

## **The MasterCard 2007-1 Class B Common Stock Voluntary Conversion and Sale Program (the “Program”) Starting August 4, 2007**

Please read the text of the Press Release describing the Conversion and Sale Program and the Terms and Conditions for the MasterCard 2007-1 Voluntary Conversion and Sale Program (the “Program”), found at the end of the Frequently Asked Questions below. Also attached for your convenience is the form of the Program notification letter dated June 29, 2006.

### **General information**

#### *Who may participate?*

Holders of record of MasterCard Class B common stock as of June 8, 2007 may participate in this Program at their election.

#### *Must I participate in the Program or may I continue to hold my Class B common stock?*

The Program is entirely voluntary. You are not required to convert and sell your Class B common stock and may continue to hold it at your election. Whether or not you participate in the Program is an investment decision to be made by your financial institution. Neither MasterCard nor Mellon Investor Services, the Program administrator (“Mellon”), nor any Mellon affiliate makes any recommendation as to your participation in the Program.

#### *Will MasterCard provide future opportunities for stockholders to convert and sell Class B common stock?*

The amended and restated certificate of incorporation of MasterCard Incorporated empowers the Board of Directors to approve future conversion and sale programs. The conversion share amounts and timing windows of any program would be designated by MasterCard’s Board of Directors to ensure the orderly entry of shares into the public market. The total number of Class B shares eligible for conversion would be limited to an annual aggregate amount of up to 10% of the total shares of Class A common stock and Class B common stock outstanding as of December 31st of the prior calendar year. To date MasterCard’s Board of Directors has authorized only this Program.

#### *How much Class B common stock may I convert and sell?*

Each stockholder may convert and sell all of its Class B common stock, up to a maximum of the greater of 15% or 17,000 shares.

Here are some examples of the maximum number of shares eligible for conversion and sale based on assumed ownership on the June 8, 2007 record date:

1. Stockholder A owns 7,555 Class B shares – Stockholder A may convert and sell up to 7,555 shares.
2. Stockholder B owns 89,000 Class B shares – Stockholder B may convert and sell up to 17,000 shares.
3. Stockholder C owns 157,000 Class B shares – Stockholder C may convert and sell up to 23,550 shares.

#### *How will my institution’s Class B common stock be converted?*

The number of shares of Class B common stock your financial institution elects to convert (up to the maximum election shown on your institution’s Program notification

letter) will be converted on a one-for-one basis into Class A common stock for subsequent sale in the Program.

*When may my financial institution make its election to convert Class B common stock into Class A common stock for subsequent sale?*

You may make your election to convert and sell stock in the Program on the Program website anytime from midnight on Saturday, August 4, 2007 until 11:59 p.m. EDT on Friday, October 5, 2007. Please be advised that your financial institution may make only ONE irrevocable election during the Program.

*How will my financial institution make its election to convert Class B common stock into Class A common stock and sell Class A common stock?*

Elections to convert and sell Class B common stock may only be made by the Class B common stockholder contact of record or authorized delegate of such stockholder via the internet at a secure website created solely for this purpose. The Program notification letter mailed to the Class B common stockholder contact for your financial institution contains the Internet address of the secure website.

*What is the website address (URL) for the Conversion and Sale Program?*

The Program notification letter dated June 29, 2007 that was mailed to the stockholder contact for your financial institution has the URL of the Program website and all codes you will need for access. *Please be aware that the Program website is different from the stockholder account website and the trading board website and requires different access codes.*

*Must my financial institution make its election to convert and sell early in the Program window to ensure it may do so?*

The timing of your election to convert and sell is entirely an investment decision to be made by your financial institution. Your maximum election is “reserved” for your financial institution’s use for the entire Program window and, if you choose to participate in the Program, you are eligible to do so at any point in time during the Program window.

*If my financial institution is eligible to convert and sell all of its Class B common stock, and chooses to do so, what is the impact on its ongoing business relationship with MasterCard?*

None. The Class B common stock is an economic investment in MasterCard that your financial institution may or may not choose to retain. There will be no impact on your business relationship with MasterCard.

*When will I receive instructions to participate in the Program?*

On June 29, 2007, Mellon mailed a Program notification letter via courier mail to the stockholder contact (in its records as of June 8, 2007, the Record Date) for each Class B common stockholder. The Program notification letter provides all instructions for the Program, including the exact maximum number of shares that the stockholder may elect to convert and sell in the program and the terms and conditions of the Program.

*May my financial institution convert its Class B common stock to Class A common stock and retain ownership of the Class A common stock?*

No. Under this Program, you **may not** for any period of time hold the Class A common stock in your own name or hold it in “street name” through a broker. Ownership of Class A common stock by members of MasterCard International Incorporated or their affiliates is not consistent with the terms of the MasterCard Incorporated amended and restated certificate of incorporation.

*May my financial institution convert its Class B common stock to Class A common stock and transfer the ownership of the Class A common stock to a third party or an alternate broker?*

For this Program, Class B common stock may ONLY be converted into Class A common stock for subsequent sale by Mellon’s broker-dealer affiliate, Mellon Securities LLC (member NASD/NASDAQ/SIPC). Ownership of Class A common stock by members of MasterCard International Incorporated or their affiliates is not consistent with the terms of the MasterCard Incorporated amended and restated certificate of incorporation.

