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

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): November 9, 2007

Fiserv, Inc.

(Exact name of registrant as specified in its charter)

Wisconsin
(State or other jurisdiction
of incorporation)

0-14948
(Commission File Number)

39-1506125
(IRS Employer
Identification No.)

255 Fiserv Drive, Brookfield, Wisconsin 53045
(Address of principal executive offices, including zip code)

(262) 879-5000
(Registrant's telephone number)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 1.01. Entry into a Material Definitive Agreement.

Amendment to Revolving Credit Facility

On November 9, 2007, in contemplation of the acquisition of CheckFree Corporation (“CheckFree”) by Fiserv, Inc. (the “Company”), the Company amended a number of the restrictions, covenants and other provisions contained in the credit agreement among the Company and the financial institutions party thereto evidencing its existing revolving credit facility. The revolving credit facility, as amended, requires the Company, among other things, to limit its consolidated indebtedness to no more than a specified multiple (ranging from 3.5 to 4.5) of the Company’s consolidated net earnings before interest, taxes, depreciation and amortization and certain other adjustments (“EBITDA”) at the end of any fiscal quarter for the four consecutive fiscal quarters then ending (giving pro forma effect to acquisitions and dispositions during such period); and to maintain consolidated EBITDA of at least three times its consolidated interest expense at the end of each fiscal quarter for the four consecutive fiscal quarters then ending (giving pro forma effect to acquisitions and dispositions during such period). Pursuant to the amendment, the revolving credit facility is fully and unconditionally guaranteed by certain of the Company’s wholly-owned domestic subsidiaries on the same terms as described for the Company’s new term loan facility described below. The expiration date of the revolving credit facility continues to be March 24, 2011, and the Company continues to have the flexibility to increase its borrowings under the facility up to \$1.25 billion subject to the satisfaction of a number of conditions. If the acquisition of CheckFree is not consummated, the amendment to the revolving credit facility will become void and of no effect, and the terms of the revolving credit facility will revert to those in place prior to the November 9, 2007 amendment. The description of the amendment to the revolving credit facility set forth above is qualified by reference to the amendment to the credit agreement filed as Exhibit 4.1 to this Current Report on Form 8-K and incorporated by reference herein.

Entry into Term Loan Facility

On November 9, 2007, in contemplation of the acquisition of CheckFree, the Company entered into a loan agreement with a syndicate of banks evidencing an unsecured senior term loan facility under which the Company may borrow up to \$2.5 billion at the time of the completion of the acquisition of CheckFree. The Company’s ability to borrow under the term loan facility is conditioned upon the completion of the acquisition of CheckFree. As a result, it expects to draw the entire amount of the loan at the time of closing and the Company currently has no borrowings under the term loan facility. The term loan will bear interest at a variable rate equal to LIBOR plus a specified margin, which may be adjusted up or down depending on whether certain criteria are satisfied, or the base rate (which is the higher of the JPMorgan Chase Bank, National Association prime rate and the federal funds effective rate plus 0.5%), and will mature five years after the closing of the CheckFree acquisition. The term loan facility contains various restrictions and covenants applicable to the Company and certain of its subsidiaries that are substantially similar to those contained in the Company’s existing revolving credit facility, as amended (as described above). If the CheckFree acquisition is not consummated, the term loan facility will be terminated without any borrowing thereunder.

The Company must repay the term loan in principal installments of \$250 million on or before December 31 of 2008 and 2009, \$375 million on or before December 31 of 2010 and 2011 and \$1.25 billion at maturity of the five-year term. Voluntary prepayments are permitted at any time without fee upon proper notice. The Company is required to make mandatory prepayments in the event of, and using net cash proceeds from, certain equity, debt or asset disposition transactions if its senior, unsecured, long-term indebtedness for borrowed money without credit enhancement is rated below BBB- by Standard & Poor’s and below Baa3 by Moody’s Investors Service, Inc.

The term loan facility is fully and unconditionally guaranteed by certain of the Company's wholly-owned domestic subsidiaries. The term loan facility provides that a guarantor may be released as a guarantor under such facility (1) upon the Company's notice, if such guarantor ceases to be a "material subsidiary" as defined in the term loan facility (excluding certain guarantors that are not "material subsidiaries" on the date they become guarantors or, in certain cases, on the date of the acquisition of CheckFree); or (2) upon the Company's request, provided that (x) any such release of a material subsidiary is only permitted if substantially all or all of the equity interests or assets of such material subsidiary are being sold, transferred or otherwise disposed of and (y) if at the time of such release the aggregate amount of the EBITDA of such subsidiary and all of the Company's domestic subsidiaries that are not guarantors under the facility for the most recent completed four-quarter period for which financial statements have been delivered pursuant to the term loan facility exceeds 40% of the Company's EBITDA for the four-quarter period most recently ended prior to the closing date (or, upon the funding of the term loan at the acquisition of CheckFree, the date of such funding), then the Company will contemporaneously with such release cause domestic subsidiaries having sufficient EBITDA to become additional guarantors under the term loan facility to eliminate such excess. In addition, the term loan facility provides for the automatic release of all guarantors while the Company's senior, unsecured, long-term indebtedness for borrowed money without credit enhancement is rated at or above A- by Standard & Poor's and at or above A3 by Moody's Investors Service, Inc.

The term loan facility contains customary events of default. If an event of default occurs and is continuing, the administrative agent may declare any outstanding obligations under the term loan facility to be immediately due and payable.

The description of the term loan facility set forth above is qualified by reference to the loan agreement filed as Exhibit 4.2 to this Current Report on Form 8-K and incorporated by reference herein.

Sale of Fiserv Health

On November 1, 2007, the Company entered into a stock purchase agreement to sell substantially all of its health businesses ("Fiserv Health"), which provide health plan administration, pharmacy management and other related services, to United Healthcare Services, Inc. for an aggregate purchase price of \$775 million in cash at closing. Consummation of the transaction is subject to customary conditions, including receipt of regulatory approvals, and is expected to be completed by the end of 2007 or in the first quarter of 2008. Nevertheless, the Company cannot provide any assurance that the sale of Fiserv Health will be consummated within that time frame, or at all. The description of the stock purchase agreement set forth above is qualified by reference to the stock purchase agreement filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated by reference herein.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information provided in Item 1.01 of this Current Report on Form 8-K under the heading "Entry into Term Loan Facility" is hereby incorporated by reference into this Item 2.03.

Item 8.01. Other Events.*Sale of Fiserv Investment Support Services*

On May 24, 2007, the Company entered into agreements to sell its Investment Support Services segment ("Fiserv ISS") in two separate transactions. Beginning in the second quarter of 2007, the Company reported the assets and liabilities of Fiserv ISS as held for sale and also reported Fiserv ISS' results of operations and cash flows as discontinued operations in accordance with Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"). The transactions are subject to customary closing conditions. The transaction with TD AMERITRADE Online Holdings Corp. is currently expected to close in the fourth quarter of 2007 and the transaction with Robert Beriault Holdings, Inc. is expected to close in the first quarter of 2008. Nevertheless, the Company cannot provide any assurance that the sale of Fiserv ISS will be consummated within that time frame, or at all.

The Company is filing this Current Report on Form 8-K to provide revised historical financial statements and related disclosures for all periods presented in the Company's Annual Report on Form 10-K for the year ended December 31, 2006 (the "2006 Form 10-K") and its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2007 (the "First Quarter Form 10-Q") to reflect the application of SFAS 144. These revised historical financial statements and related disclosures are filed as Exhibit 99.1 and Exhibit 99.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference. These exhibits contain selected information that corresponds to the information contained in the 2006 Form 10-K and the First Quarter Form 10-Q, except that the information contained in the exhibits has been updated, in compliance with generally accepted accounting principles, to the extent necessary to report:

- The assets and liabilities of Fiserv ISS that are to be disposed as held for sale; and
- Fiserv ISS' results of operations and cash flows as discontinued operations.

A footnote has also been added to the Notes to Consolidated Financial Statements contained in Exhibit 99.1. It includes summarized financial information for: (a) the Company; (b) the Guarantor Subsidiaries (as defined below) on a combined basis; and (c) the Company's non-guarantor subsidiaries on a combined basis. The footnote is included in Exhibit 99.1 because certain wholly-owned, domestic subsidiaries of the Company ("Guarantor Subsidiaries") will jointly and severally, and fully and unconditionally guarantee the long-term indebtedness the Company expects to incur to finance the acquisition of CheckFree described below. There have been no other events that require an update of the financial statements contained in the 2006 Form 10-K or the First Quarter Form 10-Q.

Acquisition of CheckFree Corporation

On August 2, 2007, the Company entered into an agreement to acquire CheckFree for approximately \$4.4 billion in cash at closing. The transaction is subject to customary closing conditions and is expected to close by the end of 2007. Nevertheless, the Company cannot provide any assurance that the acquisition of CheckFree will be consummated within that time frame, or at all. The Company is filing this Current Report on Form 8-K to provide historical financial statements of CheckFree as of and for the three years ended June 30, 2007 and as of and for the three months ended September 30, 2007 and 2006. These historical financial statements are filed as Exhibit 99.3 and Exhibit 99.4, respectively, to this Current Report on Form 8-K and incorporated by reference herein.

