UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the quarterly period ended March 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 0-14948

FISERV, INC.
(Exact Name of Registrant as Specified in Its Charter)

WISCONSIN	**39-1506125**
(State or Other Jurisdiction of Incorporation or Organization)	**(I. R. S. Employer Identification No.)**
255 FISERV DRIVE, BROOKFIELD, WI	**53045**
(Address of Principal Executive Offices)	**(Zip Code)**

(262) 879-5000
(Registrant's Telephone Number, Including Area Code)

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐

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

As of April 30, 2016, there were 222,329,901 shares of common stock, $.01 par value, of the registrant outstanding.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Fiserv, Inc.
Consolidated Statements of Income
(In millions, except per share data)
(Unaudited)

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Revenue:		
Processing and services	$ 1,122	$ 1,067
Product	209	208
Total revenue	1,331	1,275
Expenses:		
Cost of processing and services	553	542
Cost of product	181	181
Selling, general and administrative	258	238
Total expenses	992	961
Operating income	339	314
Interest expense	(40)	(41)
Interest and investment (loss) income, net	(7)	1
Income before income taxes and income from investment in unconsolidated affiliate	292	274
Income tax provision	(149)	(96)
Income from investment in unconsolidated affiliate	146	—
Net income	$ 289	$ 178
Net income per share – basic	$ 1.30	$ 0.75
Net income per share – diluted	$ 1.27	$ 0.73
Shares used in computing net income per share:		
Basic	223.5	238.8
Diluted	227.3	243.0

See accompanying notes to consolidated financial statements.

Fiserv, Inc.
Consolidated Statements of Comprehensive Income
(In millions)
(Unaudited)

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Net income	$ 289	$ 178
Other comprehensive income (loss):		
Reclassification adjustment for net realized losses on cash flow hedges included in interest expense, net of income tax provision of $1 million in each period	2	2
Foreign currency translation	3	(10)
Total other comprehensive income (loss)	5	(8)
Comprehensive income	$ 294	$ 170

See accompanying notes to consolidated financial statements.

Fiserv, Inc.
Consolidated Balance Sheets
(In millions)
(Unaudited)

	March 31, 2016	December 31, 2015
Assets		
Cash and cash equivalents	$ 283	$ 275
Trade accounts receivable, net	805	802
Prepaid expenses and other current assets	388	429
Total current assets	1,476	1,506
Property and equipment, net	401	396
Intangible assets, net	1,909	1,872
Goodwill	5,380	5,200
Other long-term assets	386	366
Total assets	$ 9,552	$ 9,340
Liabilities and Shareholders’ Equity		
Accounts payable and accrued expenses	$ 1,058	$ 1,024
Current maturities of long-term debt	4	5
Deferred revenue	480	473
Total current liabilities	1,542	1,502
Long-term debt	4,445	4,288
Deferred income taxes	721	726
Other long-term liabilities	160	164
Total liabilities	6,868	6,680
Commitments and contingencies		
Shareholders’ equity:		
Preferred stock, no par value: 25.0 million shares authorized; none issued	—	—
Common stock, $0.01 par value: 900.0 million shares authorized; 395.7 million shares issued	4	4
Additional paid-in capital	960	952
Accumulated other comprehensive loss	(69)	(74)
Retained earnings	8,353	8,064
Treasury stock, at cost, 172.7 million and 170.4 million shares	(6,564)	(6,286)
Total shareholders’ equity	2,684	2,660
Total liabilities and shareholders’ equity	$ 9,552	$ 9,340

See accompanying notes to consolidated financial statements.

Fiserv, Inc.
Consolidated Statements of Cash Flows
(In millions)
(Unaudited)

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Cash flows from operating activities:		
Net income	$ 289	$ 178
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and other amortization	60	53
Amortization of acquisition-related intangible assets	40	49
Share-based compensation	22	18
Excess tax benefits from share-based awards	(9)	—
Deferred income taxes	(6)	4
Income from investment in unconsolidated affiliate	(146)	—
Dividends from unconsolidated affiliate	140	—
Non-cash impairment charges	17	—
Other operating activities	—	(1)
Changes in assets and liabilities, net of effects from acquisitions:		
Trade accounts receivable	10	34
Prepaid expenses and other assets	(32)	(17)
Accounts payable and other liabilities	113	47
Deferred revenue	11	(19)
Net cash provided by operating activities	509	346
Cash flows from investing activities:		
Capital expenditures, including capitalization of software costs	(72)	(90)
Payments for acquisitions of businesses	(265)	—
Net cash used in investing activities	(337)	(90)
Cash flows from financing activities:		
Debt proceeds	715	430
Debt repayments	(559)	(381)
Proceeds from issuance of treasury stock	30	28
Purchases of treasury stock, including employee shares withheld for tax obligations	(359)	(331)
Excess tax benefits from share-based awards	9	—
Net cash used in financing activities	(164)	(254)
Net change in cash and cash equivalents	8	2
Cash and cash equivalents, beginning balance	275	294
Cash and cash equivalents, ending balance	$ 283	$ 296

See accompanying notes to consolidated financial statements.

Fiserv, Inc.
Notes to Consolidated Financial Statements
(Unaudited)

1. Basis of Presentation

The consolidated financial statements for the three-month periods ended March 31, 2016 and 2015 are unaudited. In the opinion of management, all adjustments necessary for a fair presentation of the consolidated financial statements have been included. Such adjustments consisted of normal recurring items. Interim results are not necessarily indicative of results for a full year. The consolidated financial statements and accompanying notes are presented as permitted by Form 10-Q and do not contain certain information included in the annual consolidated financial statements and accompanying notes of Fiserv, Inc. (the “Company”). These interim consolidated financial statements should be read in conjunction with the consolidated financial statements and accompanying notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015.

Principles of Consolidation

The consolidated financial statements include the accounts of Fiserv, Inc. and all 100% owned subsidiaries. Investments in less than 50% owned affiliates in which the Company has significant influence but not control are accounted for using the equity method of accounting. All intercompany transactions and balances have been eliminated in consolidation.

2. Recent Accounting Pronouncements

In March 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-09, *Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* (“ASU 2016-09”), which simplifies several aspects of the accounting for share-based payment awards, including the accounting for income taxes and forfeitures, as well as classification in the statement of cash flows. The standard requires that all tax effects related to share-based payments be recorded as income tax expense or benefit in the income statement at settlement or expiration and, accordingly, excess tax benefits and tax deficiencies be presented as operating activities in the statement of cash flows. For public entities, ASU 2016-09 is effective for annual periods beginning after December 15, 2016, including interim periods within those annual periods, with early adoption permitted in any interim or annual period for which financial statements have not yet been issued. The recognition of all excess tax benefits and tax deficiencies in the income statement, as well as related changes to the computation of diluted earnings per share, is to be applied prospectively. Entities may elect to apply the change in presentation in the statement of cash flows either prospectively or retrospectively to all periods presented. The Company is currently assessing the impact that the adoption of ASU 2016-09 will have on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (“ASU 2016-02”), which requires lessees to recognize a lease liability and a right-of-use asset for each lease with a term longer than twelve months. The recognized liability is measured at the present value of lease payments not yet paid, and the corresponding asset represents the lessee’s right to use the underlying asset over the lease term and is based on the liability, subject to certain adjustments. For income statement purposes, the standard retains the dual model with leases classified as either operating or finance. Operating leases will result in straight-line expense while finance leases will result in a front-loaded expense pattern. For public entities, ASU 2016-02 is effective for annual and interim periods beginning after December 15, 2018, with early adoption permitted. The standard requires a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The Company is currently assessing the impact that the adoption of ASU 2016-02 will have on its consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities* (“ASU 2016-01”), which primarily affects the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements of financial instruments. For public entities, ASU 2016-01 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2017, with early adoption permitted for certain provisions of the standard. Entities must apply the standard, with certain exceptions, using a cumulative-effect adjustment to beginning retained earnings as of the beginning of the fiscal year of adoption. The Company is currently assessing the impact that the adoption of ASU 2016-01 will have on its consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (“ASU 2014-09”), to clarify the principles of recognizing revenue and to create common revenue recognition guidance between U.S. generally accepted accounting principles and International Financial Reporting Standards. ASU 2014-09 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The core principle of the revenue model is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This model involves a five-step process for achieving that core principle, along with comprehensive disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. In July 2015, the FASB deferred the effective date of the new revenue standard for one year and will permit early adoption as of the original effective date in ASU 2014-09. For public entities, the standard is effective for annual and interim periods beginning after December 15, 2017. Entities have the option of using either a full retrospective or a modified approach to adopt this new guidance. The Company is currently assessing the impact that the adoption of ASU 2014-09 will have on its consolidated financial statements.

3. Fair Value Measurements

The Company applies fair value accounting for all assets and liabilities that are recognized or disclosed at fair value in its consolidated financial statements on a recurring basis. Fair value represents the amount that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, the Company considers the principal or most advantageous market and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability.

The fair values of cash equivalents, trade accounts receivable, settlement assets and obligations, and accounts payable approximate their respective carrying values due to the short period of time to maturity. The estimated fair value of total debt was $4.6 billion at March 31, 2016 and $4.3 billion at December 31, 2015, and was estimated using quoted prices in inactive markets for the Company’s senior notes (level 2 of the fair value hierarchy) or using discounted cash flows based on the Company’s current incremental borrowing rates for its term loan (level 3 of the fair value hierarchy).

4. Acquisitions

On January 15, 2016, the Company acquired Hewlett Packard Enterprise’s Convenience Pay Services business, which enables providers to accept electronic payments from their consumers through multiple channels, thereby expanding the Company’s biller solution offerings. On March 3, 2016, the Company completed its purchase of certain assets of ACI Worldwide, Inc.’s Community Financial Services business, further enhancing the Company’s suite of digital banking and payments solutions.

The Company acquired these businesses for an aggregate purchase price of $265 million. As of March 31, 2016, the preliminary purchase price allocations for these acquisitions resulted in technology and customer intangible assets totaling approximately $75 million, goodwill of approximately $180 million, and other identifiable net assets of approximately $10 million. The goodwill, recognized within the Payments and Industry Products (“Payments”) segment, from these transactions is deductible for tax purposes and is primarily attributed to synergies and anticipated revenue and earnings growth associated with the products and services that these businesses provide. The purchase price allocations were based on preliminary valuations and are subject to final adjustment.

The results of operations for these acquired businesses have been included in the accompanying consolidated statements of income from the dates of acquisition. As a result of these acquisitions, the Company incurred merger and integration costs during the three months ended March 31, 2016, including a $10 million non-cash impairment charge related to the Company’s decision to replace existing software with an acquired solution. The related impairment charge was recorded in cost of processing and services within Corporate and Other as these charges are excluded from the Company’s measure of the Payments segment’s operating performance. Pro forma information for these acquisitions is not provided because they did not have a material effect on the Company’s consolidated results of operations.

5. Investment in Unconsolidated Affiliate

The Company owns a 49% interest in StoneRiver Group, L.P. (“StoneRiver”), which is accounted for as an equity method investment, and reports its share of StoneRiver’s net income as income from investment in unconsolidated affiliate. During the three months ended March 31, 2016, StoneRiver recognized a gain on the sale of a business interest in which the Company’s pre-tax share of this gain was $190 million. During the three months ended March 31, 2016, the Company also received cash dividends from StoneRiver, funded from the sale transaction, of $140 million which were recorded as reductions in the Company’s investment in StoneRiver. In conjunction with this activity, the Company evaluated its equity method investment in StoneRiver for its ability to recover the remaining carrying amount of such investment. Utilizing a discounted cash flow analysis (level 3 of the fair value hierarchy) to arrive at a measure of the investment’s fair value, the Company recognized an impairment loss of $44 million.