*My financial institution did not receive its Program notification letter? How can I obtain the Program notification letter?*

Program notification letters were mailed to the stockholder contact of record as of June 8, 2007 for your financial institution. If you have not received your financial institution’s Program notification letter, please contact either Mellon Investor Services LLC at +1 866 293-6105 from within the U.S. (toll-free) or +201 680-6579 from outside the U.S. from 9 a.m. to 6 p.m. EDT, or contact the MasterCard Shareholder Services (MCSS) department via email to: [shareholder\\_services@mastercard.com](mailto:shareholder_services@mastercard.com) or by telephone +1 914 249 4099. If your financial institution requests delivery of the Program notification letter to a person other than the stockholder contact of record, please contact MCSS. You will be required to submit a written instruction signed by your financial institution’s corporate secretary (or equivalent) and you should email your request for an Account Information Change Form and incumbency certificate to MCSS.

## **How the Program works**

*How will the stock be sold?*

Elections to convert and sell stock submitted on the Program website from 12:00 a.m. EDT on Saturday until 11:59 p.m. on the following Friday, will be aggregated into a weekly Program Batch. Shares of Class B common stock in each Program Batch will be converted into an equal number of Class A common stock on the following Tuesday, and Mellon’s broker-dealer affiliate, Mellon Securities LLC may commence selling the Program Batch on Tuesday in the public market. Mellon Securities LLC may sell the Batch in an orderly fashion over as many trading days as is necessary to mitigate any potential adverse effects on the market price of the Class A common stock.

*May my financial institution place an advance order (before the Program window opens) to convert and sell?*

No.

*May my financial institution place an order to convert and sell on a specific date?*

No. Elections to convert and sell Class B common stock submitted on the Program website from 12:00 a.m. EDT on Saturday until 11:59 p.m. EDT on the following Friday, will be aggregated into a weekly Program Batch. Shares of Class B common stock in each Program Batch will be converted into an equal number of Class A common stock on the following Tuesday, and Mellon's broker-dealer affiliate, Mellon Securities LLC may commence selling the Program Batch on Tuesday in the public market. Mellon may sell the Batch in an orderly fashion over as many trading days as is necessary to mitigate potential adverse effects on the sale price of the Class A common stock.

*May my financial institution provide instructions to Mellon establishing a minimum sale price for my stock?*

No, there is no option to set a minimum sale price. Nor can MasterCard, Mellon, nor any Mellon affiliate (including Mellon Securities LLC) guarantee any sale price. The sale price received will depend on market conditions prevailing at the time of sale, which cannot be predicted. See "Stock sale price" below.

*May my financial institution make multiple elections to convert and sell as long as they do not exceed the total maximum election permissible?*

No, each stockholder may make only ONE irrevocable election to convert and sell Class B common stock in this Program. A stockholder may elect to sell any number of shares up to the maximum number stated in its Program notification letter.

*May my financial institution amend or cancel its election to convert and sell Class B common stock once submitted on the Program website?*

No, submitted elections are final. They **may not** be amended or cancelled.

*Will my financial institution have a brokerage account set up at Mellon for the sale of its stock?*

No. Brokerage accounts will not be created for stockholders participating in the Program.

### **Stock sale price**

*What price per share will my financial institution receive for the sale of its Class A common stock?*

After each Program Batch has been sold in its entirety, Mellon will calculate a weighted average sale price per share for the Program Batch. Each stockholder selling stock in the weekly Program Batch will receive the same weighted average price per share, whether such shares are unrestricted stock or 144A restricted stock.

*How will my financial institution's net proceeds be computed?*

Calculation of the net proceeds of the sale of Class A common stock is as follows:  
Number of shares of stock sold through the election multiplied by the weighted average price per share for the stock sold in the applicable Program Batch, less an Administration fee of USD \$500.00 and a USD \$0.03 per share fee. Applicable taxes, including a mandatory SEC fee of 0.00153% of the gross sales price, will be deducted from your net proceeds.

*When can my financial institution expect to receive the net proceeds from the sale of its stock?*

The conversion and sale of stock in this Program will be executed in weekly Program Batches. All elections to convert and sell Class B common stock submitted on the website from 12:00 a.m. EDT on Saturday until 11:59 p.m. EDT on the following Friday, will be aggregated into a weekly Program Batch. Shares of Class B common stock in each Program Batch will be converted into an equal number of Class A common stock on the following Tuesday, and Mellon's broker-dealer affiliate, Mellon Securities LLC may commence selling the Program Batch on Tuesday on the open market. Mellon Securities LLC may sell the Program Batch in an orderly fashion over as many trading days as is necessary to mitigate potential adverse effects on the market price of the Class A common stock. Settlement of the sale of the Class A common stock on the New York Stock Exchange is trade date plus three (3) business days. Within three (3) business days after settlement of all stock sales in the Program Batch, Mellon will compute each stockholder's net proceeds and mail a check to the stockholder.