Unaudited Pro Forma Condensed Combined Financial Statements

Unaudited pro forma condensed combined financial statements of the Company giving effect to the proposed dispositions of Fiserv Health and Fiserv ISS and the acquisition of CheckFree are filed as Exhibit 99.5 to this Current Report on Form 8-K and incorporated by reference herein.

Forward-Looking Statements

This Current Report on Form 8-K contains or incorporates by reference “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 objectives or goals are also forward-looking statements. The forward-looking statements included or incorporated by reference in this Current Report on Form 8-K involve significant risks and uncertainties, and a number of factors, both foreseen and unforeseen, could cause actual results to differ materially from current expectations. The factors relating to the acquisition of CheckFree that could affect the Company’s results include the following: the possibility that the Company may be unable to achieve expected synergies and operating efficiencies from the acquisition within the expected time frames or at all or to successfully integrate CheckFree’s operations into the Company’s operations; such integration may be more difficult, time-consuming or costly than expected; revenues following the transaction may be lower than expected; operating costs, customer loss and business disruption (including difficulties in maintaining relationships with employees, clients or suppliers) may be greater than expected following the transaction; the retention of certain key employees at CheckFree; the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement; the outcome of any legal proceedings that may be instituted against the Company or others related to the merger agreement; conditions to the completion of the transaction may not be satisfied, or the regulatory approvals required for the transaction may not be obtained on the terms expected or on the anticipated schedule; the Company may not secure financing for the transaction on the terms anticipated; the amount of the costs, fees, expenses and charges related to the merger and the execution of certain financings that will be obtained to consummate the merger may be different than expected; and the ability of CheckFree and the Company to meet expectations regarding the timing, completion and accounting and tax treatments of the merger may be different than currently planned. The factors relating to the Company’s dispositions of Fiserv ISS and Fiserv Health that could affect the Company’s results include the following: conditions to the completion of the transactions may not be satisfied, or the regulatory approvals required for the transactions may not be obtained on the terms expected or on the anticipated schedule; the Company may not obtain all of the expected proceeds from the transactions; the amount of the costs, fees, expenses and charges related to the dispositions may be greater than anticipated; and the Company and the acquirors of Fiserv ISS and Fiserv Health may not be able to meet the Company’s expectations regarding the timing, completion or accounting and tax treatments of the dispositions. Other factors that may affect the Company’s results include, among others, changes in customer demand for the Company’s products or services, pricing and other actions by competitors, the potential impact of the Company’s Fiserv 2.0 initiatives, general changes in economic conditions and other factors discussed under “Risk Factors” in the 2006 Form 10-K, the Company’s most recent Quarterly Report on Form 10-Q and other documents filed by the Company with the Securities and Exchange Commission. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements. Readers are cautioned not to place undue reliance upon forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date hereof.

Item 9.01. Financial Statements and Exhibits

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits. The following exhibits are being filed herewith:
 - (4.1) Amendment No. 1 to Credit Agreement, dated November 9, 2007, among Fiserv, Inc. and the financial institutions parties thereto.
 - (4.2) Loan Agreement, dated as of November 9, 2007, among Fiserv, Inc. and the financial institutions parties thereto.
 - (10.1) Stock Purchase Agreement, dated November 1, 2007, by and among Fiserv, Inc., Fiserv Health, Inc., and United Healthcare Services, Inc.
 - (23.1) Consent of Deloitte & Touche LLP with respect to the Company.
 - (23.2) Consent of Deloitte & Touche LLP with respect to CheckFree.
 - (99.1) Selected Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operations, Financial Statements and Supplementary Data, and Schedule II, Valuation and Qualifying Accounts, portions of the Company's 2006 Form 10-K.
 - (99.2) Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations portions of the Company's First Quarter Form 10-Q.
 - (99.3) Audited consolidated balance sheets of CheckFree as of June 30, 2006 and 2007, the related audited consolidated statements of operations, stockholders' equity and cash flows for the fiscal years ended June 30, 2005, 2006 and 2007, and the independent registered public accounting firm's report related thereto.
 - (99.4) Unaudited consolidated balance sheet of CheckFree as of September 30, 2007 and the related unaudited consolidated condensed statements of operations and cash flows for the three months ended September 30, 2006 and 2007.
 - (99.5) Unaudited Pro Forma Condensed Combined Financial Statements of the Company.

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 hereunto duly authorized.

Date: November 13, 2007

FISERV, INC.

By: /s/ Thomas J. Hirsch

Thomas J. Hirsch
Executive Vice President,
Chief Financial Officer, Treasurer and
Assistant Secretary

FISERV, INC.

Exhibit Index to Current Report on Form 8-K
Dated November 9, 2007

<u>Exhibit Number</u>	<u>Description</u>
4.1	Amendment No. 1 to Credit Agreement, dated November 9, 2007, among Fiserv, Inc. and the financial institutions parties thereto.
4.2	Loan Agreement, dated as of November 9, 2007, among Fiserv, Inc. and the financial institutions parties thereto.
10.1	Stock Purchase Agreement, dated November 1, 2007, by and among Fiserv, Inc., Fiserv Health, Inc., and United Healthcare Services, Inc.
23.1	Consent of Deloitte & Touche LLP with respect to the Company.
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99.1	Selected Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operations, Financial Statements and Supplementary Data, and Schedule II, Valuation and Qualifying Accounts, portions of the Company's 2006 Form 10-K.
99.2	Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations portions of the Company's First Quarter Form 10-Q.
99.3	Audited consolidated balance sheets of CheckFree as of June 30, 2006 and 2007, the related audited consolidated statements of operations, stockholders' equity and cash flows for the years ended June 30, 2005, 2006 and 2007, and the independent registered public accounting firm's report related thereto.
99.4	Unaudited consolidated balance sheet of CheckFree as of September 30, 2007 and the related unaudited consolidated condensed statements of operations and cash flows for the three months ended September 30, 2006 and 2007.
99.5	Unaudited Pro Forma Condensed Combined Financial Statements of the Company.

AMENDMENT NO. 1

Dated as of November 9, 2007

to

CREDIT AGREEMENT

Dated as of March 24, 2006

THIS AMENDMENT NO. 1 ("Amendment") is made as of November 9, 2007 (the "Effective Date") by and among Fiserv, Inc., a Wisconsin corporation (the "Company"), the financial institutions listed on the signature pages hereof and JPMorgan Chase Bank, National Association, as Administrative Agent (the "Administrative Agent"), under that certain Credit Agreement dated as of March 24, 2006 by and among the Company, the Foreign Subsidiary Borrowers from time to time party thereto, the Lenders and the Administrative Agent (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement.

WHEREAS, the Company has requested that certain modifications be made to the Credit Agreement;

WHEREAS, the Company, the Lenders party hereto and the Administrative Agent have agreed to amend the Credit Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company, the Lenders party hereto and the Administrative Agent hereby agree to the following amendments to the Credit Agreement.

1. Amendments to Credit Agreement. Effective as of the Effective Date but subject to the satisfaction of the conditions precedent set forth in Section 2 below, the Credit Agreement and the Subsidiary Guaranty are each hereby amended as set forth in the redlined document attached as Annex I hereto:

2. Conditions of Effectiveness. The effectiveness of this Amendment is subject to the conditions precedent that the Administrative Agent shall have received (i) counterparts of this Amendment duly executed by the Company, the Required Lenders and the Administrative Agent, (ii) counterparts of the Consent and Reaffirmation attached hereto duly executed by the Subsidiary Guarantors, (iii) joinders to the Subsidiary Guaranty executed by each Subsidiary that is, or upon the closing of the transactions contemplated under the Term Loan Facility will be, a "Subsidiary Guarantor" under the Term Loan Facility and that is not currently a Subsidiary Guarantor under the Credit Agreement (each such Subsidiary, a "New Subsidiary Guarantor") and (iv) such other instruments, opinions and other documents as are reasonably requested by the Administrative Agent; provided that this Amendment shall cease being effective (and the amendments herein shall be deemed to be null and void) in the event the Company redeems the notes issued under the New Bond Indenture as a result of its failure to consummate the CheckFree Acquisition and the New Subsidiary Guarantors shall be released from their obligations under the Subsidiary Guaranty.

3. Representations and Warranties of the Company. The Company hereby represents and warrants as follows:

(a) This Amendment and the Credit Agreement as amended hereby constitute legal, valid and binding obligations of the Company and are enforceable against the Company in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and equitable principles, relating to the availability of specific performance as a remedy.

(b) As of the date hereof and giving effect to the terms of this Amendment, (i) no Default shall have occurred and be continuing and (ii) the representations and warranties of the Company set forth in the Credit Agreement, as amended hereby, are true and correct in all material respects as of the date hereof.

4. Reference to and Effect on the Credit Agreement.

(a) Upon the effectiveness hereof, each reference to the Credit Agreement in the Credit Agreement or any other Loan Document shall mean and be a reference to the Credit Agreement as amended hereby.

(b) Except as specifically amended above, the Credit Agreement and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

(c) Except as specifically amended above, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Administrative Agent or the Lenders, nor constitute a waiver of any provision of the Credit Agreement or any other documents, instruments and agreements executed and/or delivered in connection therewith.

5. Governing Law. This Amendment shall be construed in accordance with and governed by the law of the State of New York.

6. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

7. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Amendment has been duly executed as of the day and year first above written.