The Company's pre-tax share of the gain, net of the impairment loss, of $146 million was recorded within income from investment in unconsolidated affiliate, with the related tax expense of $54 million recorded through the income tax provision, in the consolidated statements of income. The Company's investment in StoneRiver was $23 million and $17 million at March 31, 2016 and December 31, 2015, respectively, and is reported within other long-term assets in the consolidated balance sheets. The dividends, in their entirety, represented returns on the Company's investment and are reported in cash flows from operating activities.

6. Share-Based Compensation

The Company recognized $22 million and $18 million of share-based compensation expense during the three months ended March 31, 2016 and 2015, respectively. The Company's annual grant of share-based awards generally occurs in the first quarter. During the three months ended March 31, 2016, the Company granted 0.9 million stock options and 0.5 million restricted and performance-based stock units at weighted-average estimated fair values of $31.37 and $97.99, respectively. During the three months ended March 31, 2015, the Company granted 1.1 million stock options and 0.3 million restricted stock units at weighted-average estimated fair values of $25.41 and $78.98, respectively. During the three months ended March 31, 2016 and 2015, stock options to purchase 1.0 million and 1.4 million shares, respectively, were exercised.

7. Shares Used in Computing Net Income Per Share

The computation of shares used in calculating basic and diluted net income per common share is as follows:

	Three Months Ended March 31,	
(In millions)	2016	2015
Weighted-average common shares outstanding used for the calculation of net income per share – basic	223.5	238.8
Common stock equivalents	3.8	4.2
Weighted-average common shares outstanding used for the calculation of net income per share – diluted	227.3	243.0

For the each of the three-month periods ended March 31, 2016 and 2015, stock options for 0.6 million shares were excluded from the calculation of diluted weighted-average outstanding shares because their impact was anti-dilutive.

8. Intangible Assets

Intangible assets consisted of the following:

(In millions) March 31, 2016	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Customer related intangible assets	$ 2,197	$ 951	$ 1,246
Acquired software and technology	508	415	93
Trade names	117	52	65
Capitalized software development costs	590	207	383
Purchased software	208	86	122
Total	$ 3,620	$ 1,711	$ 1,909

(In millions) December 31, 2015	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Customer related intangible assets	$ 2,155	$ 922	$ 1,233
Acquired software and technology	488	413	75
Trade names	120	53	67
Capitalized software development costs	575	199	376
Purchased software	256	135	121
Total	$ 3,594	$ 1,722	$ 1,872

The Company estimates that annual amortization expense with respect to acquired intangible assets, which include customer related intangible assets, acquired software and technology, and trade names, will be approximately $160 million in 2016,

$150 million in 2017, $140 million in each of 2018 and 2019 and $120 million in 2020. Annual amortization expense in 2016 with respect to capitalized and purchased software is estimated to approximate $130 million.

9. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following:

(In millions)	March 31, 2016	December 31, 2015
Trade accounts payable	$ 66	$ 74
Client deposits	352	330
Settlement obligations	176	224
Accrued income taxes	121	10
Accrued compensation and benefits	120	196
Other accrued expenses	223	190
Total	$ 1,058	$ 1,024

10. Accumulated Other Comprehensive Loss

Changes in accumulated other comprehensive loss by component, net of income taxes, consisted of the following:

(In millions)	Cash Flow Hedges	Foreign Currency Translation	Other	Total
Balance at December 31, 2015	$ (31)	$ (41)	$ (2)	$ (74)
Other comprehensive income before reclassifications	—	3	—	3
Amounts reclassified from accumulated other comprehensive loss	2	—	—	2
Net current-period other comprehensive income	2	3	—	5
Balance at March 31, 2016	$ (29)	$ (38)	$ (2)	$ (69)

(In millions)	Cash Flow Hedges	Foreign Currency Translation	Other	Total
Balance at December 31, 2014	$ (41)	$ (20)	$ (2)	$ (63)
Other comprehensive loss before reclassifications	—	(10)	—	(10)
Amounts reclassified from accumulated other comprehensive loss	2	—	—	2
Net current-period other comprehensive (loss) income	2	(10)	—	(8)
Balance at March 31, 2015	$ (39)	$ (30)	$ (2)	$ (71)

Based on the amounts recorded in accumulated other comprehensive loss at March 31, 2016, the Company estimates that it will recognize approximately $12 million in interest expense during the next twelve months related to settled interest rate hedge contracts.

The Company has entered into foreign currency forward exchange contracts, which have been designated as cash flow hedges, to hedge foreign currency exposure to the Indian Rupee. As of March 31, 2016, the notional amount of these derivatives was approximately $74 million, and the fair value was nominal. As of December 31, 2015, the notional amount of these derivatives was approximately $85 million, and the fair value totaling approximately $1 million is reported in accounts payable and accrued expenses in the consolidated balance sheet.

11. Cash Flow Information

Supplemental cash flow information was as follows:

(In millions)	Three Months Ended March 31, 2016	2015
Interest paid	$ 5	$ 4
Income taxes paid	23	13
Treasury stock purchases settled after the balance sheet date	8	12

12. Business Segment Information

The Company's operations are comprised of the Payments segment and the Financial Institution Services ("Financial") segment. The Payments segment primarily provides debit and credit card processing and services, electronic bill payment and presentment services, internet and mobile banking software and services, person-to-person payment services, and other electronic payments software and services. The businesses in this segment also provide card and print personalization services, investment account processing services for separately managed accounts, and fraud and risk management products and services. The Financial segment provides banks, thrifts, credit unions, and leasing and finance companies with account processing services, item processing and source capture services, loan origination and servicing products, cash management and consulting services, and other products and services that support numerous types of financial transactions. Corporate and Other primarily consists of unallocated corporate expenses including share-based compensation, amortization of acquisition-related intangible assets, intercompany eliminations and other costs that are not considered when management evaluates segment performance.

(In millions)	Payments	Financial	Corporate and Other	Total
Three Months Ended March 31, 2016				
Processing and services revenue	$ 560	$ 561	$ 1	$ 1,122
Product revenue	189	38	(18)	209
Total revenue	$ 749	$ 599	$ (17)	$ 1,331
Operating income	$ 225	$ 195	$ (81)	$ 339
Three Months Ended March 31, 2015				
Processing and services revenue	$ 516	$ 552	$ (1)	$ 1,067
Product revenue	180	41	(13)	208
Total revenue	$ 696	$ 593	$ (14)	$ 1,275
Operating income	$ 191	$ 204	$ (81)	$ 314

Goodwill in the Payments segment was $3.6 billion and $3.4 billion as of March 31, 2016 and December 31, 2015, respectively. Goodwill in the Financial segment was $1.8 billion at both March 31, 2016 and December 31, 2015.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

This quarterly report contains “forward-looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those that express a plan, belief, expectation, estimation, anticipation, intent, contingency, future development or similar expression, and can generally be identified as forward-looking because they include words such as “believes,” “anticipates,” “expects,” “could,” “should” or words of similar meaning. Statements that describe our future plans, objectives or goals are also forward-looking statements. The forward-looking statements in this report involve significant risks and uncertainties, and a number of factors, both foreseen and unforeseen, could cause actual results to differ materially from our current expectations. The factors that may affect our results include, among others: pricing and other actions by competitors; the capacity of our technology to keep pace with a rapidly evolving marketplace; the impact of market and economic conditions on the financial services industry; the impact of a security breach or operational failure on our business; the effect of legislative and regulatory actions in the United States and internationally; our ability to comply with government regulations; our ability to successfully identify, complete and integrate acquisitions, and to realize the anticipated benefits associated with the same; the impact of our strategic initiatives; and other factors identified in our Annual Report on Form 10-K for the year ended December 31, 2015 and in other documents that we file with the Securities and Exchange Commission. You should consider these factors carefully in evaluating forward-looking statements and are cautioned not to place undue reliance on such statements, which speak only as of the date of this report. We undertake no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this report.

Management’s discussion and analysis of financial condition and results of operations is provided as a supplement to our unaudited consolidated financial statements and accompanying notes to help provide an understanding of our financial condition, the changes in our financial condition and our results of operations. Our discussion is organized as follows:

- *Overview.* This section contains background information on our company and the services and products that we provide, our enterprise priorities and the trends affecting our industry in order to provide context for management’s discussion and analysis of our financial condition and results of operations.

- *Results of operations.* This section contains an analysis of our results of operations presented in the accompanying unaudited consolidated statements of income by comparing the results for the three months ended March 31, 2016 to the comparable period in 2015.

- *Liquidity and capital resources.* This section provides an analysis of our cash flows and a discussion of our outstanding debt as of March 31, 2016.

Overview

Company Background

We are a leading global provider of financial services technology. We provide account processing systems, electronic payments processing products and services, internet and mobile banking systems, and related services. We serve approximately 13,000 clients worldwide, including banks, thrifts, credit unions, investment management firms, leasing and finance companies, retailers, merchants, mutual savings banks, and building societies. The majority of our revenue is generated from recurring account- and transaction-based fees under contracts that generally have terms of three to five years and high renewal rates. Most of the services we provide are necessary for our clients to operate their businesses and are, therefore, non-discretionary in nature.

Our operations are principally located in the United States and are comprised of the Payments and Industry Products (“Payments”) segment and the Financial Institution Services (“Financial”) segment. The Payments segment primarily provides debit and credit card processing and services, electronic bill payment and presentment services, internet and mobile banking software and services, person-to-person payment services, and other electronic payments software and services. Our businesses in this segment also provide card and print personalization services, investment account processing services for separately managed accounts, and fraud and risk management products and services. The Financial segment provides banks, thrifts, credit unions, and leasing and finance companies with account processing services, item processing and source capture services, loan origination and servicing products, cash management and consulting services, and other products and services that support numerous types of financial transactions. Corporate and Other primarily consists of unallocated corporate expenses including share-based compensation, amortization of acquisition-related intangible assets, intercompany eliminations and other costs that are not considered when management evaluates segment performance.

During the first quarter of 2016, we acquired two businesses for an aggregate purchase price of $265 million. In January 2016, we acquired Hewlett Packard Enterprise's Convenience Pay Services business, which enables providers to accept electronic payments from their consumers through multiple channels, thereby expanding our biller solution offerings. In March 2016, we completed our purchase of certain assets of ACI Worldwide, Inc.'s Community Financial Services business, further enhancing our suite of digital banking and payments solutions.

During the first quarter of 2016, StoneRiver Group, L.P. ("StoneRiver"), a joint venture in which we own a 49% interest and account for under the equity method, recognized a net gain on the sale of a business interest. Our share of the net gain on this transaction was $146 million, with related tax expense of $54 million. In addition, we received cash dividends from StoneRiver, funded from the sale transaction, of $140 million during the first quarter of 2016.