*May my financial institution receive its net proceeds from the Program by wire transfer or direct deposit?*

No, wire transfer or direct deposit is not offered as an option. The net proceeds will be delivered as a U.S.-dollar denominated check to the dividend delivery address of record as of June 8, 2007 for your stockholder account at Mellon Investor Services LLC. If no dividend delivery address is on file, the check will be mailed to the stockholder address of record on June 8, 2007.

**Future Conversion and Sale Programs**

*Will this be the only opportunity for my financial institution to convert and sell its Class B common stock?*

The amended and restated certificate of incorporation of MasterCard Incorporated empowers the Board of Directors to approve future conversion and sale programs. The conversion share amounts and timing windows of any future program windows would be designated by MasterCard's Board of Directors to ensure the orderly entry of shares into the public market. The total number of Class B shares eligible for conversion would be limited to an annual aggregate amount of up to 10% of the total shares of Class A common stock and Class B common stock outstanding as of December 31st of the prior calendar year. To date, MasterCard's Board of Directors has authorized only the 2007-1 Program.

*If my financial institution chooses not to participate in this Program, will it be able to “carry over” the maximum number of shares eligible for conversion and sale in this Program and add them to the maximum number of shares eligible for conversion and sale in any subsequent conversion and sale program?*

The criteria for future conversion and sale programs, if any, have not been determined. Your financial institution should not assume that it will be able to “carry over” the maximum number of eligible shares for conversion and sale from this Program to add to the maximum eligible shares for conversion and sale for any future program.

## **U.S. Federal Income Tax Consequences**

**NOTE: THIS SUMMARY DOES NOT ADDRESS ALL ASPECTS OF U.S. FEDERAL INCOME TAXES AND DOES NOT CONSTITUTE TAX ADVICE. IF YOU ARE CONSIDERING PARTICIPATING IN THE PROGRAM, YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF CONVERTING AND SELLING YOUR SHARES UNDER THE PROGRAM.**

*Will my financial institution recognize a gain or loss upon conversion of Class B common stock into Class A common stock?*

No gain or loss will be recognized upon the conversion of shares of Class B common stock into shares of Class A common stock. U.S. stockholders will, however, recognize capital gain or loss on the sale of the shares of Class A common stock that have been converted. The amount of the gain will be equal to the gross proceeds of sale less the sum of the tax basis for the shares sold and the expenses of sale. Should the sum of the tax basis plus the expenses of sale exceed the gross proceeds, a loss will be recognized.

*If my financial institution recognizes a gain, will it be long-term or short-term?*

The gain or loss will be long-term unless the combined holding period of the shares of Class B common stock and converted Class A common stock is one year or less, in which case the gain will be short-term.

*In general, what is the tax basis for the sale of shares?*

Generally, the tax basis for the shares sold will be the stockholder’s cost of the shares of Class B common stock that have been converted to shares of Class A common stock.

*The Class B common stock my financial institution is converting and selling includes Class B common stock it purchased from other Class B common stockholders. How will this affect the tax basis for the sale of shares?*

A stockholder that has received all or a portion of its shares from another holder of Class B common stock should seek the advice of its own tax counsel as to the basis and holding period of the shares of Class A common stock sold.

*My financial institution is not a financial institution situated in the United States. Will the sale of stock be subject to U.S. federal income tax?*

Non-U.S. stockholders will not be subject to U.S. federal income tax on the sale of their shares of stock but should consult their own income tax advisors for the local tax consequences of the conversion and sale.



*Will Mellon report information about the sale of my financial institution's stock in the Program to the United States Internal Revenue Service?*

No information reporting to the United States Internal Revenue Service will be made by Mellon as long as the selling stockholder has certified to Mellon its tax status as a corporation as described below.

*Will Mellon withhold U.S. federal income tax from the proceeds of the sale of my financial institution's stock?*

Mellon will not withhold U.S. Federal income tax from the proceeds of the sale of stock in this Program, provided your financial institution has certified to Mellon its status as a corporation as described below.

*How does a stockholder certify its status as a corporation to Mellon?*

Certification for U.S. stockholders means the submission of a properly completed Form W-9 (or substitute thereof). Certification for non-U.S. stockholders means the submission of a properly completed Form W-8BEN.

*My financial institution is not currently certified, what is the backup withholding rate that will be applied to the proceeds of the sale of its stock?*

28%.

### **Restricted Stock**

*May my financial institution elect to convert and sell only its 144A restricted stock and retain ownership of its unrestricted stock?*

No. Elections for conversion and sale will be drawn on unrestricted stock first, and if the election has not been satisfied, the balance of the stock elected for conversion and sale will be drawn on 144A restricted stock.

*May my financial institution elect to convert and sell 144A restricted stock?*

Yes, if your financial institution elects to convert and sell 144A restricted stock you must make representations (see next question for text of representations) that you comply with certain requirements of Rule 144 of the Securities and Exchange Act of 1934, as amended. The Program website has been designed to cancel your election if you fail to make these representations. If you are electing to sell more than 500 shares of 144A restricted stock, or an amount of 144A restricted stock with more than USD \$10,000 in value, you are required to submit three (3) signed copies of Securities and Exchange Commission ("SEC") Form 144 to the SEC and one (1) signed copy to the New York Stock Exchange ("NYSE"). The Program website will provide you with a copy of SEC Form 144 and instructions for completion of the form, as well as instructions and addresses for mailing the forms to the SEC and NYSE. Please use a method of mail delivery that ensures that the forms are received by the SEC and NYSE within 10 calendar days of submitting your election to convert and sell.

