board significant issues that arise at Committee meetings. The report may be an oral report given by the Committee Chairperson or other Committee member.

The Committee shall maintain minutes or other records of meetings and activities of the Committee.

## **MEETINGS**

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Chairperson of the Board or any member of the Committee may call meetings of

the Committee. Advance notice of Committee meetings shall be given as required by the certificate of incorporation and by-laws of the Company for meetings of the Board.

All non-management directors that are not members of the Committee may attend meetings of the Committee but may not vote. The Committee may also appoint non-management directors as non-voting advisors to the Committee. Additionally, the Committee may invite to its meetings any director, member of management or others as it deems appropriate to assist it in carrying out its responsibilities.

A majority of the Committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which there is a quorum shall be the act of the Committee.

## **RESPONSIBILITIES AND DUTIES**

The following are the duties the Committee will undertake in carrying out its responsibilities. The Committee may carry out additional duties and adopt additional policies and procedures as needed. The Committee shall also assume additional duties and responsibilities delegated to it by the Board from time to time.

### *Compensation, Benefit Plans and Human Resources*

1. Review and, as appropriate, approve material changes to the Company's stated compensation and benefits framework to ensure that employees are treated equitably and rewarded appropriately for their contributions to Company growth and profitability. The Committee will also ensure that the executive compensation strategy supports the organization's objectives and stockholder interests.
2. Review the Company's compensation and benefit policies and programs (including design, administration, participation, and compliance). Approve significant and material changes to, or introduction of, the Company's compensation or benefit plans subject, where appropriate, to stockholder or Board approval.
3. Review and approve the Company's annual and long-term cash or equity incentive compensation plans subject, where appropriate, to stockholder or Board approval, and ensure that they are administered in a manner consistent with the Company's rewards strategy and intended purpose as well as with the terms of the plans/programs.
4. Review and, as appropriate, make recommendations to the Board with respect to the Company's incentive compensation plans that have company-wide impact and are significant and material in nature.
5. Review, on at least an annual basis, management's assessment of whether risks arising from the Company's compensation policies and practices for all employees, including non-executive officers, are reasonably likely to have a material adverse effect on the Company.

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6. Periodically review key diversity initiatives and Human Resources policies and practices, including those related to organizational engagement and effectiveness and employee development programs.
7. Review and approve change-in-control retention and/or severance plans.

#### *Executive and Director Compensation*

8. Review and approve corporate goals and objectives relevant to the CEO and other executive officers' compensation, including annual and long-term performance objectives and compensation or benefit plans.
9. Establish and periodically review and approve: (a) peer group criteria for benchmarking purposes and (b) peer group composition.
10. Periodically review and approve management and director stock ownership guidelines, as applicable.
11. Review annually the total compensation for the CEO and the goals and objectives approved by the Committee relevant to such compensation. Evaluate the CEO's performance against goals and objectives, and determine and approve the CEO's compensation based on this evaluation.
12. Meet with the CEO on at least an annual basis to review and approve the CEO's recommendations with respect to the individual elements of total direct compensation (base salary, annual bonus and long-term incentive) for the executive officers other than the CEO, as well as any other select members of management as requested from time to time by the Committee. The Committee may take into account the CEO's recommendation and evaluation of each individual's performance and the Company's performance, and such other factors as the Committee deems appropriate.
13. Discuss the results of the stockholder advisory vote on "say-on-pay," if any, with regard to the named executive officers.
14. Review and, to the extent not determined by the Board, approve remuneration of the Board, including, as appropriate, retainers, other fees, chairperson fees, long-term incentive compensation, benefits and perquisites.
15. Review, approve and/or recommend to the Board, as appropriate, any employment, consulting, retention, severance, change in control agreements, or other supplemental plans for the CEO, executive officers of the Company, former executives of the Company, or Board members, as may be applicable.

## *Succession Planning*

16. Regularly review the succession planning process for senior level positions and executives of the Company.

## *Other*

17. The Committee shall undertake an independent assessment prior to retaining or otherwise selecting any compensation consultant, legal counsel or other advisers that will provide advice to the Committee, taking such factors into account and as otherwise may be required by the NYSE from time to time. The Committee shall evaluate, on at least an annual basis, whether any work by the Committee's compensation consultant raised any conflict of interest and shall be directly responsible for appointment, compensation and oversight of the work of any such advisor retained by the Committee. The Committee shall pre-approve any services to be provided to the Company or its subsidiaries by any of the Committee's compensation consultants.
18. Produce a report of the Committee for inclusion in the Company's proxy statement and/or annual report on Form 10-K, in accordance with the applicable rules and regulations of the NYSE, Securities and Exchange Commission (**SEC**) and other regulatory bodies. Review and discuss with management the Company's Compensation Discussion and Analysis (**CD&A**) and, if appropriate, recommend to the Board that the CD&A be included in the Company's annual report, proxy statement or other filings with the SEC.
19. Consider, where applicable, the effect on any tax deduction available to the Company related to or based on the limitations imposed by Section 162(m) of the Code and take any appropriate action to comply with such section.
20. Take any appropriate action to comply with Section 16 of the Exchange Act.

## **ANNUAL EVALUATION**

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including by reviewing the compliance of the Committee with this Charter, and report its conclusions to the Board. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any modifications to this Charter that the Committee considers necessary or appropriate. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.