Enterprise Priorities

We continue to implement a series of strategic initiatives to help accomplish our mission of providing integrated technology and services solutions that enable best-in-class results for our clients. These strategic initiatives include active portfolio management of our various businesses, enhancing the overall value of our existing client relationships, improving operational effectiveness, being disciplined in our allocation of capital, and differentiating our products and services through innovation. Our key enterprise priorities for 2016 are: (i) to continue to build high-quality revenue while meeting our earnings goals; (ii) to build and enhance client relationships with an emphasis on digital and payment solutions; and (iii) to deliver innovation and integration which enables differentiated value for our clients.

Industry Trends

The market for products and services offered by financial institutions continues to evolve rapidly. The financial industry regularly introduces and implements new payment, deposit, lending, investment and risk management products, and the distinctions among the products and services traditionally offered by different types of financial institutions continue to narrow as they seek to serve the same customers. At the same time, regulatory conditions have continued to create a challenging operating environment for financial institutions. In particular, legislation such as the Dodd-Frank Wall Street Reform and Consumer Protection Act has generated, and will continue to generate, numerous new regulations that will impact the financial industry. These conditions, along with mild economic improvement, have created heightened interest in solutions that help financial institutions win and retain customers, generate incremental revenue, comply with regulations and enhance operating efficiency. Examples of these solutions include our electronic payments solutions and channels such as internet, mobile and tablet banking, sometimes referred to as "digital channels."

This increased focus on digital channels by both financial institutions and their customers, as well as the growing volume and types of payment transactions in the marketplace, have increased the data and transaction processing needs of financial institutions. We expect that financial institutions will continue to invest significant capital and human resources to process transactions, manage information and offer innovative new services to their customers in this rapidly evolving and competitive environment. We anticipate that we will benefit over the long term from the trend of financial institutions moving from in-house technology to outsourced solutions as they seek to remain current on technology changes amidst an evolving marketplace. We believe that economies of scale in developing and maintaining the infrastructure, technology, products, services and networks necessary to be competitive in such an environment are essential to justify these investments, and we anticipate that demand for products that facilitate customer interaction with financial institutions, including electronic transactions through digital channels, will continue to increase, which we expect to create revenue opportunities for us. Based on these market conditions, we believe that our sizable and diverse client base, combined with our position as a leading provider of non-discretionary, recurring revenue-based products and services, gives us a solid foundation for growth. Furthermore, we believe that the integration of our products and services creates a compelling value proposition for our clients.

In addition to the trends described above, the financial institutions marketplace has experienced change in composition as well. During the past 25 years, the number of financial institutions in the United States has declined at a relatively steady rate of approximately 3% per year, primarily as a result of voluntary mergers and acquisitions. Rather than reducing the overall market, these consolidations have transferred accounts among financial institutions. An acquisition benefits us when a newly combined institution is processed on our system, or elects to move to one of our systems, and negatively impacts us when a competing system is selected. Financial institution acquisitions also impact our financial results due to early contract termination fees in our multi-year client contracts, which are primarily generated when an existing client with a multi-year contract is acquired by another financial institution. These fees can vary from period to period based on the number and size of clients that are acquired and how early in the contract term the contract is terminated. Our revenue is diversified, and our focus on long-term client relationships and recurring, transaction-oriented products and services has reduced the impact that consolidation in the financial services industry has had on us. We have clients that span the entire range of financial institutions in terms of asset size and business model, and our 50 largest financial institution clients represent less than 25% of our annual revenue. In addition, we believe that our products and services can assist financial institutions with the regulatory and market challenges that they currently face by providing, among other things, new sources of revenue and opportunities to reduce their costs.

Results of Operations

The following table presents certain amounts included in our consolidated statements of income, the relative percentage that those amounts represent to revenue and the change in those amounts from year to year. This information should be read together with the unaudited consolidated financial statements and accompanying notes.

	Three Months Ended March 31,					
			Percentage of Revenue (1)		Increase (Decrease)	
(In millions)	2016	2015	2016	2015	$	%
Revenue:						
Processing and services	$ 1,122	$ 1,067	84.3 %	83.7 %	$ 55	5 %
Product	209	208	15.7 %	16.3 %	1	—
Total revenue	1,331	1,275	100.0 %	100.0 %	56	4 %
Expenses:						
Cost of processing and services	553	542	49.3 %	50.8 %	11	2 %
Cost of product	181	181	86.6 %	87.0 %	—	—
Sub-total	734	723	55.1 %	56.7 %	11	2 %
Selling, general and administrative	258	238	19.4 %	18.7 %	20	8 %
Total expenses	992	961	74.5 %	75.4 %	31	3 %
Operating income	339	314	25.5 %	24.6 %	25	8 %
Interest expense	(40)	(41)	(3.0)%	(3.2)%	(1)	(2)%
Interest and investment (loss) income, net	(7)	1	(0.5)%	0.1 %	(8)	(800)%
Income before income taxes and income from investment in unconsolidated affiliate	$ 292	$ 274	21.9 %	21.5 %	$ 18	7 %

(1) Percentage of revenue is calculated as the relevant revenue, expense, income or loss amount divided by total revenue, except for cost of processing and services and cost of product amounts which are divided by the related component of revenue.

(In millions)	Three Months Ended March 31, Payments	Financial	Corporate and Other	Total
Total revenue:				
2016	$ 749	$ 599	$ (17)	$ 1,331
2015	696	593	(14)	1,275
Revenue growth	$ 53	$ 6	$ (3)	$ 56
Revenue growth percentage	8%	1 %		4%
Operating income:				
2016	$ 225	$ 195	$ (81)	$ 339
2015	191	204	(81)	314
Operating income growth	$ 34	$ (9)	$ —	$ 25
Operating income growth percentage	18%	(4)%		8%
Operating margin:				
2016	30.0%	32.6 %		25.5%
2015	27.5%	34.3 %		24.6%
Operating margin growth (1)	250 bps	(170) bps		90 bps

(1) Represents the basis point growth or decline in operating margin.

Total Revenue

Total revenue increased $56 million, or 4%, in the first quarter of 2016 compared to 2015, primarily driven by revenue growth of 8% in our Payments segment.

Revenue in our Payments segment increased $53 million, or 8%, during the first quarter of 2016 compared to 2015. Payments segment revenue growth was driven by our recurring revenue businesses as processing and services revenue increased $44 million, or 9%, in the first quarter of 2016 compared to 2015. This growth was primarily due to new clients, additional product offerings and increased transaction volumes from existing clients in our card services and electronic payments businesses, as well as revenue from acquired businesses of $13 million. In addition, product revenue increased $9 million, or 5%, in the first quarter of 2016 compared to 2015 primarily due to increased volumes in our output solutions business, including a higher level of card manufacturing and personalization.

Revenue in our Financial segment increased $6 million, or 1%, during the first quarter of 2016 compared to 2015. Revenue growth was negatively impacted in the first quarter of 2016 from a decline in higher-margin software license-related revenue as compared to the prior year period.

Total Expenses

Total expenses increased $31 million, or 3%, in the first quarter of 2016 compared to 2015. Total expenses as a percentage of total revenue decreased 90 basis points from 75.4% in the first quarter of 2015 to 74.5% in the first quarter of 2016.

Cost of processing and services as a percentage of processing and services revenue decreased to 49.3% in the first quarter of 2016 compared to 50.8% in the first quarter of 2015. Cost of processing and services as a percentage of processing and services revenue was favorably impacted by increased operating leverage in our recurring revenue businesses, as well as by operating efficiency initiatives across the company that have benefited our overall cost structure.

Cost of product as a percentage of product revenue decreased slightly to 86.6% in the first quarter of 2016 compared to 87.0% in the first quarter of 2015. Cost of product as a percentage of product revenue in the first quarter of 2016 was favorably impacted by increased volumes in our output solutions business, partially offset by the negative impact of a decline in higher-margin software license revenue.

Selling, general and administrative expenses as a percentage of total revenue increased to 19.4% in the first quarter of 2016 compared to 18.7% in the first quarter of 2015, due to the timing of certain employee compensation and benefit expenses in 2015. Selling, general and administrative expenses as a percentage of total revenue in the first quarter of 2016 of 19.4% was consistent with the full year 2015 rate of 19.7% of total revenue.

Operating Income and Operating Margin

Total operating income increased $25 million, or 8%, in the first quarter of 2016 compared to 2015. Total operating margin increased 90 basis points to 25.5% in the first quarter of 2016 compared to 24.6% in 2015. Operating income and operating margin improvements in 2016 were driven by revenue growth, scale efficiencies, expense discipline and operational effectiveness initiatives.

Operating income in our Payments segment increased $34 million, or 18%, and operating margin increased 250 basis points to 30.0%, in the first quarter of 2016 compared to 2015. The increases in operating income and operating margin in 2016 were primarily due to revenue growth and scale efficiencies in our card services and electronic payments businesses, along with product mix in our output solutions business, which included a higher level of card manufacturing and personalization.

Operating income in our Financial segment decreased $9 million, or 4%, and operating margin decreased 170 basis points to 32.6% in the first quarter of 2016 as compared to 2015. Operating income and operating margin in 2016 were negatively impacted by product mix including a decrease in higher-margin software license-related revenue.

The operating loss in the Corporate and Other segment was $81 million in both the first quarter of 2016 and 2015. The operating loss in the first quarter of 2016 includes acquisition-related integration costs, including a $10 million non-cash impairment charge associated with the decision to replace an existing software solution with software purchased in a business acquisition, offset by lower amortization compared to the first quarter of 2015 due to certain fully amortized acquisition-related intangible assets.

Interest Expense

Interest expense decreased slightly by $1 million or 2%, in the first quarter of 2016 compared to 2015 as higher average outstanding debt in 2016 was offset by a lower interest rate structure as a result of the debt refinancing activities in the second quarter of 2015.

Interest and Investment (Loss) Income

The interest and investment loss of $7 million in the first quarter of 2016 was attributable to a non-cash write-off of a $7 million cost-method investment.

Income Tax Provision

Income tax provision as a percentage of income before income from investment in unconsolidated affiliate was 51.0% and 35.1% in the first quarter of 2016 and 2015, respectively. The higher rate in the first quarter of 2016 was due to income tax expense of $54 million associated with our share of the net gain on the sale of a business interest by StoneRiver, partially reduced by the favorable resolution of tax matters.

Income from Investment in Unconsolidated Affiliate

Our share of StoneRiver's net income, attributed to the net gain on the sale of a business interest, was $146 million in the first quarter of 2016.

Net Income Per Share – Diluted

Net income per share-diluted was $1.27 and $0.73 in the first quarter of 2016 and 2015, respectively. Net income per share-diluted in the first quarter of 2016 was favorably impacted by $0.39 per share due to our share of the net gain on the sale of a business interest at StoneRiver, partially offset by the non-cash investment write-off. Amortization of acquisition-related intangible assets reduced net income per share-diluted by $0.12 and $0.13 in the first quarter of 2016 and 2015, respectively.

Liquidity and Capital Resources

General

Our primary liquidity needs are: (i) to fund normal operating expenses; (ii) to meet the interest and principal requirements of our outstanding indebtedness; and (iii) to fund capital expenditures and operating lease payments. We believe these needs will be satisfied using cash flow generated by our operations, along with our cash and cash equivalents and available borrowings under our revolving credit facility of $283 million and $1.5 billion, respectively, at March 31, 2016. The following table presents our operating cash flow and capital expenditure amounts for the three months ended March 31, 2016 and 2015, respectively.