FISERV, INC.,
as the Company

By: /s/ Thomas J. Hirsch
Name: Thomas J. Hirsch
Title: Executive Vice President, Chief Financial Officer, Treasurer
and Assistant Secretary

Signature Page to Amendment No. 1 to
Credit Agreement dated as of March 24, 2006
Fiserv, Inc.

JPMORGAN CHASE BANK,
NATIONAL ASSOCIATION,
individually and as Administrative Agent

By: /s/ Sabir A. Hashmy
Name: Sabir A. Hashmy
Title: Vice President

Signature Page to Amendment No. 1 to
Credit Agreement dated as of March 24, 2006
Fiserv, Inc.

THE BANK OF NEW YORK

By: /s/ G. L. Ashley

Name G. Louis Ashley

Title: Vice President

Signature Page to Amendment No. 1 to
Credit Agreement dated as of March 24, 2006
Fiserv, Inc.

SUNTRUST BANK

By /s/ Robert S. Ashcom

Name: Robert S. Ashcom

Title: Director

Signature Page to Amendment No. 1 to
Credit Agreement dated as of March 24, 2006
Fiserv, Inc.

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Caroline V. Krider

Name: Caroline V. Krider

Title: Vice President and Senior Lender

Signature Page to Amendment No. 1 to
Credit Agreement dated as of March 24, 2006
Fiserv, Inc.

BANK OF AMERICA, N.A.

By: /s/ Debra E. DeIVecchio

Name: Debra DeIVecchio

Title: Managing Director

Signature Page to Amendment No. 1 to
Credit Agreement dated as of March 24, 2006
Fiserv, Inc.

By: /s/ Russ Lyons

Name: Russ Lyons

Title: Director

Signature Page to Amendment No. 1 to
Credit Agreement dated as of March 24, 2006
Fiserv, Inc.

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.

By: /s/ Victor Pierzchalski

Name: Victor Pierzchalski

Title: Vice President & Manager

Signature Page to Amendment No. 1 to
Credit Agreement dated as of March 24, 2006
Fiserv, Inc.

By: /s/ Mark Halldorson

Name: Mark H. Halldorson

Title: Vice President

Signature Page to Amendment No. 1 to
Credit Agreement dated as of March 24, 2006
Fiserv, Inc.

THE NORTHERN TRUST COMPANY

By: /s/ Dave Graham

Name: Dave Graham

Title: Second Vice President

Signature Page to Amendment No. 1 to
Credit Agreement dated as of March 24, 2006
Fiserv, Inc.

MIZUHO CORPORATE BANK (USA)

By: /s/ Bertram H. Tang

Name: Bertram H. Tang

Title: Senior Vice President

Signature Page to Amendment No. 1 to
Credit Agreement dated as of March 24, 2006
Fiserv, Inc.

By: /s/ David A. Wild

Name: David A. Wild

Title: Vice President

Signature Page to Amendment No. 1 to
Credit Agreement dated as of March 24, 2006
Fiserv, Inc.

RBS CITIZENS, N.A.

By: /s/ Mary Ann Klemm

Name: Mary Ann Klemm

Title: Vice President

Signature Page to Amendment No. 1 to
Credit Agreement dated as of March 24, 2006
Fiserv, Inc.

FIFTH THIRD BANK

By: /s/ Michael R. Zaksheske

Name: Michael R. Zaksheske

Title: Vice President

Signature Page to Amendment No. 1 to
Credit Agreement dated as of March 24, 2006
Fiserv, Inc.

M&I MARSHALL & ILSELY BANK

By: /s/ Ronald J. Carey

Name: Ronald J. Carey

Title: VP

By: /s/ James R. Miller

Name: James R. Miller

Title: SVP

Signature Page to Amendment No. 1 to
Credit Agreement dated as of March 24, 2006
Fiserv, Inc.

PNC BANK, NATIONAL ASSOCIATION

By: /s/ W. J. Bowne

Name: W. J. Bowne

Title: Managing Director

Signature Page to Amendment No. 1 to
Credit Agreement dated as of March 24, 2006
Fiserv, Inc.

CONSENT AND REAFFIRMATION

Each of the undersigned hereby acknowledges receipt of a copy of the foregoing Amendment No. 1 to the Credit Agreement (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") by and among Fiserv, Inc., a Wisconsin corporation (the "Company"), the Lenders, the Foreign Subsidiary Borrowers from time to time party thereto and JPMorgan Chase Bank, National Association, as Administrative Agent (the "Administrative Agent"), which Amendment No. 1 is dated as of November 9, 2007 and is by and among the Company, the financial institutions listed on the signature pages thereof and the Administrative Agent (the "Amendment"). Capitalized terms used in this Consent and Reaffirmation and not defined herein shall have the meanings given to them in the Credit Agreement. Without in any way establishing a course of dealing by the Administrative Agent or any Lender, each of the undersigned consents to the Amendment and reaffirms the terms and conditions of the Subsidiary Guaranty and any other Loan Document executed by it and acknowledges and agrees that the Subsidiary Guaranty and each and every such Loan Document executed by the undersigned in connection with the Credit Agreement remains in full force and effect and is hereby reaffirmed, ratified and confirmed. All references to the Credit Agreement contained in the above-referenced documents shall be a reference to the Credit Agreement as so modified by the Amendment and as the same may from time to time hereafter be amended, modified or restated.

Dated November 9, 2007

[Signature Pages Follow]

IN WITNESS WHEREOF, this Consent and Reaffirmation has been duly executed as of the day and year above written.

FISERV SOLUTIONS, INC.

By: /s/ Thomas J. Hirsch
Name: Thomas J. Hirsch
Title: Executive Vice President, Chief Financial Officer, Treasurer
and Assistant Secretary

INFORMATION TECHNOLOGY, INC.

By: /s/ Thomas J. Hirsch
Name: Thomas J. Hirsch
Title: Assistant Treasurer

Consent and Reaffirmation



CREDIT AGREEMENT

dated as of

March 24, 2006

among

FISERV, INC.

The Foreign Subsidiary Borrowers Party Hereto

The Lenders Party Hereto

and

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,
as Administrative Agent

THE BANK OF NEW YORK
as Syndication Agent

and

SUNTRUST BANK, U.S. BANK NATIONAL ASSOCIATION,
and BANK OF AMERICA, N.A.
as Documentation Agents

J.P. MORGAN SECURITIES INC. and BNY CAPITAL MARKETS, INC.,
as Joint Bookrunners and Joint Lead Arrangers

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Company Guarantee

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CREDIT AGREEMENT dated as of March 24, 2006 among FISERV, INC., the FOREIGN SUBSIDIARY BORROWERS from time to time party hereto, the LENDERS from time to time party hereto, THE BANK OF NEW YORK, as Syndication Agent and SunTrust Bank, U.S. Bank National Association and Bank of America, N.A., as Documentation Agents and JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as Administrative Agent.

The parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“ABR”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

“Acquisition” means, with respect to any Person, the purchase or other acquisition by such Person, by any means whatsoever (including by devise, bequest, gift, through a dividend or otherwise), of (a) Stock of, or other equity securities of, any other Person if, immediately thereafter, such other Person would be either a consolidated subsidiary of such Person or otherwise under the Control of such Person, (b) any business, going concern or division or segment thereof, or (c) the Property of any other Person other than in the ordinary course of business, provided, however, that no acquisition of substantially all of the assets of such other Person shall be deemed to be in the ordinary course of business.

“Adjusted LIBO Rate” means, with respect to any Eurocurrency Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the sum of (i) (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate plus, without duplication, (ii) in the case of Loans by a Lender from its office or branch in the United Kingdom to a Borrower organized under the laws of a jurisdiction in the United Kingdom, if applicable and as reasonably determined by the Administrative Agent in accordance with Schedule 2.02, the Mandatory Cost.

“Administrative Agent” means JPMorgan Chase Bank, National Association, in its capacity as administrative agent for the Lenders hereunder.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affiliate” means, with respect to a specified Person, another Person (other than a consolidated subsidiary of such Person) that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Aggregate Commitment” means the aggregate of the Commitments of all of the Lenders, as reduced or increased from time to time pursuant to the terms and conditions hereof. As of the Effective Date, the Aggregate Commitment is \$900,000,000.

“Agreed Currencies” means (i) Dollars, (ii) euro, (iii) Pounds Sterling and any other Foreign Currency agreed to by each of the Lenders.

“Alternate Base Rate” means, for any day, a rate per annum equal to the higher of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

“Amendment Effective Date” means November 9, 2007.

“Applicable Percentage” means, with respect to any Lender, the percentage of the Aggregate Commitment represented by such Lender’s Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments.

“Applicable Rate” means, for any day, with respect to any Eurocurrency Revolving Loan, or with respect to the facility fees payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption “Eurocurrency Spread” or “Facility Fee Rate”, as the case may be, based upon the ratings by two (2) nationally recognized rating agencies as selected by the Company and agreed to by the Administrative Agent and thereafter disclosed to the Lenders, respectively, applicable on such date to the Index Debt:

<u>Index Debt Ratings:</u>	<u>Eurocurrency Spread*</u>	<u>Facility Fee Rate</u>
<u>Category 1: A2 or A or higher</u>	0.14%	0.06%
<u>Category 2: A3 or A-</u>	0.18%	0.07%
<u>Category 3: Baa1 or BBB+</u>	0.27%	0.08%
<u>Category 4: Baa2 or BBB</u>	0.35%	0.10%
<u>Category 5: Baa3 or BBB-</u>	0.50%	0.15%
<u>Category 6: Ba1 or BB+ or lower</u>	0.70%	0.20%

* If, at the end of any calendar quarter, the average daily aggregate principal amount of the outstanding Revolving Loans for such quarter exceeds 50% of the then Aggregate Commitment, the Eurocurrency Spread and the Alternate Base Rate shall be deemed to increase by 0.10% for such quarter, changing as and when the applicable Category changes.