Courier addresses for delivery of SEC Form 144:

Three (3) signed copies to:  
U.S. Securities and Exchange Commission  
Attn: Mail Room  
100 F Street, NE  
Washington, D.C. 20549  
Telephone: +1 202 551 4045

One (1) signed copy to:  
New York Stock Exchange  
Attn: SEC Library  
20 Broad Street  
7<sup>th</sup> Floor  
New York, NY 10005  
Telephone: +1 212 656 5060

*What are the representations that I will be required to make on the website to comply with certain requirements of Rule 144 of the Securities and Exchange Act of 1934, as amended?*

Below is the text of the Seller Representations required by Mellon to complete an election to convert and sell 144A restricted stock.

In connection with my proposed sale of XXX shares of the Class A Common Stock (the “Shares”) pursuant to Rule 144 under the Program, I hereby represent to Mellon and agree that Mellon may rely on the following:

1. My institution has held the shares of Class B Common Stock from which the Shares were converted for a period of at least one year.
2. My institution has not sold any shares of Class A Common Stock in the past three months, nor has it solicited or arranged for any purchases of Class A Common Stock that will be sold in connection with the Program.
3. Apart from the Program administration fee set forth in the Notice, my institution will not make any payment to any person in connection with the sale of the Shares under the Program.
4. *[Stockholders who are converting and selling 144A restricted stock valued at US \$10,000 or more are required to certify to the following]*

I am mailing or couriating today (a) three (3) copies of a duly completed and signed Form 144 to U.S. Securities and Exchange Commission, Attn: Mail Room, 100 F Street, NE, Washington, D.C. 20549, telephone number: +1 202 551 4045 and (b) one (1) copy of a duly completed and signed Form 144 to New York Stock Exchange, Attn: SEC Library, 20 Broad Street, 7th Floor, New York, NY 10005, telephone number: +1 212 656 5060.

*Do I have to file SEC Form 144 if my financial institution is not selling any shares of 144A restricted stock?*

No.



*Do I have to file SEC Form 144 if my financial institution is selling a number of shares of 144A restricted stock with a total value of less than US\$10,000?*

No.

*Why does some (or all) of my financial institution's stock carry a 144A restriction?*

The additional shares of stock that your financial institution received in the MasterCard reallocation of stock completed on October 21, 2005 were issued in a private placement. SEC regulations require that such stock carry a Rule 144 restriction for a period of two years. Such stock is able to be sold under an exemption to SEC Rule 144.

*Will the stock my financial institution holds that currently has a 144A restriction always have the restriction?*

No, on October 20, 2007 the 144A restriction expires. MasterCard will arrange for Mellon Investor Services LLC to remove the restriction from your stock at that time. No action is necessary on your part.

### **Grandparent Groups of Stockholders**

*My financial institution is part of a Grandparent Group, how does this affect my ability to participate in the Program?*

The Program is set up to accept elections to convert and sell stock at the Stockholder level only. Each stockholder in the Grandparent Group must make its election via the dedicated website for each Member account at Mellon.

## **Class B common stock sales**

*Are Class B common stock sales to other holders of Class B common stock prohibited during the Program?*

No, Class B common stock sales are permitted during the Program. However, you must have sufficient Class B common stock in your stockholder account to satisfy the entire election made in the Program or your entire election will be cancelled.

## **Changes to Stockholder Account Information prior to or during the Program**

*May my financial institution change the stockholder contact person, stockholder address, or dividend delivery address information in its stockholder record at Mellon during the Program?*

Yes. You may submit Account Information Change forms (available on the Class B common stock information web page of the Investor Relations section of [www.mastercardworldwide.com](http://www.mastercardworldwide.com)) at any time. MCSS and Mellon will make the requested changes to your stockholder account record promptly. However, changes to stockholder account information made after the Program record date of June 8, 2007 will **not** be carried over into the Program database. You may wish to contact MCSS to discuss the impact of making these changes to your stockholder account.

*May my financial institution change the legal name of its stockholder account or its grandparent affiliation during the Program?*

Yes. However, a change to the legal name of the stockholder account or grandparent affiliation of the stockholder account will PREVENT the stockholder from participating in the Program. If your financial institution wishes to participate in the Program, such changes should be delayed until after you have made your election and your stock has been converted and sold under the Program.

## **Program Information Customer Service**

*Who should I contact if I am experiencing problems accessing the Program website, or in making my election on the Program website or have questions about delivery of stock sale proceeds?*

The Program administrator, Mellon Investor Services LLC has trained customer service staff available to assist you with such matters. Please call +1 866 293-6105 from within the U.S. (toll-free) or +1 201 680-6579 from outside the U.S. from 9 a.m. to 6 p.m. EDT.