	Three Months Ended March 31,		Increase (Decrease)	
(In millions)	2016	2015	$	%
Net income	$ 289	$ 178	$ 111	
Depreciation and amortization	100	102	(2)	
Share-based compensation	22	18	4	
Excess tax benefits from share-based awards	(9)	—	(9)	
Deferred income taxes	(6)	4	(10)	
Income from investment in unconsolidated affiliate	(146)	—	(146)	
Dividends from unconsolidated affiliate	140	—	140	
Non-cash impairment charges	17	—	17	
Net changes in working capital and other	102	44	58	
Operating cash flow	$ 509	$ 346	$ 163	47 %
Capital expenditures	$ 72	$ 90	$ (18)	(20)%

Our net cash provided by operating activities, or operating cash flow, was $509 million in the first three months of 2016, an increase of 47% compared with $346 million in 2015. This increase was primarily due to increased operating results, cash dividends received from our StoneRiver joint venture, and favorable working capital changes. Working capital was favorably impacted in 2016 by the timing of accrued expenses, including tax payments associated with our share of the net gain at StoneRiver and corresponding dividends.

Our current policy is to use our operating cash flow primarily to repay debt and fund capital expenditures, acquisitions and share repurchases, rather than to pay dividends. Our capital expenditures were approximately 5% and 7% of our total revenue in the first three months of 2016 and 2015, respectively. Capital expenditures in 2015 include approximately $10 million related to our Atlanta facility consolidation, which is offset by a landlord reimbursement reported in net changes in working capital and other.

During the first three months of 2016, we received cash dividends of $140 million from our StoneRiver joint venture. These dividends, in their entirety, represented returns on our investment and are reported in cash flows from operating activities. In addition, we acquired Hewlett Packard Enterprise's Convenience Pay Services business and certain assets of ACI Worldwide, Inc.'s Community Financial Services business for an aggregate purchase price of $265 million during the first three months of 2016. These acquisitions were funded utilizing a combination of available cash and existing availability under our revolving credit facility.

We purchased $321 million of our common stock during the first three months of 2016. As of March 31, 2016, we had approximately 14.0 million shares remaining under our current share repurchase authorization. Shares repurchased are generally held for issuance in connection with our equity plans.

Indebtedness

(In millions)	March 31, 2016		December 31, 2015	
Term loan	$	628	$	628
Revolving credit facility		538		379
2.7% senior notes due 2020		843		843
4.625% senior notes due 2020		448		448
4.75% senior notes due 2021		398		397
3.5% senior notes due 2022		694		694
3.85% senior notes due 2025		893		893
Other borrowings		7		11
Total debt (including current maturities)	$	4,449	$	4,293

At March 31, 2016, our debt consisted primarily of $3.3 billion of senior notes, $628 million of term loan borrowings and $538 million of revolving credit facility borrowings. Interest on our senior notes is paid semi-annually. During the first three months of 2016, we were in compliance with all financial debt covenants.

Variable Rate Debt

We maintain a term loan and a $2.0 billion amended and restated revolving credit agreement with a syndicate of banks. Both the term loan and outstanding borrowings under the amended and restated revolving credit facility bear interest at a variable rate based on LIBOR or on a base rate, plus a specified margin based on our long-term debt rating in effect from time to time. The variable interest rate was 1.68% on the term loan borrowings and 1.49% on the amended and restated revolving credit facility borrowings at March 31, 2016. A remaining scheduled principal payment on the term loan of $90 million is due on December 31, 2017, with the outstanding principal balance of $540 million due at maturity in October 2018. There are no significant commitment fees and no compensating balance requirements on the amended and restated revolving credit facility, which expires in April 2020. The term loan and amended and restated revolving credit facility contain various, substantially similar restrictions and covenants that require us, among other things, to: (i) limit our consolidated indebtedness as of the end of each fiscal quarter to no more than three and one-half times consolidated net earnings before interest, taxes, depreciation and amortization and certain other adjustments during the period of four fiscal quarters then ended, and (ii) maintain consolidated net earnings before interest, taxes, depreciation and amortization and certain other adjustments of at least three times consolidated interest expense as of the end of each fiscal quarter for the period of four fiscal quarters then ended.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The quantitative and qualitative disclosures about market risk required by this item are incorporated by reference to Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2015 and have not materially changed since December 31, 2015.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934 (the “Exchange Act”), our management, with the participation of our chief executive officer and chief financial officer, evaluated the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of March 31, 2016.

Changes in internal control over financial reporting

There was no change in our internal control over financial reporting that occurred during the quarter ended March 31, 2016 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In the normal course of business, we and our subsidiaries are named as defendants in lawsuits in which claims are asserted against us. In the opinion of management, the liabilities, if any, which may ultimately result from such lawsuits are not expected to have a material adverse effect on our consolidated financial statements.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The table below sets forth information with respect to purchases made by or on behalf of the company or any "affiliated purchaser" (as defined in Rule 10b-18(a)(3) under the Exchange Act) of shares of our common stock during the quarter ended March 31, 2016:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (1)
January 1-31, 2016	2,049,000	$ 89.10	2,049,000	15,396,000
February 1-29, 2016	825,000	94.52	825,000	14,571,000
March 1-31, 2016	609,000	98.77	609,000	13,962,000
Total	3,483,000		3,483,000	

(1) On November 19, 2014 and November 18, 2015, our board of directors authorized the purchase of up to 20.0 million and 15.0 million shares, respectively, of our common stock. The November 19, 2014 authorization was completed as of March 31, 2016, and the November 18, 2015 authorization does not expire.

ITEM 6. EXHIBITS

The exhibits listed in the accompanying exhibit index are filed as part of this Quarterly Report on Form 10-Q.

SIGNATURES

Pursuant to the requirements 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.

FISERV, INC.

Date:	May 6, 2016	By:	/s/ Robert W. Hau
			Robert W. Hau
			Chief Financial Officer and Treasurer
Date:	May 6, 2016	By:	/s/ Kenneth F. Best
			Kenneth F. Best
			Chief Accounting Officer

Exhibit Index

Exhibit Number	Exhibit Description
10.1	Amendment No. 3, dated March 29, 2016, to the Amended and Restated Employment Agreement, dated December 22, 2008, between Fiserv, Inc. and Jeffery W. Yabuki (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Fiserv, Inc. filed April 1, 2016).
10.2	Amendment No. 1, dated March 29, 2016, to the Amended and Restated Key Executive Employment and Severance Agreement, dated December 22, 2008, between Fiserv, Inc. and Jeffery W. Yabuki (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K of Fiserv, Inc. filed April 1, 2016).
10.3	Form of Key Executive Employment and Severance Agreement between Fiserv, Inc. and Robert W. Hau.
31.1	Certification of the Chief Executive Officer, dated May 6, 2016
31.2	Certification of the Chief Financial Officer, dated May 6, 2016
32	Certification of the Chief Executive Officer and Chief Financial Officer, dated May 6, 2016
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed with this quarterly report on Form 10-Q are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Income for the three months ended March 31, 2016 and 2015, (ii) the Consolidated Statements of Comprehensive Income for the three months ended March 31, 2016 and 2015, (iii) the Consolidated Balance Sheets at March 31, 2016 and December 31, 2015, (iv) the Consolidated Statements of Cash Flows for the three months ended March 31, 2016 and 2015, and (v) Notes to Consolidated Financial Statements.

Exhibit 10.3

FORM OF
KEY EXECUTIVE EMPLOYMENT AND SEVERANCE AGREEMENT

THIS AGREEMENT, made and entered into as of the ___ day of _____, 20__, by and between Fiserv, Inc., a Wisconsin corporation (hereinafter referred to as the “Company”), and __________ (hereinafter referred to as the “Executive”).

W I T N E S S E T H

WHEREAS, the Executive is employed by the Company and/or a subsidiary of the Company (hereinafter referred to collectively as the “Employer”) in a key executive capacity and the Executive’s services are valuable to the conduct of the business of the Company;

WHEREAS, the Company desires to continue to attract and retain dedicated and skilled management employees in a period of industry consolidation, consistent with achieving the best possible value for its shareholders in any change in control of the Company;

WHEREAS, the Company recognizes that circumstances may arise in which a change in control of the Company occurs, through acquisition or otherwise, thereby causing a potential conflict of interest between the Company’s needs for the Executive to remain focused on the Company’s business and for the necessary continuity in management prior to and following a change in control, and the Executive’s reasonable personal concerns regarding future employment with the Employer and economic protection in the event of loss of employment as a consequence of a change in control;

WHEREAS, the Company and the Executive are desirous that any proposal for a change in control or acquisition of the Company will be considered by the Executive objectively and with reference only to the best interests of the Company and its shareholders;

WHEREAS, the Executive will be in a better position to consider the Company’s best interests if the Executive is afforded reasonable economic security, as provided in this Agreement, against altered conditions of employment which could result from any such change in control or acquisition;

WHEREAS, the Executive possesses intimate knowledge of the business and affairs of the Company and has acquired certain confidential information and data with respect to the Company; and

WHEREAS, the Company desires to insure, insofar as possible, that it will continue to have the benefit of the Executive’s services and to protect its confidential information and goodwill.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the parties hereto mutually covenant and agree as follows:

1. Definitions.

(a) 409A Affiliate. The term “409A Affiliate” means each entity that is required to be included in the Company’s controlled group of corporations within the meaning of Section 414(b) of the Code, or that is under common control with the Company within the meaning of Section 414(c) of the Code; *provided, however,* that the phrase “at least 50 percent” shall be used in place of the phrase “at least 80 percent” each place it appears therein or in the regulations thereunder.

(b) Accrued Benefits. The term “Accrued Benefits” shall include the following amounts, payable as described herein: (i) all base salary for the time period ending with the Termination Date; (ii) reimbursement for any and all monies advanced in connection with the Executive’s employment for reasonable and necessary expenses incurred by the Executive on behalf of the Employer for the time period ending with the Termination Date; (iii) any and all other cash earned through the Termination Date and deferred at the election of the Executive or pursuant to any deferred compensation plan then in effect; (iv) notwithstanding any provision of any bonus or incentive compensation plan applicable to the Executive, but subject to any irrevocable deferral election then in effect, a lump sum amount, in cash, of any bonus or incentive compensation that has been allocated or awarded to the Executive for a fiscal year or other measuring period under the plan that ends prior to the Termination Date but has not yet been paid (pursuant to Section 5(f) or otherwise); and (v) all other payments and benefits to which the Executive (or in the event of the Executive’s death, the Executive’s surviving spouse or other beneficiary) may be entitled on the Termination Date as compensatory fringe benefits or under the terms of any benefit plan of the Employer, excluding severance payments under any Employer severance policy, practice or agreement in effect on the Termination Date. Payment of Accrued Benefits shall be made promptly in accordance with the Company’s prevailing practice with respect to clauses (i) and (ii) or, with respect to clauses (iii), (iv) and (v), pursuant to the terms of the benefit plan or practice establishing such benefits.

(c) Act. The term “Act” means the Securities Exchange Act of 1934, as amended.

(d) Affiliate and Associate. The terms “Affiliate” and “Associate” shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Act.