For purposes of, and notwithstanding, the foregoing,

(i) if either such rating agencies shall not have in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the last sentence of this definition), then such rating agency shall be deemed to have established a rating in Category 6;

(ii) if the ratings established or deemed to have been established by such rating agencies for the Index Debt shall fall within different Categories, the Applicable Rate shall be based on the higher of the two ratings unless one of the two ratings is two or more Categories lower than the other, in which case the Applicable Rate shall be determined by reference to the Category next below that of the higher of the two ratings;

(iii) if the ratings established or deemed to have been established by such rating agencies for the Index Debt shall be changed (other than as a result of a change in the rating system of either rating agency), such change shall be effective as of the date on which it is first announced by the applicable rating agency, irrespective of when notice of such change shall have been furnished by the Company to the Administrative Agent and the Lenders pursuant to Section 5.07 or otherwise; and

(iv) each change in the Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of either rating agency shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, the Company and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation.

“Approved Fund” has the meaning assigned to such term in Section 9.04.

“Approximate Equivalent Amount” of any currency with respect to any amount of Dollars shall mean the Equivalent Amount of such currency with respect to such amount of Dollars on or as of such date, rounded up to the nearest amount of such currency as determined by the Administrative Agent from time to time based upon the spot rate quoted by its foreign exchange trading desk.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

“Availability Period” means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

“Bank Holding Company Act” means the Bank Holding Company Act of 1956, as amended from time to time.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” means the Company or any Foreign Subsidiary Borrower.

“Borrowing” means (a) Revolving Loans of the same Type, made, converted or continued on the same date and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect or (b) a Swingline Loan.

“Borrowing Request” means a request by any Borrower for a Revolving Borrowing in accordance with Section 2.03.

“Borrowing Subsidiary Agreement” means a Borrowing Subsidiary Agreement substantially in the form of Exhibit F-1.

“Borrowing Subsidiary Termination” means a Borrowing Subsidiary Termination substantially in the form of Exhibit F-2.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurocurrency Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in Agreed Currencies in the London interbank market (and, if the Borrowings or LC Disbursements which are the subject of a borrowing, drawing, payment, reimbursement or rate selection are denominated in euro, a day upon which such clearing system as is determined by the Administrative Agent to be suitable for clearing or settlement of euro is open for business).

“Change in Control” means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the SEC thereunder as in effect on the date hereof), of Stock representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding Stock of the Company; (b) during any period of up to three consecutive calendar years commencing on or after the Effective Date, individuals (i) who were directors of the Company on the first day of such period or (ii) whose election or nomination for election to the board of directors of the Company was recommended or approved by at least a majority of directors who were directors of the Company on the first day of such period, or whose election or nomination for election was so approved, shall cease to constitute a majority of the board of directors of the Company; or (c) the Company ceasing to own, directly or indirectly, 100% of the Stock of each Foreign Subsidiary Borrower.

“Change in Law” means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender or any Issuing Bank (or, for purposes of Section 2.15(b), by any lending office of such Lender or by such Lender’s or such Issuing Bank’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

“CheckFree Acquisition” means the acquisition by the Company, directly or indirectly, of all issued and outstanding stock of the Target.

“Class”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans or Swingline Loans.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Commitment” means, with respect to each Lender, the commitment of such Lender to make Revolving Loans and to acquire participations in Letters of Credit and Swingline Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender’s Revolving Credit Exposure hereunder, as such commitment may be (a) reduced or terminated from time to time pursuant to Section 2.09, (b) increased from time to time pursuant to Section 2.20 and (c) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender’s Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable. The initial aggregate amount of the Lenders’ Commitments is \$900,000,000.

“Commitment Increase Notice” is defined in Section 2.20.

“Company” means Fiserv, Inc., a Wisconsin corporation.

“Compliance Certificate” means a certificate substantially in the form of Exhibit H.

“Computation Date” is defined in Section 2.04.

“Consolidated” means the Company and the Subsidiaries on a consolidated basis in accordance with GAAP.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Country Risk Event” means:

(i) any law, action or failure to act by any Governmental Authority in any Borrower’s or Letter of Credit beneficiary’s country which has the effect of:

(a) changing the obligations of any Issuing Bank or the Lenders under the relevant Letter of Credit, the Credit Agreement or any of the other Loan Documents as originally agreed or otherwise creating any additional liability, cost or expense to any Issuing Bank, the Lenders or the Administrative Agent from that which exists on the Effective Date,

-
- (b) changing the ownership or control by such Borrower or Letter of Credit beneficiary of its business, or
 - (c) preventing or restricting the conversion into or transfer of the applicable Agreed Currency;

(ii) force majeure; or

(iii) any similar event

which, in relation to (i), (ii) and (iii), directly or indirectly, prevents or restricts the payment or transfer of any amounts owing under the relevant Letter of Credit in the applicable Agreed Currency into an account designated by the Administrative Agent or such Issuing Bank and freely available to the Administrative Agent or such Issuing Bank.

“Credit Event” means a Borrowing, an LC Disbursement or both.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Documentation Agent” means each of SunTrust Bank, U.S. Bank National Association and Bank of America, N.A. in its capacity as documentation agent for the credit facility evidenced by this Agreement.

“Dollar Amount” of any currency at any date shall mean (i) the amount of such currency if such currency is Dollars or (ii) the equivalent in such currency of such amount of Dollars if such currency is a Foreign Currency, calculated on the basis of the arithmetical mean of the buy and sell spot rates of exchange of the Administrative Agent for such currency on the London market at 11:00 a.m., London time, on or as of the most recent Computation Date provided for in Section 2.04; provided, that the Administrative Agent may obtain such rates from another financial institution designated by the Administrative Agent if its foreign exchange trading desk does not have a spot buying rate for such currency.

“Dollars” or “\$” refers to lawful money of the United States of America.

“Domestic Subsidiary” means a Subsidiary organized under the laws of a jurisdiction located in the United States of America, or any state thereof or the District of Columbia.

“EBITDA” means, with respect to any Person for any period, the consolidated net earnings of such Person in respect of such period plus the sum of each of the following with respect to such Person on a consolidated basis for such period to the extent deducted in the determination of such net earnings: (i) interest expense, (ii) provision for taxes, (iii) depreciation, (iv) amortization, (v) extraordinary losses incurred other than in the ordinary course of business, (vi) stock-based non-cash compensation expense, minus (vii) extraordinary gains realized other than in the ordinary course of business and (viii) any cash payments made during such period in respect of the item described in clause (vi) above subsequent to the fiscal quarter in which the relevant stock-based non-cash compensation expense was incurred.

“Effective Commitment Amount” is defined in Section 2.20.

“Effective Date” means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

“Eligible Foreign Subsidiary” means any Foreign Subsidiary that is approved from time to time by the Administrative Agent.

“Employee Benefit Plan” means an employee benefit plan within the meaning of Section 3(3) of ERISA maintained, sponsored or contributed to by the Company, any Subsidiary or any ERISA Affiliate.

“Environmental Laws” means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources or the management, release or threatened release of any Hazardous Material.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Company or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Environmental Permit” means any permit, license, approval, consent or other authorization by a federal, state, local or foreign government or regulatory entity pursuant to any Environmental Law.

“Equivalent Amount” of any currency with respect to any amount of Dollars at any date shall mean the equivalent in such currency of such amount of Dollars, calculated on the basis of the arithmetical mean of the buy and sell spot rates of exchange of the Administrative Agent for such other currency at 11:00 a.m., London time, on the date on or as of which such amount is to be determined; provided, that the Administrative Agent may obtain such rates from another financial institution designated by the Administrative Agent if its foreign exchange trading desk does not have a spot buying rate for such currency.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Company, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” means (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an “accumulated funding deficiency” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Company or any of its ERISA Affiliates of any material liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Company or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention by the PBGC to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Company or any of its ERISA Affiliates of any material liability with respect to the withdrawal or partial withdrawal of the Company or any of its ERISA Affiliates from any Plan or Multiemployer Plan; or (g) the receipt by the Company or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Company or any ERISA Affiliate of any notice, concerning the imposition upon the Company or any of its ERISA Affiliates of Withdrawal Liability in a material amount or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

“EU” means the European Union.

“euro” and/or “EUR” means the single currency of the participating member states of the EU.

“Eurocurrency”, when used in reference to a currency means an Agreed Currency and when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

“Eurocurrency Payment Office” of the Administrative Agent shall mean, for each of the Agreed Currencies which is a Foreign Currency, the office, branch, affiliate or correspondent bank of the Administrative Agent for such currency as specified from time to time by the Administrative Agent to the Company and each Lender.

“Event of Default” has the meaning assigned to such term in Article VII; provided that any requirement for the giving of notice, the lapse of time, or both, or any other condition has been satisfied.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender, any Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of the Company or any other Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which it is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which

the Company is located and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Company or any other Borrower under Section 2.19(b)), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office) or is attributable to such Foreign Lender's failure to comply with Section 2.17(e), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Company with respect to such withholding tax pursuant to Section 2.17(a).