*Who should I contact if I have not received my Program notification letter?*

You may contact Mellon Investor Services LLC customer service staff at the number above or you may contact MasterCard Shareholder Services at +1 914 249-4099 or by email to: [shareholder\\_services@mastercard.com](mailto:shareholder_services@mastercard.com)

*Who should I contact for more information about the Program?*

Please contact MasterCard Shareholder Services at +1 914 249-4099 or by email to: [shareholder\\_services@mastercard.com](mailto:shareholder_services@mastercard.com)

## **The MasterCard 2007-1 Class B Common Stock Voluntary Conversion and Sale Program (the “Program”) Starting August 4, 2007**

### **Terms and Conditions**

MASTERCARD INCORPORATED (“MASTERCARD”) RESERVES THE RIGHT TO AMEND OR TERMINATE THE PROGRAM AT ANY TIME AND TO REJECT OR WAIVE ANY IRREGULARITIES OF ANY ELECTION NOT IN PROPER ORDER. PARTICIPATION IS ENTIRELY VOLUNTARY. PROGRAM PARTICIPANTS MUST PERFORM THEIR OWN RESEARCH AND MUST MAKE THEIR OWN INVESTMENT DECISIONS. NEITHER MASTERCARD, MELLON INVESTOR SERVICES LLC (“MELLON”) NOR ANY MELLON AFFILIATE MAKES ANY RECOMMENDATION AS TO YOUR PARTICIPATION IN THE PROGRAM.

MASTERCARD HAS ENGAGED THE SERVICES OF MELLON AND ITS AFFILIATES, MELLON BANK, N.A. AND MELLON SECURITIES LLC (MEMBER NASD/NASDAQ/SIPC), TO ADMINISTER THIS PROGRAM: HOSTING AND MAINTENANCE OF THE PROGRAM WEBSITE, MAILING OF PROGRAM NOTIFICATION LETTERS TO CLASS B COMMON STOCKHOLDERS, COLLECTION OF ELECTIONS TO PARTICIPATE IN THE PROGRAM BY MASTERCARD CLASS B COMMON STOCKHOLDERS, DEBIT OF CLASS B COMMON STOCK ELECTED FOR CONVERSION AND SALE FROM STOCKHOLDER ACCOUNTS, CONVERSION OF CLASS B COMMON STOCK ON A ONE-FOR-ONE BASIS INTO CLASS A COMMON STOCK, SALE OF THE CLASS A COMMON STOCK IN THE OPEN MARKET THROUGH MELLON SECURITIES LLC, COMPUTATION OF THE WEIGHTED AVERAGE SALE PRICE PER SHARE, COLLECTION OF THE ADMINISTRATION FEE OF US\$ 500 PER TRANSACTION PLUS US \$0.03 PER SHARE, WITHHOLDING OF APPLICABLE TAXES AND DELIVERY TO THE UNITED STATES INTERNAL REVENUE SERVICE, DELIVERY OF NET PROCEEDS OF STOCK SALES TO EACH STOCKHOLDER, AND OTHER RELATED SERVICES.

NEITHER MASTERCARD, MELLON NOR ANY MELLON AFFILIATE MAKES ANY REPRESENTATION, WARRANTY OR GUARANTY AS TO THE SALE DATE OR THE PRICE AT WHICH SHARES WILL BE SOLD DURING THE PROGRAM. THE TIMING OF SALE AND THE WEIGHTED AVERAGE SALE PRICE PER SHARE FOR EACH PROGRAM BATCH WILL DEPEND UPON MARKET CONDITIONS PREVAILING AT THE TIME OF SALE.

PARTICIPATION IN THE PROGRAM, INCLUDING CONVERSION OF SHARES AND SALE, IS VIA A DEDICATED WEBSITE ONLY. REASONABLE EFFORTS HAVE BEEN MADE TO ENSURE THE SECURITY OF STOCKHOLDER INFORMATION ON THE WEBSITE AND ANY ELECTIONS MADE BY STOCKHOLDERS VIA THE WEBSITE. PARTICIPANTS USE OF THE WEBSITE IS AT THEIR OWN RISK. NEITHER MASTERCARD, MELLON NOR ANY OF THEIR AFFILIATES OR VENDORS MAY BE HELD RESPONSIBLE FOR LOSSES INCURRED SHOULD A BREACH OF SECURITY OF THE WEBSITE OCCUR OR FOR LOSSES INCURRED THROUGH MISUSE OF THE WEBSITE, OR FOR LOSSES INCURRED DUE TO FRAUD BY ANY UNAUTHORIZED USER OF THE STOCKHOLDER USING THE WEBSITE WITHOUT PROPER AUTHORITY OF THE STOCKHOLDER.