(e) Annual Cash Compensation. The term “Annual Cash Compensation” shall mean the sum of (i) the Executive’s Annual Base Salary (determined as of the time of the Change in Control of the Company or, if higher, immediately prior to the date the Notice of Termination is given) plus (ii) an amount equal to (A) if the Executive has been employed by the Company for at least 36 continuous months prior to the Change in Control of the Company, the highest annual incentive bonus the Executive earned with respect to any of the three fiscal years prior to the fiscal year in which the Change in Control of the Company occurs, or (B) if the Executive has not been employed by the Company for at least 36 continuous months prior to the Change in Control of the Company, the greater of (x) 60% of the Executive’s Annual Base Salary as of the time of the Change in Control of the Company or (y) the highest annual incentive bonus the Executive earned with respect to any of the two fiscal years prior to the fiscal year in which the Change in Control of the Company occurs.

(f) Beneficial Owner. A Person shall be deemed to be the "Beneficial Owner" of any securities:

(i) which such Person or any of such Person's Affiliates or Associates has the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; *provided, however, that* a Person shall not be deemed the Beneficial Owner of, or to beneficially own, (A) securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase, or (B) securities issuable upon exercise of any rights issued pursuant to the terms of any shareholder rights agreement that the Company may adopt at any time before the issuance of such securities;

(ii) which such Person or any of such Person's Affiliates or Associates, directly or indirectly, has the right to vote or dispose of or has "beneficial ownership" of (as determined pursuant to Rule 13d-3 of the General Rules and Regulations under the Act), including pursuant to any agreement, arrangement or understanding; *provided, however, that* a Person shall not be deemed the Beneficial Owner of, or to beneficially own, any security under this clause (ii) as a result of an agreement, arrangement or understanding to vote such security if the agreement, arrangement or understanding: (A) arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations under the Act and (B) is not also then reportable on a Schedule 13D under the Act (or any comparable or successor report); or

(iii) which are beneficially owned, directly or indirectly, by any other Person with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except pursuant to a revocable proxy as described in clause (ii) above) or disposing of any voting securities of the Company.

(g) Cause. "Cause" for termination by the Employer of the Executive's employment shall be limited to (i) the engaging by the Executive in intentional conduct not taken in good faith that the Company establishes, by clear and convincing evidence, has caused demonstrable and serious financial injury to the Employer, as evidenced by a determination in a binding and final judgment, order or decree of a court or administrative agency of competent jurisdiction, in effect after exhaustion or lapse of all rights of appeal, in an action, suit or proceeding, whether civil, criminal, administrative or investigative; (ii) conviction of a felony, as evidenced by binding and final judgment, order or decree of a court of competent jurisdiction, in effect after exhaustion of all rights of appeal, which substantially impairs the Executive's ability to perform his duties or responsibilities; or (iii) continuing willful and unreasonable refusal by the Executive to perform the Executive’s duties or responsibilities, unless significantly changed without the Executive’s consent.

(h) Change in Control of the Company. A “Change in Control of the Company” shall be deemed to have occurred if an event set forth in any one of the following paragraphs shall have occurred:

(i) any Person (other than (A) the Company or any of its subsidiaries, (B) a trustee or other fiduciary holding securities under any employee benefit plan of the Company or any of its subsidiaries, (C) an underwriter temporarily holding securities pursuant to an offering of such securities or (D) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock in the Company (“Excluded Persons”)) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates after the date of this Agreement, pursuant to express authorization by the Board that refers to this exception) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company’s then outstanding voting securities; or

(ii) the following individuals cease for any reason to constitute a majority of the number of directors of the Company then serving: (A) individuals who, on the date of this Agreement constituted the Board and (B) any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company’s shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date of this Agreement, or whose appointment, election or nomination for election was previously so approved (collectively the “Continuing Directors”); *provided, however, that* individuals who are appointed to the Board pursuant to or in accordance with the terms of an agreement relating to a merger, consolidation, or share exchange involving the Company (or any direct or indirect subsidiary of the Company) shall not be Continuing Directors for purposes of this Agreement until after such individuals are first nominated for election by a vote of at least two-thirds (2/3) of the then Continuing Directors and are thereafter elected as directors by the shareholders of the Company at a meeting of shareholders held following consummation of such merger, consolidation, or share exchange; and, *provided further, that* in the event the failure of any such persons appointed to the Board to be Continuing Directors results in a Change in Control of the Company, the subsequent qualification of such persons as Continuing Directors shall not alter the fact that a Change in Control of the Company occurred; or

(iii) the shareholders of the Company approve a merger, consolidation or share exchange of the Company with any other corporation or approve the issuance of voting securities of the Company in connection with a merger, consolidation or share exchange of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (A) a merger, consolidation or share exchange which would result in the voting securities of the Company outstanding immediately prior to such merger, consolidation or share exchange continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 50% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger, consolidation or share exchange, or (B) a merger, consolidation or share exchange effected to implement a recapitalization of the Company (or similar transaction) in which no Person (other than an Excluded Person) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates after the date of this Agreement, pursuant to express authorization by the Board that refers to this exception) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding voting securities; or

(iv) the shareholders of the Company approve of a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets (in one transaction or a series of related transactions within any period of 24 consecutive months), other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity at least 75% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, no "Change in Control of the Company" shall be deemed to have occurred if there is consummated any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to own, directly or indirectly, in the same proportions as their ownership in the Company, an entity that owns all or substantially all of the assets or voting securities of the Company immediately following such transaction or series of transactions.

(i) Code. The term "Code" means the Internal Revenue Code of 1986, including any amendments thereto or successor tax codes thereof. Any reference to a particular provision of the Code shall be deemed to include reference to any successor provision thereto.

(j) Covered Termination. Subject to Section 2(b), the term "Covered Termination" means any Termination of Employment during the Employment Period where the Termination Date, or the date Notice of Termination is delivered, is any date prior to the end of the Employment Period.

(k) Employment Period. Subject to Section 2(b), the term "Employment Period" means a period commencing on the date of a Change in Control of the Company, and ending at 11:59 p.m. Central Time on the third anniversary of such date.

(l) Good Reason. The Executive shall have "Good Reason" for termination of employment in the event of:

(i) any breach of this Agreement by the Employer, including specifically any breach by the Employer of the agreements contained in Section 3(b), Section 4, Section 5, or Section 6, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith that the Employer remedies promptly after receipt of notice thereof given by the Executive;

(ii) any reduction in the Executive's base salary, percentage of base salary available as incentive compensation or bonus opportunity or benefits, in each case relative to those most favorable to the Executive in effect at any time during the 180-day period prior to the Change in Control of the Company or, to the extent more favorable to the Executive, those in effect at any time during the Employment Period;

(iii) the removal of the Executive from, or any failure to reelect or reappoint the Executive to, any of the positions held with the Employer on the date of the Change in Control of the Company or any other positions with the Employer to which the Executive shall thereafter be elected, appointed or assigned, except in the event that such removal or failure to reelect or reappoint relates to the termination by the Employer of the Executive's employment for Cause or by reason of disability pursuant to Section 12;

(iv) a good faith determination by the Executive that there has been a material adverse change, without the Executive's written consent, in the Executive's working conditions or status with the Employer relative to the most favorable working conditions or status in effect during the 180-day period prior to the Change in Control of the Company, or, to the extent more favorable to the Executive, those in effect at any time during the Employment Period, including but not limited to (A) a significant change in the nature or scope of the Executive's authority, powers, functions, duties or responsibilities, or (B) a significant reduction in the level of support services, staff, secretarial and other assistance, office space and accoutrements, but in each case excluding for this purpose an isolated, insubstantial and inadvertent event not occurring in bad faith that the Employer remedies within ten (10) days after receipt of notice thereof given by the Executive;

(v) the relocation of the Executive's principal place of employment to a location more than 35 miles from the Executive's principal place of employment on the date 180 days prior to the Change in Control of the Company;

(vi) the Employer requires the Executive to travel on Employer business 20% in excess of the average number of days per month the Executive was required to travel during the 180-day period prior to the Change in Control of the Company; or

(vii) failure by the Company to obtain the Agreement referred to in Section 17(a) as provided therein.

(m) Person. The term "Person" shall mean any individual, firm, partnership, corporation or other entity, including any successor (by merger or otherwise) of such entity, or a group of any of the foregoing acting in concert.

(n) Prorated Bonus. The term “Prorated Bonus” shall mean an amount equal to the sum of the following with respect to each contingent bonus or incentive compensation award made to the Executive for all uncompleted periods as of the Termination Date: (i) the value of such award, calculated as if the goals with respect to such award had been attained (at the target level, if applicable), multiplied by a fraction, the numerator of which is the number of days that have elapsed from the first day of the period to which the award relates to the Termination Date and the denominator of which is the total number of days in the period to which the award relates (without regard to the Termination Date), reduced by (ii) any amounts previously paid with respect to such award or that will be paid (without regard to this Agreement).

(o) Retirement. The term “Retirement” means the cessation of service as an employee of the Company and its Affiliates for any reason other than death, disability (as provided in Section 12), or termination for Cause, if at the time of such cessation of service either (1) the Executive is age 60 and his age plus years of service for the Company and its Affiliates is equal to or greater than 70, or (2) the Executive is age 65 or older.

(p) Separation from Service. For purposes of this Agreement, the term “Separation from Service” means the Executive’s Termination of Employment, or if the Executive continues to provide services following his or her Termination of Employment, such later date as is considered a separation from service from the Company and its 409A Affiliates within the meaning of Code Section 409A. Specifically, if the Executive continues to provide services to the Company or a 409A Affiliate in a capacity other than as an employee, such shift in status is not automatically a Separation from Service.

(q) Termination of Employment. For purposes of this Agreement, the Executive’s “Termination of Employment” shall be presumed to occur when the Company and the Executive reasonably anticipate that no further services will be performed by the Executive for the Company and its 409A Affiliates or that the level of bona fide services the Executive will perform as an employee of the Company and its 409A Affiliates will permanently decrease to no more than 20% of the average level of bona fide services performed by the Executive (whether as an employee or independent contractor) for the Company and its 409A Affiliates over the immediately preceding 36-month period (or such lesser period of services). Whether the Executive has experienced a Termination of Employment shall be determined by the Employer in good faith and consistent with Section 409A of the Code. Notwithstanding the foregoing, if the Executive takes a leave of absence for purposes of military leave, sick leave or other bona fide reason, the Executive will not be deemed to have experienced a Termination of Employment for the first six (6) months of the leave of absence, or if longer, for so long as the Executive’s right to reemployment is provided either by statute or by contract, including this Agreement; *provided that* if the leave of absence is due to a medically determinable physical or mental impairment that can be expected to result in death or last for a continuous period of not less than six (6) months, where such impairment causes the Executive to be unable to perform the duties of his or her position of employment or any substantially similar position of employment, the leave may be extended by the Employer for up to 29 months without causing a Termination of Employment.

(r) Termination Date. Except as otherwise provided in Section 2(b), Section 10(b), and Section 17(a), the term "Termination Date" means (i) if the Executive's Termination of Employment is by the Executive's death, the date of death; (ii) if the Executive's Termination of Employment is by reason of Retirement, the date of such retirement; (iii) if the Executive's Termination of Employment is by reason of disability pursuant to Section 12, the earlier of 30 days after the Notice of Termination is given or one day prior to the end of the Employment Period; (iv) if the Executive's Termination of Employment is by the Executive voluntarily (other than for Good Reason), the date the Notice of Termination is given; and (v) if the Executive's Termination of Employment is by the Employer (other than by reason of disability pursuant to Section 12) or by the Executive for Good Reason, the earlier of 30 days after the Notice of Termination is given or one day prior to the end of the Employment Period. Notwithstanding the foregoing,

(A) If termination is for Cause pursuant to Section 1(g)(iii) and if the Executive has cured the conduct constituting such Cause as described by the Employer in its Notice of Termination within such 30-day or shorter period, then the Executive's employment hereunder shall continue as if the Employer had not delivered its Notice of Termination.