"Existing Credit Agreements" means (i) that certain Five-Year Credit Agreement dated as of March 31, 2004 by and among the Company, the lenders and agents from time to time party thereto and the Bank of New York as administrative agent, as amended, supplemented or otherwise modified from time to time and (ii) that certain 364-Day Credit Agreement dated as of March 31, 2004 by and among the Company, the lenders and agents from time to time party thereto and the Bank of New York as administrative agent, as amended, supplemented or otherwise modified from time to time.

"Federal Funds Effective Rate" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Financial Officer" means the Chief Financial Officer, the Controller, any Assistant Controller, the Treasurer or any Assistant Treasurer, in each case of the Company.

"Financial Statements" is defined in Section 3.12.

"FIN 46 Entity" means any Person the financial condition and results of which, solely due to Financial Accounting Standards Board Interpretation No. 46, Consolidation of Variable Interest Entities (Revised December 2003) the Company is required to consolidate in its financial statements.

"Foreign Currencies" means each Agreed Currency other than Dollars.

"Foreign Currency LC Exposure" means, at any time, the sum of (a) the Dollar Amount of the aggregate undrawn, available and unexpired amount of all outstanding Foreign Currency Letters of Credit at such time plus (b) the aggregate principal Dollar Amount of all LC Disbursements in respect of Foreign Currency Letters of Credit that have not yet been reimbursed at such time.

"Foreign Currency Letter of Credit" means a Letter of Credit denominated in a Foreign Currency.

“Foreign Lender” means any Lender that is organized under the laws of a jurisdiction other than that in which the Company is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Foreign Subsidiary Borrower” means any Eligible Foreign Subsidiary that has been designated as a Foreign Subsidiary Borrower pursuant to Section 2.23 and that has not ceased to be a Foreign Subsidiary Borrower pursuant to such Section.

“Foreign Subsidiary” means any Subsidiary that is not a Domestic Subsidiary.

“GAAP” means generally accepted accounting principles as from time to time in effect in the United States of America.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, without duplication (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business and provided further that the amount of each “Guarantee” shall be the lesser of (a) the amount of the primary obligation with respect thereto or, if not stated, the reasonably expected liability in respect of such primary obligation, and (b) the stated maximum amount of such “Guarantee”.

“Guaranty Ratings Threshold” means that at any time, the Company’s Index Debt is rated (i) at or above A- by S&P and (ii) at or above A3 by Moody’s.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Holding Company” means a bank holding company or a financial holding company, in either case within the meaning of the Bank Holding Company Act.

“Indebtedness” means, with respect to any Person, at a particular time, all items of such Person which constitute, without duplication, (a) indebtedness for borrowed money or the deferred purchase price of Property (other than accounts payable, deferred compensation, customer advances, earn-outs, agreements providing for the holdback of up to 10% of the purchase price relating to an acquisition and accrued expenses incurred in the ordinary course of business), (b) indebtedness evidenced by notes, bonds, debentures or similar instruments, (c) obligations with respect to any conditional sale or other title retention agreement (excluding operating leases), (d) indebtedness arising under acceptance facilities and the amount available to be drawn under all letters of credit issued for the account of such Person and, without duplication, all drafts drawn thereunder to the extent such Person shall not have reimbursed the issuer in respect of the issuer’s payment of such drafts, (e) all liabilities secured by any Lien (other than carriers’, warehousemen’s, mechanics’, repairmen’s or other like non-consensual Liens arising in the ordinary course of business) on any Property owned by such Person even though such Person shall not have assumed or otherwise become liable for the payment thereof, provided that in the event such Person shall not have assumed or otherwise become liable for the payment thereof, the amount of such liabilities shall be deemed to be the lesser of (i) the fair market value of the assets of such Person subject to such Lien and (ii) the amount of the liability secured by such Lien, (f) that portion of any obligation of such Person, as lessee, which in accordance with GAAP is required to be capitalized on the balance sheet of such Person, (g) Securitized Indebtedness, and (h) all Guarantees by such Person of any of the foregoing; provided, however, that, notwithstanding anything to the contrary contained herein, for purposes of this definition, “Indebtedness” shall not include any Trust Company Indebtedness or any intercompany indebtedness.

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Index Debt” means senior, unsecured, long-term indebtedness for borrowed money of the Company that is not guaranteed by any other Person or subject to any other credit enhancement.

“Information Memorandum” means the Confidential Information Memorandum dated March 2006 relating to the Company and the Transactions.

“Interest Coverage Ratio” means as of any date, the ratio of (a) the Consolidated EBITDA of the Company for the four consecutive fiscal quarter period ended on such date to (b) Consolidated interest expense of the Company for the four consecutive fiscal quarter period ended on such date, in each case based on the most recent financial statements required by Section 5.07(a) or 5.07(c), as the case may be. For purposes of this defined term, “EBITDA” shall be adjusted to give effect to each acquisition (including any Indebtedness assumed in connection therewith and related interest expense) and disposition (including any Indebtedness repaid in connection therewith and related interest expense) that occurred during such period as if such acquisition or disposition had occurred at the inception of such period.

“Interest Election Request” means a request by the applicable Borrower to convert or continue a Revolving Borrowing in accordance with Section 2.08.

“Interest Payment Date” means (a) with respect to any ABR Loan (other than a Swingline Loan), the last day of each March, June, September and December, (b) with respect to any Eurocurrency Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period and (c) with respect to any Swingline Loan, the day that such Loan is required to be repaid.

“Interest Period” means with respect to any Eurocurrency Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter (or such other period of time as is acceptable to each of the Lenders), as the applicable Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurocurrency Borrowing only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurocurrency Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, in the case of a Revolving Borrowing, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Issuing Bank” means each of JPMorgan Chase Bank, National Association and The Bank of New York, in its capacity as an issuer of Letters of Credit hereunder, and its successors in such capacity as provided in Section 2.06(i). Each Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term “Issuing Bank” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

“LC Disbursement” means a payment made by an Issuing Bank pursuant to a Letter of Credit.

“LC Exposure” means, at any time, the sum of (a) the aggregate undrawn Dollar Amount of all outstanding Letters of Credit at such time which are then available plus (b) the aggregate Dollar Amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Company at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

“Lenders” means the Persons listed on Schedule 2.01 and any other Person that shall have become a Lender hereunder pursuant to Section 2.20 or pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term “Lenders” includes the Swingline Lender.

“Letter of Credit” means any letter of credit issued pursuant to this Agreement.

“Leverage Ratio” means, as of any date, the ratio of (a) the Consolidated Indebtedness of the Company and the Subsidiaries on such date to (b) Consolidated EBITDA of the Company for the four consecutive fiscal quarter period ended on such date, in each case based on the most recent financial statements required by Section 5.07(a) or 5.07(c), as the case may be. For purposes of this defined term, “EBITDA” shall be adjusted to give effect to each acquisition (including any Indebtedness assumed in connection therewith and related interest expense) and disposition (including any Indebtedness repaid in connection therewith and related interest expense) that occurred during such period as if such acquisition or disposition had occurred at the inception of such period.

“LIBO Rate” means, with respect to any Eurocurrency Borrowing for any Interest Period, the rate appearing on, in the case of Dollars, Page 3750 of the Dow Jones Market Service and, in the case of any Foreign Currency, the appropriate page of such service which displays British Bankers Association Interest Settlement Rates for deposits in such Foreign Currency (or, in each case, on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to deposits in the relevant Agreed Currency in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for deposits in the relevant Agreed Currency with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the “LIBO Rate” with respect to such Eurocurrency Borrowing for such Interest Period shall be the rate at which deposits in the relevant Agreed Currency in an Equivalent Amount of \$5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

“Lien” means, with respect to any asset and excluding operating leases, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset.

“Loans” means the loans made by the Lenders to the Borrowers pursuant to this Agreement, it being understood that conversions and continuations of Loans are not Loans hereunder.

“Loan Documents” means this Agreement, each Borrowing Subsidiary Agreement, each Borrowing Subsidiary Termination, the Subsidiary Guaranty, any promissory notes executed and delivered pursuant to Section 2.10(e) and any and all other instruments and documents executed and delivered in connection with any of the foregoing.

“Loan Parties” means, collectively, the Borrowers and the Subsidiary Guarantors.

“Local Time” means (i) Chicago time in the case of a Loan, Borrowing or LC Disbursement denominated in Dollars to, or for the account of, the Company and (ii) local time at the place of the relevant Loan, Borrowing or LC Disbursement (or such earlier local time as the Administrative Agent has previously advised the Company as is necessary for the relevant funds to be received and transferred to the Administrative Agent for same day value on the date the relevant reimbursement obligation is due) in the case of a Loan, Borrowing or LC Disbursement which is denominated in a Foreign Currency or which is to, or for the account of, a Foreign Subsidiary Borrower.

“Mandatory Cost” is described in Schedule 2.02.

“Margin Stock” means any “margin stock”, as said term is defined in Regulation U of the Board, as the same may be amended or supplemented from time to time.

“Material Adverse Effect” means a material adverse effect on (i) the financial condition, operations, business or assets of the Company and the Subsidiaries on a Consolidated basis, (ii) the ability of any Loan Party to perform its obligations under the Loan Documents, or (iii) the ability, due to circumstances not caused by the Administrative Agent or any Lender, of the Administrative Agent, any Issuing Bank, the Swingline Lender or any Lender to enforce the Loan Documents.