## Press Release

### MasterCard Announces Details of Class B Share Conversion Program

PURCHASE, N.Y., June 15 /PRNewswire-FirstCall/ -- Following approval of its amended and restated certificate of incorporation at its 2007 Annual Meeting of Stockholders, MasterCard Incorporated (NYSE: MA) today released the details of its previously announced plan to facilitate an accelerated and orderly conversion of Class B common stock into Class A common stock for subsequent sale to the public in 2007.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20061031/MCLOGO> )

Through "conversion transactions," current holders of shares of Class B common stock who elect to participate will be eligible to convert up to an aggregate of 13.4 million Class B shares on a one-for-one basis into shares of Class A common stock for subsequent sale to public investors. The first conversion window will extend from 12:00 a.m. Eastern Daylight Time on Saturday, August 4, 2007 through 11:59 p.m. Eastern Daylight Time on Friday, October 5, 2007.

Holders of Class B common stock, which represent the Company's financial institution customers, will be eligible to convert during the first conversion window up to 100% of shares held as of the record date of June 8, 2007, but not more than the greater of 17,000 or 15% of shares held as of the record date.

At MasterCard's Annual Meeting of Stockholders, held on June 7, 2007, Class A, Class B and Class M stockholders approved an amendment to the Company's amended and restated certificate of incorporation, which allows these 2007 actions to be implemented. Based upon a previously announced Board decision that was contingent on this approval, the company also expects to proceed with the repurchase of up to \$500 million of Class A common stock in open-market transactions in 2007.

"We are pleased that our stockholders approved this proposal, allowing us to manage our capital structure in a manner that we believe creates value for all shareholders," said MasterCard President and Chief Executive Officer Robert W. Selander.

The conversion of Class B shares to Class A shares will be handled by Mellon Investor Services, LLC, the Company's transfer agent. A Mellon website sponsored by the Company will be established to allow owners of Class B shares to elect to participate in the program. To facilitate the orderly entry of shares into the market, the newly issued Class A shares will be sold by Mellon Securities, LLC. More comprehensive details about the process will be forthcoming in a letter to Class B stockholders

## FORM OF PROGRAM NOTIFICATION LETTER

MasterCard Letterhead

June 29, 2007

[Stockholder Name]  
[Stockholder Contact]  
[Address 1]  
[Address 2]  
Acct Key:  
1234-XXXXXX-00000

Control Number

XXXXXXXX

Account Code

XXXXXXXX

### **MASTERCARD 2007-1 CLASS B COMMON STOCK VOLUNTARY CONVERSION AND SALE PROGRAM NOTICE**

Dear Class B Common Stockholder,

We are writing to inform you of an opportunity to convert and sell all or a portion of your shares of MasterCard Class B common stock, par value \$0.0001 (the "Class B Common Stock"), through a voluntary program that is being offered by MasterCard Incorporated (the "Company") to all holders of Class B Common Stock.

On June 7, 2007, the stockholders of the Company approved an amendment to Section 4.3 of the Company's amended and restated certificate of incorporation in order to provide for an accelerated one-for-one conversion of a portion of the Company's Class B Common Stock into newly issued MasterCard Class A common stock, par value \$0.0001 (the "Class A Common Stock"), for subsequent sale. Pursuant to the amendment, the Company has the right to determine any requirements for such conversion transactions in its sole discretion. Accordingly, the Company is pleased to offer the 2007-1 Class B Common Stock Voluntary Conversion and Sale Program (the "Program") to provide holders of Class B Common Stock the opportunity to conveniently convert their Class B Common Stock into Class A Common Stock for subsequent sale. Mellon Investor Services LLC ("Mellon") will administer the Program on behalf of the Company. If you choose to participate in the Program, your conversion and sale request will be processed by Mellon and its affiliates, Mellon Bank, N.A. and Mellon Securities LLC, a registered broker/dealer and a member of NASD/NASDAQ/SIPC ("Mellon Securities"). **Participation in the Program is completely voluntary and no further action is required if you do not wish to participate in the Program.**

Please read the information below for details regarding the Program, including procedures for electing Class B Common Stock for conversion and sale, terms and conditions of the Program, U.S. federal tax treatment and certain requirements under U.S. securities laws.

MASTERCARD INCORPORATED RESERVES THE RIGHT TO AMEND OR TERMINATE THE PROGRAM AT ANY TIME AND TO REJECT OR WAIVE ANY IRREGULARITIES OF ANY ELECTION NOT IN PROPER ORDER. PROGRAM PARTICIPANTS MUST PERFORM THEIR OWN RESEARCH AND MUST MAKE THEIR OWN INVESTMENT DECISIONS. NEITHER MASTERCARD, NOR MELLON NOR ANY MELLON AFFILIATE MAKES ANY RECOMMENDATION AS TO YOUR PARTICIPATION IN THE PROGRAM.

## The Program

### *Shares Eligible for Conversion*

BOX 1	BOX 2	BOX 3	BOX 4
Shares of Class B Common Stock held as of June 8, 2007	Shares of Class B Common Stock held as of June 8, 2007 subject to 144A restriction*	Maximum number of shares available for conversion and sale in the Program	Number of shares of Class B Common Stock subject to 144A restriction that must be sold if you convert the maximum shares available for conversion and sale in the Program *
XXXX	XXXX	XXXX	XXXX

Holders of Class B Common Stock may elect up to **100% of their Class B Common Stock, up to a maximum of the greater of 17,000 shares or 15% of their holdings of Class B Common Stock as of June 8, 2007**, the record date for the Program (the "Record Date"), for conversion and sale. The maximum number of Class B Common Stock that you may convert and sell in this Program appears below:

\* See "Sale of Restricted Shares" below for an explanation of "restricted stock" and potential reporting obligations.