(B) If the Executive shall in good faith give a Notice of Termination for Good Reason and the Employer notifies the Executive that a dispute exists concerning the termination within the 15-day period following receipt thereof, then the Executive may elect to continue his or her employment during such dispute and the Termination Date shall be determined under this paragraph. If the Executive so elects and it is thereafter determined that Good Reason did exist, the Termination Date shall be the earliest of (1) the date on which the dispute is finally determined, either (x) by mutual written agreement of the parties or (y) in accordance with Section 22, (2) the date of the Executive's death or (3) one day prior to the end of the Employment Period. If the Executive so elects and it is thereafter determined that Good Reason did not exist, then the employment of the Executive hereunder shall continue after such determination as if the Executive had not delivered the Notice of Termination asserting Good Reason and there shall be no Termination Date arising out of such Notice. In either case, this Agreement continues, until the Termination Date, if any, as if the Executive had not delivered the Notice of Termination except that, if it is finally determined that Good Reason did exist, the Executive shall in no case be denied the benefits described in Section 9 (including a Termination Payment) based on events occurring after the Executive delivered his Notice of Termination.

(C) Except as provided in Section 1(r)(B), if the party receiving the Notice of Termination notifies the other party that a dispute exists concerning the termination within the appropriate period following receipt thereof and it is finally determined that the reason asserted in such Notice of Termination did not exist, then (1) if such Notice was delivered by the Executive, the Executive will be deemed to have voluntarily terminated his employment and the Termination Date shall be the earlier of the date 15 days after the Notice of Termination is given or one day prior to the end of the Employment Period and (2) if delivered by the

Company, the Company will be deemed to have terminated the Executive other than by reason of death, disability or Cause.

2. Termination or Cancellation Prior to Change in Control.

(a) Subject to Section 2(b), the Employer and the Executive shall each retain the right to terminate the employment of the Executive at any time prior to a Change in Control of the Company. Subject to Section 2(b), in the event the Executive's employment is terminated prior to a Change in Control of the Company, this Agreement shall be terminated and cancelled and of no further force and effect, and any and all rights and obligations of the parties hereunder shall cease.

(b) Anything in this Agreement to the contrary notwithstanding, if a Change in Control of the Company occurs and if the Executive's employment is terminated (other than a termination due to the Executive's death or as a result of the Executive's disability) during the period of 180 days prior to the date on which the Change in Control of the Company occurs, and if it is reasonably demonstrated by the Executive that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change in Control of the Company or (ii) otherwise arose in connection with or in anticipation of a Change in Control of the Company, then for all purposes of this Agreement such termination of employment shall be deemed a "Covered Termination," "Notice of Termination" shall be deemed to have been given, and the "Employment Period" shall be deemed to have begun on the date of such termination which shall be deemed to be the "Termination Date" and the date of the Change in Control of the Company for purposes of this Agreement.

3. Employment Period; Vesting of Certain Benefits.

(a) If a Change in Control of the Company occurs when the Executive is employed by the Employer, the Employer will continue thereafter to employ the Executive during the Employment Period, and the Executive will remain in the employ of the Employer in accordance with and subject to the terms and provisions of this Agreement. Any Termination of Employment during the Employment Period, whether by the Company or the Employer, shall be deemed a termination by the Company for purposes of this Agreement.

(b) If a Change in Control of the Company occurs when the Executive is employed by the Employer, (i) the Company shall cause all restrictions on restricted stock awards made to the Executive prior to the Change in Control of the Company to lapse such that the Executive is fully and immediately vested in the Executive's restricted stock upon such a Change in Control of the Company; and (ii) the Company shall cause all stock options granted to the Executive prior to the Change in Control of the Company pursuant to the Company's stock option plan(s) to be fully and immediately vested upon such a Change in Control of the Company.

4. Duties. During the Employment Period, the Executive shall, in the same capacities and positions held by the Executive at the time of the Change in Control of the Company or in such other capacities and positions as may be agreed to by the Employer and the Executive in writing, devote the Executive's best efforts and all of the Executive's business time,

attention and skill to the business and affairs of the Employer, as such business and affairs now exist and as they may hereafter be conducted; *provided, however, that* the Executive shall be entitled (a) to serve as director of other corporations and (b) to devote time to personal and financial activities, in each case so long as such activities do not materially affect the Executive's ability to perform the Executive's duties hereunder.

5. Compensation. During the Employment Period, the Executive shall be compensated as follows:

(a) The Executive shall receive, at reasonable intervals (but not less often than monthly) and in accordance with such standard policies as may be in effect immediately prior to the Change in Control of the Company, an annual base salary in cash equivalent of not less than twelve times the Executive's highest monthly base salary for the twelve-month period immediately preceding the month in which the Change in Control of the Company occurs or, if higher, an annual base salary at the rate in effect immediately prior to the Change in Control of the Company (which base salary shall, unless otherwise agreed in writing by the Executive and subject to any irrevocable deferral election then in effect, include the current receipt by the Executive of any amounts which, prior to the Change in Control of the Company, the Executive had elected to defer, whether such compensation is deferred under Section 401(k) of the Code or otherwise), subject to adjustment as hereinafter provided in Section 6 (such salary amount as adjusted upward from time to time is hereafter referred to as the "Annual Base Salary").

(b) The Executive shall receive fringe benefits at least equal in value to the highest value of such benefits provided for the Executive at any time during the 180-day period immediately prior to the Change in Control of the Company or, if more favorable to the Executive, those provided generally at any time during the Employment Period to any executives of the Employer of comparable status and position to the Executive; and shall be reimbursed, at such intervals and in accordance with such standard policies that are most favorable to the Executive that were in effect at any time during the 180-day period immediately prior to the Change in Control of the Company, for any and all monies advanced in connection with the Executive's employment for reasonable and necessary expenses incurred by the Executive on behalf of the Employer, including travel expenses.

(c) The Executive and/or the Executive's family, as the case may be, shall be included, to the extent eligible thereunder (which eligibility shall not be conditioned on the Executive's salary grade or on any other requirement which excludes persons of comparable status to the Executive unless such exclusion was in effect for such plan or an equivalent plan at any time during the 180-day period immediately prior to the Change in Control of the Company), in any and all plans providing benefits for the Employer's salaried employees in general, including but not limited to group life insurance, hospitalization, medical, dental, profit sharing and stock bonus plans; *provided, that,* (i) in no event shall the aggregate level of benefits under such plans in which the Executive is included be less than the aggregate level of benefits under plans of the Employer of the type referred to in this Section 5(c) in which the Executive was participating at any time during the 180-day period immediately prior to the Change in Control of the Company and (ii) in no event shall the aggregate level of benefits under such plans be less than the aggregate level of benefits under plans of the type referred to in this Section 5(c) provided at any time after the Change in Control of the Company to any executive of the Employer of comparable status and position to the Executive.

(d) The Executive shall annually be entitled to not fewer than the highest number of paid holidays to which the Executive was entitled annually at any time during the 180-day period immediately prior to the Change in Control of the Company or such greater number of paid holidays as may be made available annually to other executives of the Employer of comparable status and position to the Executive at any time during the Employment Period.

(e) The Executive shall be included in all plans providing additional benefits to executives of the Employer of comparable status and position to the Executive, including but not limited to deferred compensation, split-dollar life insurance, supplemental retirement, stock option, stock appreciation, stock bonus and similar or comparable plans; *provided, that*, (i) in no event shall the aggregate level of benefits under such plans be less than the highest aggregate level of benefits under plans of the Employer of the type referred to in this Section 5(e) in which the Executive was participating at any time during the 180-day period immediately prior to the Change in Control of the Company; (ii) in no event shall the aggregate level of benefits under such plans be less than the aggregate levels of benefits under plans of the type referred to in this Section 5(e) provided at any time after the Change in Control of the Company to any executive of the Employer comparable in status and position to the Executive; and (iii) the Employer's obligation to include the Executive in bonus or incentive compensation plans shall be determined by Section 5(f).

(f) To assure that the Executive will have an opportunity to earn incentive compensation after a Change in Control of the Company, the Executive shall be included in a bonus plan of the Employer which shall satisfy the standards described below (such plan, the "Bonus Plan"). Bonuses under the Bonus Plan shall be payable with respect to achieving such financial or other goals reasonably related to the business of the Employer as the Employer shall establish (the "Goals"), all of which Goals shall be attainable, prior to the end of the Employment Period, with approximately the same degree of probability as the most attainable goals under the Employer's bonus plan or plans as in effect at any time during the 180-day period immediately prior to the Change in Control of the Company (whether one or more, the "Company Bonus Plan") and in view of the Employer's existing and projected financial and business circumstances applicable at the time. The amount of the bonus (the "Bonus Amount") that the Executive is eligible to earn under the Bonus Plan shall be no less than the amount of the Executive's maximum award provided in such Company Bonus Plan (such bonus amount herein referred to as the "Targeted Bonus"), and in the event the Goals are not achieved such that the entire Targeted Bonus is not payable, the Bonus Plan shall provide for a payment of a Bonus Amount equal to a portion of the Targeted Bonus reasonably related to that portion of the Goals which were achieved. Payment of the Bonus Amount shall not be affected by any circumstance occurring subsequent to the end of the Employment Period, including the Executive's Termination of Employment.

6. Annual Compensation Adjustments. During the Employment Period, the Board of Directors of the Company (or an appropriate committee thereof) will consider and appraise, at least annually, the contributions of the Executive to the Company, and in accordance with the Company's practice prior to the Change in Control of the Company, due consideration

shall be given to the upward adjustment of the Executive’s Annual Base Salary, at least annually, (a) commensurate with increases generally given to other executives of the Company of comparable status and position to the Executive, and (b) as the scope of the Company’s operations or the Executive’s duties expand.

7. Termination For Cause or Without Good Reason. If there is a Covered Termination for Cause or due to the Executive’s voluntarily terminating his employment other than for Good Reason (any such terminations to be subject to the procedures set forth in Section 13), then the Executive shall be entitled to receive only Accrued Benefits.

8. Termination Giving Rise to a Termination Payment. If there is a Covered Termination by the Executive for Good Reason, or by the Company other than by reason of (i) death, (ii) disability pursuant to Section 12, or (iii) Cause (any such terminations to be subject to the procedures set forth in Section 13), then the Executive shall be entitled to receive, and the Company shall promptly pay, Accrued Benefits and, in lieu of further base salary for periods following the Termination Date, as liquidated damages and additional severance pay and in consideration of the covenant of the Executive set forth in Section 14(a), the Termination Payment and the Prorated Bonus.

9. Payments Upon Termination.

(a) Termination Payment.

(i) Subject to Section 9(a)(iii), the “Termination Payment” shall be an amount equal to the Annual Cash Compensation times two (2).