“Material Indebtedness” means Indebtedness (other than the Loans and Letters of Credit) of any one or more of the Company and its Subsidiaries in an aggregate principal amount exceeding \$100,000,000.

“Material Subsidiary” means each Domestic Subsidiary (i) which (on an unconsolidated basis and excluding intercompany income statement items of such Domestic Subsidiary), as of the most recent two consecutive fiscal quarters of the Company, in each case for the period of four consecutive fiscal quarters then ended, for which financial statements have been delivered pursuant to Section 5.07, contributed EBITDA in an amount greater than ten percent (10%) of the EBITDA of the Company and its Domestic Subsidiaries on a consolidated basis for the four consecutive fiscal quarter period most recently ended prior to the Amendment Effective Date (or, upon the occurrence of the Term Loan Facility Effective Date, the Term Loan Facility Effective Date) or (ii) which (on an unconsolidated basis and excluding intercompany balance sheet items of such Domestic Subsidiary), as of the most recent two consecutive fiscal quarters of the Company, for which financial statements have been delivered pursuant to Section 5.07 contributed total assets in an amount greater than ten percent (10%) of the Total Assets of the Borrower and its Domestic Subsidiaries on a consolidated basis as of the Amendment Effective Date (or, upon the occurrence of the Term Loan Facility Effective Date, the Term Loan Facility Effective Date), in each case as calculated by the Company on a pro forma basis reasonably acceptable to the Administrative Agent giving positive effect to the CheckFree Acquisition and deducting for discontinued operations as a result of the Trust Business Disposition; provided, however, that no Trust Company Subsidiary and no SPE shall be deemed to constitute a “Material Subsidiary” hereunder.

“Maturity Date” means March 24, 2011.

“Moody’s” means Moody’s Investors Service, Inc.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Net Worth” means, at any date, the sum of all amounts which would be included under shareholders’ equity on a Consolidated balance sheet of the Company and the Subsidiaries determined in accordance with GAAP on such date or, in the event such date is not a fiscal quarter end, as of the immediately preceding fiscal quarter end.

“New Bond Indenture” means the Indenture, dated on or about November 20, 2007, between the Company, as Issuer, the Subsidiaries party thereto as guarantors and U.S. Bank National Association, as Trustee, as amended or supplemented.

“New Money Credit Event” means with respect to any Issuing Bank, any increase (directly or indirectly) in such Issuing Bank’s exposure (whether by way of additional credit or banking facilities or otherwise, including as part of a restructuring) to any Borrower occurring by reason of (i) any law, action or requirement of any Governmental Authority in such Borrower’s or such Letter of Credit beneficiary’s country, or (ii) any agreement in relation to clause (i), in each case to the extent calculated by reference to the aggregate Revolving Credit Exposures outstanding prior to such increase.

“Obligations” means all indebtedness (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), obligations and liabilities of any of the Company and its Subsidiaries to any of the Lenders and the Administrative Agent, individually or collectively, under this Credit Agreement or any of the other Loan Documents or in respect of any of the Loans made or reimbursement obligations incurred or any of the Letters of Credit or other instruments at any time evidencing any thereof.

“Operating Entity” means (a) any Person, (b) any business or operating unit of a Person (i) which is operated separate and apart from the other businesses and operations of such Person, or (ii) whose products and services are uniquely divisible from the products and services of such Person, or (c) any other line of business or business segment.

“Other Taxes” means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement, but excluding Excluded Taxes.

“Overnight Foreign Currency Rate” means, for any amount payable in a Foreign Currency, the rate of interest per annum as determined by the Administrative Agent at which overnight or weekend deposits in the relevant currency (or if such amount due remains unpaid for more than three Business Days, then for such other relevant period of time) for delivery in immediately available and freely transferable funds would be offered by the Administrative Agent to major banks in the interbank market upon request of such major banks for the relevant currency as determined above and in an amount comparable to the unpaid principal amount of the related Credit Event.

“Participant” has the meaning set forth in Section 9.04.

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Pension Plan” means at any time, any Employee Benefit Plan (including a Multiemployer Plan) subject to Section 302 of ERISA or Section 412 of the Code, the funding requirements of which are, or at any time within the six years immediately preceding the time in question, were in whole or in part, the responsibility of the Borrower, any Subsidiary or an ERISA Affiliate.

“Permitted Sale-Leaseback Transactions” means sales or transfers by the Company or any Subsidiary of any real property, improvements, fixtures, machinery and/or equipment with the intention of taking back a lease thereof; provided, however, that “Permitted Sale-Leaseback Transactions” shall not include such transactions involving machinery and/or equipment (excluding any lease for a temporary period of not more than thirty-six (36) months with the intent that the use of the subject machinery and/or equipment will be discontinued at or before the expiration of such period) relating to facilities (a) in full operation for more than 180 days as of the date hereof and (b) that are material to the business of the Company and its Subsidiaries taken as a whole, to the extent that the sum of the aggregate sale price of such machinery and/or equipment from time to time involved in such transactions (excluding the Applied Amounts, as defined in the following sentence), plus the amount of obligations and Indebtedness from time to time secured by Liens permitted under Section 6.02(r), exceeds 10.0% of Net Worth. For purposes of this definition, “Applied Amounts” means an amount (which may be conclusively determined by the Board of Directors of the Company) equal to the greater of (i) capitalized rent with respect to the applicable machinery and/or equipment and (ii) the fair value of the applicable machinery and/or equipment, that is applied within 180 days of the applicable transaction or transactions to repayment of the “Term Loan” under the Term Loan Facility or to the repayment of any Indebtedness for borrowed money which, in accordance with GAAP, is classified as long-term debt and that is on parity with such Term Loan.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Company or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Pounds Sterling” means the lawful currency of the United Kingdom.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, National Association as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

“Property” means, with respect to any Person, all types of real, personal or mixed property and all types of tangible or intangible property owned or leased by such Person.

“Proposed New Lender” is defined in Section 2.20.

“Ratings Event” means that at any time, the Company’s Index Debt is rated (i) below BBB- by S&P and (ii) below Baa3 by Moody’s.

“Register” has the meaning set forth in Section 9.04.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Required Lenders” means, at any time, Lenders having Revolving Credit Exposures and unused Commitments representing more than 50% of the sum of the total Revolving Credit Exposures and unused Commitments at such time.

“Restricted Payment” means, with respect to any Person, any of the following, whether direct or indirect: (a) the payment by such Person of any dividend or distribution on any class of stock of such Person, except to the extent payable solely in shares of that class of stock to the holders of such class, (b) the payment by such Person of any distribution on any other type or class of equity interest or equity investment in such Person except to the extent payable in stock of such Person, and (c) any redemption, retirement, purchase or acquisition of, or sinking fund or other similar payment in respect of, any class of stock of, or other type or class of equity interest or equity investment in, such Person. For all purposes hereof, the amount of any Restricted Payment made through the transfer of property shall be deemed to be the greater of (x) the fair market value of such property (as determined in good faith by the Board of Directors of the Company) and (y) the net book value thereof on the books of the Company or any Subsidiary (as determined in accordance with GAAP), in each case as determined on the date such Restricted Payment is paid, distributed, made or set apart, as the case may be.

“Revolving Credit Exposure” means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender’s Revolving Loans and its LC Exposure and Swingline Exposure at such time.

“Revolving Loan” means a Loan made pursuant to Section 2.03.

“S&P” means Standard & Poor’s.

“SEC” means the Securities and Exchange Commission of the United States or such other Governmental Authority succeeding to the functions thereof.

“Securitized Indebtedness” means, with respect to any Person as of any date, the reasonably expected liability of such Person for the repayment of, or otherwise relating to, all accounts receivable, general intangibles, chattel paper or other financial assets and related rights and assets sold or otherwise transferred by such Person, or any subsidiary or affiliate thereof, on or prior to such date.

“SPE” means any bankruptcy-remote, special-purpose entity created in connection with the financing of settlement float with respect to customer funds or otherwise.

“Statutory Reserve Rate” means, with respect to any currency, a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve, liquid asset, fees or similar requirements (including any marginal, special, emergency or supplemental reserves or other requirements) established by any central bank, monetary authority, the Board, the Financial Services Authority, the European Central Bank or other Governmental Authority for any category of deposits or liabilities customarily used to fund loans in such currency, expressed in the case of each such requirement as a decimal. Such reserve percentages shall, in the case of US Dollar denominated Loans, include those imposed pursuant to Regulation D of the Board. Eurocurrency Loans shall be deemed to be subject to such reserve, liquid asset or similar requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under any applicable law, rule or regulation, including Regulation D. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve, liquid asset or similar requirement, and the Administrative Agent shall notify the Company promptly of any such adjustment.

“Stock” means any and all shares, partnership interests, membership interests, warrants, options, rights of conversion, participations or other equivalents (however designated) of equity interests in a Person.

“subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP (excluding any FIN 46 Entity, but only to the extent that the owners of such FIN 46 Entity’s Indebtedness have no recourse, directly or indirectly, to the Company or any of its Subsidiaries for the principal, premium, if any, and interest on such Indebtedness) as of such date, as well as any other corporation, limited liability company, partnership, association or other entity of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held.