### *Duration of the Program*

**The Program will commence at 12:00 a.m. U.S. Eastern Daylight Time (EDT) on Saturday, August 4, 2007 and expire at 11:59 p.m. EDT on Friday, October 5, 2007** (unless extended or terminated earlier by the Company).

### *How to Elect Shares of Class B Common Stock for Conversion and Sale*

Please follow the instructions below if you wish to participate in the Program. Elections may be made only via the Program website using the control number and account code shown on the first page of this letter and following the instructions for the Program website set forth below in this letter. **Note that you may only elect shares to convert and sell once during this Program. Once your election has been submitted, you may not amend or cancel it.**

1. Log on to the Internet and visit the Program website at XXXXXXXXXXXXXXXXXXXXXXXX
2. Enter the XXXXXXXXXXXX and XXXXXXXXXXXX found on XXXXXXXXXXXXXXXXXXXX.
3. Read and accept the Terms and Conditions by clicking "ACCEPT".
4. Indicate whether you are authorized to sell Class B Common Stock as a stockholder contact or delegate of the stockholder. Delegates will be asked to provide: name, title, email address and telephone number.
5. Enter the number of shares you elect to convert and sell through the Program. **Make sure to review your election before submission as you cannot revoke or amend your election, nor can you submit another election during the Program once your election has been submitted.**

\* Please note: if your election includes any shares that have been designated as "144A restricted stock," you will be directed to a screen where you will be asked to make certain representations to ensure compliance with regulations of the U.S. Securities and Exchange Commission (the "SEC") concerning the sale of restricted stock. If you do not make these representations electronically through the Program website, your election will be cancelled. In addition, you will be directed to a screen from which you will be able to print Form 144. See "Sale of Restricted Shares" section below for more information on Form 144 and SEC regulations with respect to the sale of restricted stock.

6. Print out the Election Confirmation page for your records.

Approximately 10 business days after you have made your election, you may log onto the same Program website to view the per share price at which your converted shares of stock were sold. This will be displayed on an "Election Summary" page. See also "Delivery of Payment" section below.

### ***The Conversion and Sale Process***

During each week of the Program (a "Program week"), a stockholder may elect to convert and sell shares; however, a stockholder may only elect shares for conversion and sale once during the Program. The first Program week will commence at 12:00 a.m. EDT on Saturday, August 4, 2007 and will end on Friday, August 10, 2007 at 11:59 p.m. EDT. Thereafter, each Program week will begin at 12:00 a.m. EDT on Saturday and end at 11:59 p.m. EDT on Friday until October 5, 2007. Shares of Class B Common Stock elected for participation in each Program week will be converted into an identical number of shares of Class A Common Stock on Tuesday of the week following the end of the Program week. These shares in turn will be aggregated by Mellon with all other shares of Class A Common Stock resulting from elections for conversion during such Program week (each, a "Program Batch") and sold by Mellon Securities. Mellon Securities, in its sole discretion, may sell each Program Batch in multiple sales transactions in one day or over a period of several days in order to mitigate any adverse effects on the market price of the Class A Common Stock.

All shares elected for participation in the Program must be converted by Mellon and will be sold promptly according to the terms of the Program outlined above.

### ***Determination of the Sale Price***

**Stockholders participating in the Program will receive the weighted average sale price per share for the shares of Class A Common Stock sold in the Program Batch in which their shares were sold, less an administration fee of U.S. \$500 plus U.S. \$0.03 per share and applicable taxes. A price per share for the converted Class A Common Stock or a particular sale date cannot be requested or guaranteed.**

NEITHER MASTERCARD, NOR MELLON NOR ANY MELLON AFFILIATE MAKES ANY REPRESENTATION, WARRANTY OR GUARANTY AS TO THE SALE DATE OR THE PRICE AT WHICH SHARES WILL BE SOLD DURING THE PROGRAM. THE WEIGHTED AVERAGE SALE PRICE PER SHARE FOR EACH PROGRAM BATCH WILL DEPEND UPON MARKET CONDITIONS PREVAILING AT THE TIME OF SALE.

### ***Delivery of Payment***

Once all of the shares in a Program Batch are sold, for each stockholder whose shares were sold in that Program Batch, a U.S. Dollar denominated check in payment for stock sold in the Program Batch by such stockholder will be sent to the stockholder's dividend payment address as of the Record Date on file with Mellon, as transfer agent for the Company, or, if no such address is available, to the stockholder's address of record on file with Mellon as of the Record Date. **Payment by wire transfer or direct deposit is not available in this Program.**

### ***Sale of Restricted Shares***

Certain shares of the outstanding Class B Common Stock are considered "restricted" under the regulations of the SEC and, until October 20, 2007, cannot be sold absent registration with the SEC or pursuant to an exemption. The number of restricted shares your institution held as of the Record Date, if any, is shown in Box 2 above. These shares are also designated as "144A restricted" in your stockholder account with Mellon.