(ii) The Termination Payment and the Prorated Bonus shall be paid to the Executive in cash equivalent on the first day of the seventh month following the month in which the Executive’s Separation from Service occurs, without interest thereon; *provided that,* if on the date of the Executive’s Separation from Service, neither the Company nor any other entity that is considered a “service recipient” with respect to the Executive within the meaning of Code Section 409A has any stock which is publicly traded on an established securities market (within the meaning of Treasury Regulation Section 1.897-1(m)) or otherwise, then the Termination Payment and the Prorated Bonus shall be paid to the Executive in cash equivalent within ten (10) business days after the Termination Date, or if the Executive’s Termination Date is pursuant to Section 2(b), within ten (10) business days after the date of the Change in Control of the Company (as defined without reference to Section 2(b)). Such lump sum payment shall not be reduced by any present value or similar factor, and the Executive shall not be required to mitigate the amount of the Termination Payment and Prorated Bonus by securing other employment or otherwise, nor will such Termination Payment and Prorated Bonus be reduced by reason of the Executive securing other employment or for any other reason. The Termination Payment and Prorated Bonus shall be in lieu of, and acceptance by the Executive of the Termination Payment and Prorated Bonus shall constitute the Executive’s release of any rights of the Executive to, any other cash severance payments under any Company severance policy, practice or agreement.

(iii) Notwithstanding any other provision of this Agreement, if any portion of the Termination Payment or any other payment under this Agreement, or under any other agreement with or plan of the Employer (in the aggregate, "Total Payments"), would constitute an "excess parachute payment," then the Executive shall have the option to have the Total Payments to be made to the Executive reduced such that the value of the aggregate Total Payments that the Executive is entitled to receive shall be One Dollar ($1) less than the maximum amount which the Executive may receive without becoming subject to the tax imposed under Section 4999 of the Code. For purposes of this Agreement, the terms "excess parachute payment" and "parachute payments" shall have the meanings assigned to them in Section 280G of the Code and such "parachute payments" shall be valued as provided therein. Present value for purposes of this Agreement shall be calculated in accordance with Section 1274(b)(2) of the Code. Within 40 days following a Covered Termination or notice by one party to the other of its belief that there is a payment or benefit due the Executive that will result in an "excess parachute payment" as defined in Section 280G of the Code, the Executive and the Company, at the Company's expense, shall obtain the opinion (which need not be unqualified) of nationally recognized tax counsel ("National Tax Counsel") selected by the Company's independent auditors and reasonably acceptable to the Executive (which may be regular outside counsel to the Company), which opinion sets forth (A) the amount of the Base Period Income, (B) the amount and present value of Total Payments, (C) the amount and present value of any excess parachute payments determined without regard to any reduction of Total Payments pursuant to this Section 9(a)(ii) and (D) the net after-tax proceeds to the Executive, taking into account the tax imposed under Section 4999 of the Code if (x) the Total Payments were reduced in accordance with the first sentence of this Section 9(a)(iii) or (y) the Total Payments were not so reduced. As used in this Agreement, the term "Base Period Income" means an amount equal to the Executive's "annualized includable compensation for the base period" as defined in Section 280G(d)(1) of the Code. For purposes of such opinion, the value of any noncash benefits or any deferred payment or benefit shall be determined by the Company's independent auditors in accordance with the principles of Section 280G(d)(3) and (4) of the Code, which determination shall be evidenced in a certificate of such auditors addressed to the Company and the Executive. The opinion of National Tax Counsel shall be addressed to the Company and the Executive and shall be binding upon the Company and the Executive. If such National Tax Counsel opinion determines that there would be an excess parachute payment, then, at the Executive's sole discretion, the Termination Payment hereunder or any other payment or benefit determined by such counsel to be includable in Total Payments may be reduced or eliminated as specified by the Executive in writing delivered to the Company within thirty days of his receipt of such opinion so that under the bases of calculations set forth in such opinion there will be no excess parachute payment. If such National Tax Counsel so requests in connection with the opinion required by this Section 9(a), the Executive and the Company shall obtain, at the Company's expense, and the National Tax Counsel may rely on, the advice of a firm of recognized executive compensation consultants as to the reasonableness of any item of compensation to be received by the Executive solely with respect to its status under Section 280G of the Code and the regulations thereunder.

(iv) The Company agrees to bear all costs associated with, and to indemnify and hold harmless, the National Tax Counsel of and from any and all claims, damages, and expenses resulting from or relating to its determinations pursuant to this Section 9(a), except for claims, damages or expenses resulting from the gross negligence or willful misconduct of such firm.

(b) Additional Benefits. If there is a Covered Termination and the Executive is entitled to Accrued Benefits, the Termination Payment and the Prorated Bonus, then the Company shall provide to the Executive the following additional benefits:

(i) The Executive shall receive, until the end of the second calendar year following the calendar year in which the Executive's Separation from Service occurs, at the expense of the Company, outplacement services, on an individualized basis at a level of service commensurate with the Executive's status with the Company immediately prior to the date of the Change in Control of the Company (or, if higher, immediately prior to the Executive's Termination of Employment), provided by a nationally recognized executive placement firm selected by the Company; *provided that* the cost to the Company of such services shall not exceed 10% of the Executive's Annual Base Salary.

(ii) Until the earlier of the end of the Employment Period or such time as the Executive has obtained new employment and is covered by benefits which in the aggregate are at least equal in value to the following benefits:

(A) The Executive shall continue to be covered, at the expense of the Company, by the same or equivalent hospitalization, medical and dental coverage as was required hereunder with respect to the Executive immediately prior to the date the Notice of Termination is given. If, following the end of the COBRA continuation period, such hospitalization, medical or dental coverage is provided under a health plan that is subject to Section 105(h) of the Code, then benefits payable under such health plan shall comply with the requirements of Treasury regulation section 1.409A-3(i)(1)(iv) and, if necessary, the Company shall amend such health plan to comply therewith. If, following the end of the COBRA continuation period, the Company's health plan does not permit continued coverage by Executive and his covered dependents, then the Company may satisfy its obligations hereunder by purchasing an individual insurance policy on Executive's and his covered dependents' behalf or enrolling Executive and his covered dependents in a state-sponsored high risk health pool if individual insurance is not able to be obtained, all at the Company's expense.

(B) If the Executive elects to convert his group life insurance to an individual policy, then the Company shall pay the Executive's premiums for such conversion policies. Notwithstanding the foregoing, if the Executive's Termination Payment is delayed for six (6) months following his Separation from Service, then during the first six (6) months following the Executive's Separation from Service, the Executive shall pay the conversion premiums and after the end of such six (6) month period, the Company shall make a cash equivalent payment to the Executive equal to the aggregate premiums paid by the Executive for such coverage, without interest thereon.

If the Executive is entitled to the Termination Payment pursuant to Section 2(b), then within ten (10) days following the Change in Control of the Company (determined without regard to Section 2(b)), the Company shall reimburse the Executive for any COBRA premiums the Executive paid for his hospitalization, medical and dental coverage under COBRA from the Executive's Termination Date through the date of the Change in Control of the Company (determined without regard to Section 2(b)).

(iii) The Company shall reimburse the Executive for up to $15,000 in the aggregate of fees and expenses of consultants and/or legal or accounting advisors engaged by the Executive to advise the Executive as to matters relating to the computation of benefits due and payable under this Section 9.

10. Death.

(a) Except as provided in Section 10(b), in the event of a Covered Termination due to the Executive's death, the Executive's estate, heirs and beneficiaries shall receive all the Executive's Accrued Benefits through the Termination Date and, no later than 90 days after the Executive's death, the Prorated Bonus.

(b) In the event the Executive dies after a Notice of Termination is given (i) by the Company or (ii) by the Executive for Good Reason, the Executive's estate, heirs and beneficiaries shall be entitled to the benefits described in Section 10(a) and, subject to the provisions of this Agreement, to such Termination Payment as the Executive would have been entitled to had the Executive lived, except that the Termination Payment shall be paid within 90 days following the date of the Executive's death. For purposes of this Section 10(b), the Termination Date shall be the earlier of 30 days following the giving of the Notice of Termination, subject to extension pursuant to Section 1(m), or one day prior to the end of the Employment Period.

11. Retirement. If, during the Employment Period, the Executive and the Employer shall execute an agreement providing for the early retirement of the Executive from the Employer, or the Executive shall otherwise give notice that he is voluntarily choosing to retire early from the Employer, the Executive shall receive Accrued Benefits through the Termination Date; *provided that* if the Executive's employment is terminated by the Executive for Good Reason or by the Company other than by reason of death, disability or Cause and the Executive also, in connection with such termination, elects voluntary early retirement, then the Executive shall also be entitled to receive a Termination Payment and the Prorated Bonus pursuant to Section 8.

12. Termination for Disability. If, during the Employment Period, as a result of the Executive's disability due to physical or mental illness or injury (regardless of whether such illness or injury is job-related), the Executive shall have been absent from the Executive's duties hereunder on a full-time basis for a period of six (6) consecutive months and, within 30 days after the Company notifies the Executive in writing that it intends to terminate the

Executive's employment (which notice shall not constitute the Notice of Termination contemplated below), the Executive shall not have returned to the performance of the Executive's duties hereunder on a full-time basis, the Company may terminate the Executive's employment for purposes of this Agreement pursuant to a Notice of Termination given in accordance with Section 13. If the Executive's employment is terminated on account of the Executive's disability in accordance with this Section, the Executive shall receive Accrued Benefits through the Termination Date and, no later than 90 days after the Executive's Separation from Service, the Prorated Bonus, and shall remain eligible for all benefits provided by any long term disability programs of the Employer in effect at the time of such termination.

13. Termination Notice and Procedure. Any Covered Termination by the Company or the Executive (other than a termination of the Executive's employment that is a Covered Termination by virtue of Section 2(b)) shall be communicated by a written notice of termination ("Notice of Termination") to the Executive, if such Notice is given by the Company, and to the Company, if such Notice is given by the Executive, all in accordance with the following procedures and those set forth in Section 24:

(a) If such termination is for disability, Cause or Good Reason, the Notice of Termination shall indicate in reasonable detail the facts and circumstances alleged to provide a basis for such termination.

(b) Any Notice of Termination by the Company shall have been approved, prior to the giving thereof to the Executive, by a resolution duly adopted by a majority of the directors of the Company (or any successor corporation) then in office.

(c) If the Notice is given by the Executive for Good Reason, the Executive may cease performing his duties hereunder on or after the date 15 days after the delivery of Notice of Termination and shall in any event cease employment on the Termination Date. If the Notice is given by the Company, then the Executive may cease performing his duties hereunder on the date of receipt of the Notice of Termination, subject to the Executive's rights hereunder.

(d) The Executive shall have 30 days, or such longer period as the Company may determine to be appropriate, to cure any conduct or act, if curable, alleged to provide grounds for termination of the Executive's employment for Cause under this Agreement pursuant to Section 1(g)(iii).

(e) The recipient of any Notice of Termination shall personally deliver or mail in accordance with Section 24 written notice of any dispute relating to such Notice of Termination to the party giving such Notice within 15 days after receipt thereof; *provided*, *however, that* if the Executive's conduct or act alleged to provide grounds for termination by the Company for Cause is curable, then such period shall be 30 days. After the expiration of such period, the contents of the Notice of Termination shall become final and not subject to dispute.

14. Further Obligations of the Executive.

(a) Competition. The Executive agrees that, in the event of any Covered Termination where the Executive is entitled to Accrued Benefits and the Termination Payment, the Executive shall not, for a period expiring six (6) months after the Termination Date, without the prior written approval of the Company's Board of Directors, participate in the management of, be employed by or own any business enterprise at a location within the United States that engages in substantial competition with the Company or its subsidiaries, where such enterprise's revenues from any competitive activities amount to 10% or more of such enterprise's net revenues and sales for its most recently completed fiscal year; *provided, however, that* nothing in this Section 14(a) shall prohibit the Executive from owning stock or other securities of a competitor amounting to less than five percent of the outstanding capital stock of such competitor.