“Subsidiary” means any subsidiary of the Company, other than Bastogne, Inc. and any other SPE.

“Subsidiary Guarantor” means each Subsidiary (other than Foreign Subsidiaries) acting as such pursuant to Section 5.11 hereof from time to time (and giving effect to any releases in accordance with the terms hereof) or otherwise. The Subsidiary Guarantors on the Effective Date are identified as such in Schedule 3.13 hereto.

“Subsidiary Guaranty” means that certain Guaranty dated as of the Effective Date in the form of Exhibit G (including any and all supplements thereto) and executed by each Subsidiary Guarantor, as amended, restated, supplemented or otherwise modified from time to time.

“Swingline Exposure” means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be its Applicable Percentage of the total Swingline Exposure at such time.

“Swingline Lender” means JPMorgan Chase Bank, National Association, in its capacity as lender of Swingline Loans hereunder.

“Swingline Loan” means a Loan made pursuant to Section 2.05.

“Syndication Agent” means The Bank of New York in its capacity as syndication agent for the credit facility evidenced by this Agreement.

“Target” means CheckFree Corporation, a Delaware corporation.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

“Term Loan Facility” means the term loan facility evidenced by the Term Loan Facility Agreement.

“Term Loan Facility Agreement” means that certain Loan Agreement dated as of November 9, 2007 by and among the Company and the lenders and agents from time to time party thereto, as amended, restated, supplemented, replaced or otherwise modified from time to time.

“Term Loan Facility Effective Date” means the “Effective Date” under, and as defined in, the Term Loan Facility Agreement.

“Total Assets” means, as the date of any determination thereof, total assets of a Person calculated in accordance with GAAP on a consolidated basis as of such date.

“Transactions” means the execution, delivery and performance by the Loan Parties of this Agreement and the other Loan Documents, the borrowing of Loans, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

“Trust Business Disposition” is defined in Section 6.03.

“Trust Company Indebtedness” means, with respect to any Trust Company Subsidiary that either (i) is a Subsidiary Guarantor or (ii) does not Guarantee any Indebtedness of the Company or any other Subsidiary (other than another Trust Company Subsidiary), indebtedness of such Trust Company Subsidiary (a) incurred in the ordinary course of its business, (b) in respect of which neither the Borrower nor any other Subsidiary (other than another Trust Company Subsidiary) shall have any obligation or liability, contingent or otherwise, (c) to the extent such indebtedness is not past due in the payment of principal or interest thereon, and (d) to the extent such indebtedness is not in excess of 20% of the consolidated investments of such Trust Company Subsidiary as reflected on its most recent quarterly balance sheet.

“Trust Company Subsidiary” means each of Fiserv Trust Company (formerly known as First Trust Corporation and Lincoln Trust Company) and Trust Industrial Bank, in each case for so long as it retains its powers as a trust company or banking organization under the laws of the United States or any State thereof, together with each wholly-owned Subsidiary thereof.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class e.g., a “Revolving Loan”) or by Type (e.g., a “Eurocurrency Loan”) or by Class and Type (e.g., a “Eurocurrency Revolving Loan”). Borrowings also may be classified and referred to by Class (e.g., a “Revolving Borrowing”) or by Type (e.g., a “Eurocurrency Borrowing”) or by Class and Type (e.g., a “Eurocurrency Revolving Borrowing”).

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms: GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Company notifies the Administrative Agent that the Company requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Company that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make Revolving Loans to the Borrowers in Agreed Currencies from time to time during the Availability Period in an aggregate principal amount that will not, subject to fluctuations in currency exchange rates and Section 2.11.2, result in (a) such Lender's Revolving Credit Exposure exceeding the Dollar Amount of such Lender's Commitment or (b) subject to Section 2.04, the sum of the total Revolving Credit Exposures exceeding the Aggregate Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrowers may borrow, prepay and reborrow Revolving Loans.

SECTION 2.02. Loans and Borrowings. (a) Each Revolving Loan shall be made as part of a Borrowing consisting of Revolving Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.14, each Revolving Borrowing shall be comprised entirely of ABR Loans or Eurocurrency Loans as the relevant Borrower may request in accordance herewith; provided that each ABR Loan shall only be made in Dollars. Each Lender at its option may make any Eurocurrency Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of any Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurocurrency Revolving Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000 (or the Approximate Equivalent Amount of each such amount if such Borrowing is denominated in a Foreign Currency). At the time that each ABR Revolving Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$100,000 and not less than \$1,000,000; provided that an ABR Revolving Borrowing may be in an aggregate amount that is equal to the entire unused balance of the Aggregate Commitment or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e). Each Swingline Loan shall be in an amount that is an integral multiple of \$25,000 and not less than \$100,000. Borrowings of more than one Type and Class may be outstanding at the same time.

(d) Notwithstanding any other provision of this Agreement, no Borrower shall be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Revolving Borrowings. To request a Revolving Borrowing, the applicable Borrower, or the Company on behalf of the applicable Borrower, shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurocurrency Borrowing, not later than 12:00 noon, Local Time, three Business Days (in the case of a Eurocurrency Borrowing denominated in Dollars to the Company) or four Business Days (in the case of a Eurocurrency Borrowing denominated in a Foreign Currency or a Eurocurrency Borrowing to a Foreign Subsidiary Borrower), in each case before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 12:00 noon, Chicago time, on the Business Day of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or teletype to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the applicable Borrower, or the Company on behalf of the applicable Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

- (i) the aggregate amount of the requested Borrowing;
- (ii) the date of such Borrowing, which shall be a Business Day;
- (iii) whether such Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing;
- (iv) in the case of a Eurocurrency Borrowing, the Agreed Currency and initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and
- (v) the location and number of the applicable Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.07.

If no election as to the Type of Revolving Borrowing is specified, then, in the case of a Borrowing denominated in Dollars to the Company, the requested Revolving Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurocurrency Revolving Borrowing, then the relevant Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. Determination of Dollar Amounts. The Administrative Agent will determine the Dollar Amount of:

- a) each Eurocurrency Borrowing as of the date three Business Days prior to the date of such Borrowing or, if applicable, date of conversion/continuation of any Advance as a Eurocurrency Advance,

(b) the LC Exposure as of the date of each request for the issuance, amendment to increase, renewal or extension of any Letter of Credit, and

(c) all outstanding Credit Events on and as of the last Business Day of each calendar month and, during the continuation of an Event of Default, on any other Business Day elected by the Administrative Agent in its discretion or upon instruction by the Required Lenders.

Each day upon or as of which the Administrative Agent determines Dollar Amounts as described in the preceding clauses (a), (b) and (c) is herein described as a "Computation Date" with respect to each Credit Event for which a Dollar Amount is determined on or as of such day, and the Administrative Agent shall notify the Company of all such determinations and related computations on such Computation Date.

SECTION 2.05. Swingline Loans. (a) Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans in Dollars to the Company from time to time during the Availability Period, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding \$40,000,000 or (ii) the Dollar Amount of the total Revolving Credit Exposures exceeding the Aggregate Commitment; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Company may borrow, prepay and reborrow Swingline Loans.

(b) To request a Swingline Loan, the Company shall notify the Administrative Agent of such request by telephone (confirmed by telecopy), not later than 12:00 noon, Chicago time, on the day of a proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the Company. Unless otherwise directed by the Company, the Swingline Lender shall make each Swingline Loan available to the Company by means of a credit to the general deposit account of the Company with the Swingline Lender (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e), by remittance to the relevant Issuing Bank) by 3:00 p.m., Chicago time, on the requested date of such Swingline Loan.

(c) The Swingline Lender may by written notice given to the Administrative Agent not later than 10:00 a.m., Chicago time, on any Business Day require the Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Lender, specifying in such notice such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of the Swingline Lender, such Lender's Applicable Percentage of such Swingline Loan or Loans. Each Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever,

including the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Lenders. The Administrative Agent shall notify the Company promptly of any participations in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Company (or other party on behalf of the Company) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent; any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear; provided that any such payment so remitted shall be repaid to the Swingline Lender or to the Administrative Agent, as applicable, if and to the extent such payment is required to be refunded to the Company for any reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the Company of any default in the payment thereof.