Shares of Class A Common Stock issued as a result of conversion of restricted shares of Class B Common Stock will also be considered restricted until October 20, 2007. Restricted shares of Class A Common Stock may be sold under the Program by complying with Rule 144 of the Securities Act of 1933, as



amended (“Rule 144”). The Program has been structured so that restricted shares can be sold pursuant to Rule 144. In order to sell shares of restricted stock through the Program pursuant to Rule 144, you will be required to agree to certain representations with respect to your compliance with Rule 144. In addition, if you are electing to sell more than 500 shares of restricted stock or the aggregate sales price for your shares exceeds US \$10,000, you must (i) print out, complete and sign Form 144, which will be made available to you electronically through the Program website and (ii) **on the date that you make your election on the Program website, mail or courier three (3) signed copies of the completed Form 144 to the SEC at U.S. Securities and Exchange Commission, Attn: Mail Room, 100 F Street, NE, Washington, D.C. 20549, telephone number: +1 202 551 4045, and one (1) copy to the New York Stock Exchange, Attn: SEC Library, 20 Broad Street, 7<sup>th</sup> Floor, New York, NY 10005, telephone: +1 212 656 5060.**

Stockholders completing a Form 144 should select a method of delivery that will ensure that the Form 144 is received by the SEC and the New York Stock Exchange within ten (10) days of making such election. A sample Form 144 may be found on the documents page of the Program website to assist you in completing your Form 144. **If you do not own restricted stock and/or are not selling restricted stock under the Program, then you are not required to file Form 144.**

If you hold both restricted and unrestricted shares of Class B Common Stock, your unrestricted shares will be converted to shares of Class A Common Stock first. If your conversion election exceeds the number of unrestricted shares of Class B Common Stock you hold, then restricted shares of Class B Common Stock will also be converted, until your election has been satisfied. Assuming that you elect to convert the maximum number of shares of Class B Common Stock available for conversion (see Box 3 above), the number of restricted shares that must be converted is shown in Box 4 above. More information about restricted stock and Rule 144 may be found in the Frequently Asked Questions (FAQ) section of the Program website.

#### **Other Stock Transactions during the Program**

Stockholders may continue to trade their Class B Common Stock with other holders of Class B Common Stock during the Program. However, if a stockholder consummates a trade resulting in fewer shares of stock in such stockholder’s account than the amount elected to be converted and sold in the Program, the entire election for conversion and sale will be canceled. Also, certain stockholder account updates (for example, legal name change to stockholder account or grandparent designation change) made after the Record Date and before execution of an election will invalidate such election. Changes to the stockholder contact, address or dividend address after the Record Date and before an election may be made and will not affect such election. You may wish to contact MasterCard Shareholder Services prior to completing any Class B Common Stock sales or account information changes during the Program to inquire whether any such change would invalidate an election. You may also wish to visit the Class B Common Stock Information web page in the Investor Relations section of the Company’s website at [www.mastercardworldwide.com](http://www.mastercardworldwide.com) for more information, FAQs and sample forms.

#### **U.S. Federal Income Tax Consequences**

**Note: This summary does not address all aspects of U.S. federal income taxes and does not constitute tax advice. If you are considering participating in the Program, you should consult your own tax advisors concerning the U.S. federal income tax consequences of converting and selling your shares under the Program.**

No gain or loss will be recognized upon the conversion of shares of Class B Common Stock into shares of Class A Common Stock. U.S. stockholders will, however, recognize capital gain or loss on the sale of the shares of Class A Common Stock that have been converted. The amount of the gain will be equal to the gross proceeds of sale less the sum of the tax basis for the shares sold and the expenses of sale. Should the sum of the tax basis plus the expenses of sale exceed the gross proceeds, a loss will be recognized. The gain or loss will be long-term unless the combined holding period of the shares of Class B Common Stock and converted Class A Common Stock is one year or less, in which case the gain will be short-term. Generally, the tax basis for the shares sold will be the stockholder’s cost of the shares of Class B Common Stock that have been converted to shares of Class A Common Stock. However, if a stockholder has

received all or a portion of its shares from another holder of Class B Common Stock, such stockholder should seek the advice of its own tax counsel as to the basis and holding period of the shares of Class A Common Stock sold. Non-U.S. stockholders will not be subject to U.S. federal income tax on the sale of their shares of stock but should consult their own income tax advisors for the local tax consequences of the conversion and sale.

No information reporting to the United States Internal Revenue Service will be made by Mellon as long as the selling stockholder has certified to Mellon its tax status. Similarly, there will be no withholding of U.S. Federal income tax, provided such certification has been made to Mellon.

**Certification for U.S. stockholders means the submission of a properly completed Form W-9 (or substitute thereof). Certification for non-U.S. stockholders means the submission of a properly completed Form W-8BEN.**

#### **Contact Information**

To contact Mellon Investor Services LLC, please call toll-free 1 (866) 293-6105 or (201) 680-6579 from outside the U.S.

To contact MasterCard Shareholder Services, please call (914) 249-4099 or email: [shareholder\\_services@mastercard.com](mailto:shareholder_services@mastercard.com)

Sincerely,