(b) Confidentiality. During and following the Executive's employment by the Company, the Executive shall hold in confidence and not directly or indirectly disclose or use or copy or make lists of any confidential information or proprietary data of the Company (including that of the Employer), except to the extent authorized in writing by the Board of Directors of the Company or required by any court or administrative agency, other than to an employee of the Company or a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by the Executive of duties as an executive of the Company. Confidential information shall not include any information known generally to the public or any information of a type not otherwise considered confidential by persons engaged in the same business or a business similar to that of the Company. All records, files, documents and materials, or copies thereof, relating to the business of the Company which the Executive shall prepare, or use, or come into contact with, shall be and remain the sole property of the Company and shall be promptly returned to the Company upon termination of employment with the Company.

(c) No Solicitation. The Executive agrees that, in the event of any Covered Termination where the Executive is entitled to Accrued Benefits, the Termination Payment and the Prorated Bonus, the Executive shall not, for a period expiring two years after the Termination Date, without the prior written approval of the Company's Board of Directors, hire or solicit for employment any person who is or was employed by the Company during the then immediately preceding 12 months, other than pursuant to a general published solicitation of employment.

15. Expenses and Interest. If, after a Change in Control of the Company, (a) a dispute arises with respect to the enforcement of the Executive's rights under this Agreement or (b) any legal or arbitration proceeding shall be brought to enforce or interpret any provision contained herein or to recover damages for breach hereof, in either case so long as the Executive is not acting in bad faith, then the Company shall reimburse the Executive for any reasonable attorneys' fees and necessary costs and disbursements incurred as a result of the dispute, legal or arbitration proceeding ("Expenses"), and prejudgment interest on any money judgment or arbitration award obtained by the Executive calculated at the rate of interest announced by The Bank of New York, from time to time at its prime or base lending rate from the date that payments to him or her should have been made under this Agreement. Within ten (10) days after the Executive's written request therefor (but in no event later than the end of the calendar year following the calendar year in which such Expense is incurred), the Company shall reimburse the Executive, or such other person or entity as the Executive may designate in writing to the Company, the Executive's reasonable Expenses.

16. Payment Obligations Absolute. The Company's obligation during and after the Employment Period to pay the Executive the amounts and to make the benefit and other arrangements provided herein shall be absolute and unconditional and shall not be affected by any circumstances, including, without limitation, any setoff, counterclaim, recoupment, defense or other right which the Company may have against him or anyone else. Except as provided in Section 15, all amounts payable by the Company hereunder shall be paid without notice or demand. Each and every payment made hereunder by the Company shall be final, and the Company will not seek to recover all or any part of such payment from the Executive, or from whomsoever may be entitled thereto, for any reason whatsoever.

17. Successors.

(a) If the Company sells, assigns or transfers all or substantially all of its business and assets to any Person or if the Company merges into or consolidates or otherwise combines (where the Company does not survive such combination) with any Person (any such event, a "Sale of Business"), then the Company shall assign all of its right, title and interest in this Agreement as of the date of such event to such Person, and the Company shall cause such Person, by written agreement in form and substance reasonably satisfactory to the Executive, to expressly assume and agree to perform from and after the date of such assignment all of the terms, conditions and provisions imposed by this Agreement upon the Company. Failure of the Company to obtain such agreement prior to the effective date of such Sale of Business shall be a breach of this Agreement constituting "Good Reason" hereunder, except that for purposes of implementing the foregoing the date upon which such Sale of Business becomes effective shall be deemed the Termination Date. In case of such assignment by the Company and of assumption and agreement by such Person, as used in this Agreement, "Company" shall thereafter mean such Person which executes and delivers the agreement provided for in this Section 17 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law, and this Agreement shall inure to the benefit of, and be enforceable by, such Person. The Executive shall, in his or her discretion, be entitled to proceed against any or all of such Persons, any Person which theretofore was such a successor to the Company and the Company (as so defined) in any action to enforce any rights of the Executive hereunder. Except as provided in this Section 17(a), this Agreement shall not be assignable by the Company. This Agreement shall not be terminated by the voluntary or involuntary dissolution of the Company.

(b) This Agreement and all rights of the Executive shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, heirs and beneficiaries. All amounts payable to the Executive under Sections 7, 8, 9, 10, 11, 12 and 15 if the Executive had lived shall be paid, in the event of the Executive's death, to the Executive's estate, heirs and representatives; *provided, however, that* the foregoing shall not be construed to modify any terms of any benefit plan of the Employer, as such terms are in effect on the date of the Change in Control of the Company, that expressly govern benefits under such plan in the event of the Executive's death.

18. Severability. The provisions of this Agreement shall be regarded as divisible, and if any of said provisions or any part hereof are declared invalid or unenforceable by a court of competent jurisdiction, the validity and enforceability of the remainder of such provisions or parts hereof and the applicability thereof shall not be affected thereby.

19. Contents of Agreement; Waiver of Rights; Amendment. This Agreement sets forth the entire understanding between the parties hereto with respect to the subject matter hereof, and the Executive hereby waives all rights under, any prior or other agreement or understanding between the parties with respect to such subject matter. This Agreement may not be amended or modified at any time except by written instrument executed by the Company and the Executive.

20. Withholding. The Company shall be entitled to withhold from amounts to be paid to the Executive hereunder any federal, state or local withholding or other taxes or charges which it is from time to time required to withhold; *provided that* the amount so withheld shall not exceed the minimum amount required to be withheld by law unless otherwise elected by the Executive in writing. In addition, if prior to the date of payment of the Termination Payment or Prorated Bonus hereunder, the Federal Insurance Contributions Act (FICA) tax imposed under Sections 3101, 3121(a) and 3121(v)(2) of the Code, where applicable, becomes due with respect to any payment or benefit to be provided hereunder, the Company may provide for an immediate payment of the amount needed to pay the Executive’s portion of such tax (plus an amount equal to the taxes that will be due on such amount) and the Executive’s Termination Payment or Prorated Bonus shall be reduced accordingly. The Company shall be entitled to rely on an opinion of the National Tax Counsel if any question as to the amount or requirement of any such withholding shall arise.

21. Certain Rules of Construction. No party shall be considered as being responsible for the drafting of this Agreement for the purpose of applying any rule construing ambiguities against the drafter or otherwise. No draft of this Agreement shall be taken into account in construing this Agreement. Any provision of this Agreement which requires an agreement in writing shall be deemed to require that the writing in question be signed by the Executive and an authorized representative of the Company.

22. Governing Law; Resolution of Disputes. This Agreement and the rights and obligations hereunder shall be governed by and construed in accordance with the laws of the State of Wisconsin, without reference to conflict of law principles thereof. Any dispute arising out of this Agreement shall, at the Executive’s election, be determined by arbitration under the rules of the American Arbitration Association then in effect (in which case both parties shall be bound by the arbitration award) or by litigation. Whether the dispute is to be settled by arbitration or litigation, the venue for the arbitration or litigation shall be Milwaukee, Wisconsin or, at the Executive’s election, if the Executive is not then residing or working in the Milwaukee, Wisconsin metropolitan area, in the judicial district encompassing the city in which the Executive resides; *provided, that*, if the Executive is not then residing in the United States, the election of the Executive with respect to such venue shall be either Milwaukee, Wisconsin or in the judicial district encompassing that city in the United States among the thirty cities having the largest population (as determined by the most recent United States Census data available at the Termination Date) which is closest to the Executive’s residence. The parties consent to personal jurisdiction in each trial court in the selected venue having subject matter jurisdiction notwithstanding their residence or situs, and each party irrevocably consents to service of process in the manner provided hereunder for the giving of notices.

23. Additional Section 409A Provisions.

(a) If, after the date of a Change in Control of the Company, any payment amount or the value of any benefit under this Agreement is required to be included in the Executive's income prior to the date such amount is actually paid or the benefit provided as a result of the failure of this Agreement (or any other arrangement that is required to be aggregated with this Agreement under Code Section 409A) to comply with Code Section 409A, then the Executive shall receive a distribution, in a lump sum, within 90 days after the date it is finally determined that the Agreement (or such other arrangement that is required to be aggregated with this Agreement) fails to meet the requirements of Section 409A of the Code; such distribution shall equal the amount required to be included in the Executive's income as a result of such failure and shall reduce the amount of payments or benefits otherwise due hereunder.

(b) The Company and the Executive intend the terms of this Agreement to be in compliance with Section 409A of the Code. The Company does not guarantee the tax treatment or tax consequences associated with any payment or benefit, including but not limited to consequences related to Section 409A of the Code. To the maximum extent permissible, any ambiguous terms of this Agreement shall be interpreted in a manner that avoids a violation of Section 409A of the Code.

(c) If the Executive believes he is entitled to a payment or benefit pursuant to the terms of this Agreement that was not timely paid or provided, and such payment or benefit is considered deferred compensation subject to the requirements of Section 409A of the Code, the Executive acknowledges that to avoid an additional tax on such payment or benefit pursuant to the provisions of Section 409A of the Code, the Executive must make a reasonable, good faith effort to collect such payment or benefit **no later than 90 days** after the latest date upon which the payment could have been timely made or benefit timely provided without violating Section 409A of the Code, and if not paid or provided, must take further enforcement measures **within 180 days** after such latest date.

24. Notice. Notices given pursuant to this Agreement shall be in writing and, except as otherwise provided by Section 13(d), shall be deemed given when actually received by the Executive or actually received by the Company's Secretary or any officer of the Company other than the Executive. If mailed, such notices shall be mailed by United States registered or certified mail, return receipt requested, addressee only, postage prepaid, if to the Company, to Fiserv, Inc., Attention: Corporate Secretary (or President, if the Executive is then the Corporate Secretary), 255 Fiserv Drive, Brookfield, Wisconsin 53045, or if to the Executive, at the address set forth below the Executive's signature to this Agreement, or to such other address as the party to be notified shall have theretofore given to the other party in writing.

25. No Waiver. No waiver by either party at any time of any breach by the other party of, or compliance with, any condition or provision of this Agreement to be performed by the other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same time or any prior or subsequent time.

26. Headings. The headings herein contained are for reference only and shall not affect the meaning or interpretation of any provision of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

FISERV, INC.

By: ______________________________

Name:

Title:

EXECUTIVE:

____

EXHIBIT 31.1

CERTIFICATIONS

I, Jeffery W. Yabuki, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Fiserv, 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 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 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 the 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.

Date: May 6, 2016

By: /s/ Jeffery W. Yabuki
Jeffery W. Yabuki
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, Robert W. Hau, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Fiserv, 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 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 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 the 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.

Date: May 6, 2016

By: /s/ Robert W. Hau
Robert W. Hau
Chief Financial Officer and Treasurer

EXHIBIT 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Fiserv, Inc. (the “Company”) for the quarter ended March 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Jeffery W. Yabuki, as President and Chief Executive Officer of the Company, and Robert W. Hau, as Chief Financial Officer and Treasurer of the Company, each hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) 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.

By: /s/ Jeffery W. Yabuki
Jeffery W. Yabuki
May 6, 2016

By: /s/ Robert W. Hau
Robert W. Hau
May 6, 2016