SECTION 2.06. Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, the Company may request the issuance of Letters of Credit (or the amendment, renewal or extension of any outstanding Letter of Credit) denominated in Agreed Currencies for its own account, in a form reasonably acceptable to the Administrative Agent, the Company and the Issuing Bank issuing such Letter of Credit, at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Company to, or entered into by the Company with, an Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control; provided, however, if any Issuing Bank is requested to issue Letters of Credit with respect to a jurisdiction such Issuing Bank deems, in its reasonable judgment, may at any time subject it to a New Money Credit Event or a Country Risk Event, the Issuing Bank shall promptly notify the Company of such determination prior to the issuance of any Letter of Credit, and the Company shall, at the request of such Issuing Bank, guaranty and indemnify such Issuing Bank against any and all costs, liabilities and losses resulting from such New Money Credit Event or Country Risk Event, in each case in a form and substance reasonably satisfactory to such Issuing Bank. The letters of credit issued under one or more of the Existing Credit Agreements and identified on Schedule 2.06 shall be deemed to be "Letters of Credit" issued on the Effective Date for all purposes of the Loan Documents.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Company shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by such Issuing Bank) to the applicable Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying

the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the Agreed Currency applicable thereto, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by any Issuing Bank, the Company also shall submit a letter of credit application in a form agreed to by the Company in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended to increase the amount, renewed or extended only if (and upon issuance, amendment to increase the amount, renewal or extension of each Letter of Credit the Company shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension, but allowing for fluctuations in currency exchange rates and subject to Section 2.11.2, (i) the Dollar Amount of the LC Exposure shall not exceed \$350,000,000 and (ii) subject to Section 2.04, the total Revolving Credit Exposures shall not exceed the Aggregate Commitment.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Maturity Date; provided that, upon the Company's request, any such Letter of Credit may have a later expiry date if cash collateralized or covered by standby letter(s) of credit in compliance with Section 2.06(j) below.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of any Issuing Bank or the Lenders, each Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate Dollar Amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the relevant Issuing Bank, such Lender's Applicable Percentage of each LC Disbursement made by such Issuing Bank and not reimbursed by the Company on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Company for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If any Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Company shall reimburse such LC Disbursement by paying to the Administrative Agent in Dollars the Dollar Amount equal to such LC Disbursement, calculated as of the date such Issuing Bank made such LC Disbursement (or if such Issuing Bank shall so elect in its sole discretion by notice to the Company, in such other Agreed Currency which was paid by such Issuing Bank pursuant to such LC Disbursement in an amount equal to such LC Disbursement) not later than 12:00 noon, Local Time, on the date that such LC Disbursement is made, if the Company shall have received notice of such LC Disbursement prior to 10:00 a.m., Local Time, on such

date, or, if such notice has not been received by the Company prior to such time on such date, then not later than 12:00 noon, Local Time, on (i) the Business Day that the Company receives such notice, if such notice is received prior to 10:00 a.m., Local Time, on the day of receipt, or (ii) the Business Day immediately following the day that the Company receives such notice, if such notice is not received prior to such time on the day of receipt; provided that, subject to the conditions to borrowing set forth herein, such payment shall, automatically and without notice, be financed with (x) if the LC Disbursement is equal to or greater than \$1,000,000, an ABR Revolving Borrowing, or (y) if the LC Disbursement is equal to or greater than \$100,000, a Swingline Loan, in each case in an equivalent Dollar Amount of such LC Disbursement and, to the extent so financed, the Company's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing or Swingline Loan. If the Company fails to make such payment when due, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from the Company in respect thereof and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Lender shall pay to the Administrative Agent its Applicable Percentage of the payment then due from the Company, in the same manner as provided in Section 2.07 with respect to Loans made by such Lender (and Section 2.07 shall apply mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to such Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the Company pursuant to this paragraph, the Administrative Agent shall distribute such payment to such Issuing Bank or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Lenders and such Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse any Issuing Bank for any LC Disbursement (other than the funding of ABR Revolving Loans or a Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the Company of its obligation to reimburse such LC Disbursement. If the Company's reimbursement of, or obligation to reimburse, any amounts in any Foreign Currency would subject the Administrative Agent, any Issuing Bank or any Lender to any stamp duty, ad valorem charge or similar tax that would not be payable if such reimbursement were made or required to be made in Dollars, the Administrative Agent shall promptly notify the Company prior to payment by the Company, and the Company shall, at its option, either (x) pay the amount of any such tax requested by the Administrative Agent, the relevant Issuing Bank or the relevant Lender or (y) reimburse each LC Disbursement made in such Foreign Currency in Dollars, in an amount equal to the Equivalent Amount, calculated using the applicable exchange rates, on the date such LC Disbursement is made, of such LC Disbursement.

(f) Obligations Absolute. The Company's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by any Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Company's

obligations hereunder. Neither the Administrative Agent, the Lenders nor the Issuing Banks, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of an Issuing Bank; provided that the foregoing shall not be construed to excuse any Issuing Bank from liability to the Company to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Company to the extent permitted by applicable law) suffered by the Company that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of an Issuing Bank (as finally determined by a court of competent jurisdiction), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the relevant Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. Each Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Such Issuing Bank shall promptly notify the Administrative Agent and the Company by telephone (confirmed by telecopy) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Company of its obligation to reimburse such Issuing Bank and the Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If any Issuing Bank shall make any LC Disbursement, then, unless the Company shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Company reimburses such LC Disbursement, at the rate per annum then applicable to ABR Revolving Loans (or in the case such LC Disbursement is denominated in a Foreign Currency, at the Overnight Foreign Currency Rate for such Agreed Currency plus the then effective Applicable Rate with respect to Eurocurrency Revolving Loans); provided that, if the Company fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(d) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the relevant Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (e) of this Section to reimburse any Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Replacement of Issuing Bank. Each Issuing Bank may be replaced at any time by written agreement among the Company, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of an Issuing Bank. At the time any such replacement shall become effective, the Company shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Cover. If (x) any Event of Default shall occur and be continuing, on the Business Day that the Company receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph or (y) the Company requests the issuance of a Letter of Credit with an expiry date that is later than the expiry date prescribed in clause (c) of this Section 2.06 (an "Extended Letter of Credit"), the Company shall either (A) cover by arranging for the issuance of one or more standby letters of credit issued by an issuer, and otherwise on terms and conditions, satisfactory to the Administrative Agent or (B) deposit cash in an account with the Administrative Agent, in each case in the name of the Administrative Agent and for the benefit of the Administrative Agent, the Issuing Banks and the Lenders, and in an amount equal to (1) with respect to a Letter of Credit denominated in Dollars, 100% and (2) with respect to a Foreign Currency Letter of Credit, 105%, in each case of the Dollar Amount of the LC Exposure in respect of such Extended Letter of Credit (in the case of the foregoing clause (y)) or in the aggregate (in the case of the foregoing clause (x)) as of such date plus any accrued and unpaid interest thereon; provided that (i) the portions of such amount attributable to undrawn Foreign Currency Letters of Credit or LC Disbursements in a Foreign Currency that the Company is not late in reimbursing shall be covered or deposited in the applicable Foreign Currencies in an amount equal to 105% of the actual amounts of such undrawn Letters of Credit and LC Disbursements and (ii) the obligation to provide such letter(s) of credit cover or deposit such cash collateral shall become effective immediately, and such cover or deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Company described in clause (h) or (i) of Article VII. For the purposes of this paragraph, the Foreign Currency LC Exposure shall be calculated using the applicable exchange rates of the Administrative Agent on the date notice demanding letter of credit cover or cash collateralization is delivered to the Company. The Company also shall deposit cash collateral pursuant to this paragraph as and to the extent required by Section 2.11.2. Any such deposits shall be held by the Administrative Agent as collateral for the payment and performance of the Obligations. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Such deposits shall bear interest, and such deposits shall be invested by the Administrative Agent in direct short term obligations of, or in other short term obligations which are unconditionally guaranteed with respect to all principal

thereof and interest thereon by, the United States of America, in each case maturing no later than the expiry date of the Letter of Credit giving rise to LC Exposure. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse each Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Company for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposure representing greater than 50% of the total LC Exposure), be applied to satisfy other Obligations; provided that at any time that the money remaining in such account exceeds the LC Exposure by \$100,000 or more, the Administrative Agent will, promptly after request therefor by the Company at any time that no Default shall exist, deliver such excess to the Company. If the Company is required to provide an amount of cash collateral or letter of credit cover hereunder as a result of the occurrence of an Event of Default, such amount or letter of credit (to the extent not applied as aforesaid) shall be returned to the Company or the issuer of such letter of credit (as applicable) within three Business Days after all Events of Default have been cured or waived.

(k) Conversion. In the event that the Loans become immediately due and payable on any date pursuant to Article VII, all amounts (i) that the Company is at the time or thereafter becomes required to reimburse or otherwise pay to the Administrative Agent in respect of LC Disbursements made under any Foreign Currency Letter of Credit (other than amounts in respect of which the Company has provided letter of credit cover, or deposited cash collateral, pursuant to paragraph (j) above, if such letter of credit was issued, or cash collateral was deposited, in the applicable Foreign Currency to the extent so deposited or applied), (ii) that the Lenders are at the time or thereafter become required to pay to the Administrative Agent and the Administrative Agent is at the time or thereafter becomes required to distribute to any Issuing Bank pursuant to paragraph (e) of this Section in respect of unreimbursed LC Disbursements made under any Foreign Currency Letter of Credit and (iii) of each Lender's participation in any Foreign Currency Letter of Credit under which an LC Disbursement has been made shall, automatically and with no further action required, be converted into the Dollar Amount, calculated using the Administrative Agent's currency exchange rates on such date (or in the case of any LC Disbursement made after such date, on the date such LC Disbursement is made), of such amounts. On and after such conversion, all amounts accruing and owed to the Administrative Agent, any Issuing Bank or any Lender in respect of the obligations described in this paragraph shall accrue and be payable in Dollars at the rates otherwise applicable hereunder.

SECTION 2.07. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds (i) in the case of Loans denominated in Dollars to the Company, by 1:00 p.m., Chicago time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders and (ii) in the case of each Loan denominated in a Foreign Currency or to a Foreign Subsidiary Borrower, by 1:00 p.m., Local Time, in the city of the Administrative Agent's Eurocurrency Payment Office for such currency and for such Borrower; provided that Swingline Loans shall be made as provided in Section 2.05. The Administrative Agent will make such Loans available to the relevant Borrower by promptly crediting the amounts so received, in like funds, to (x) an account of the Company maintained with the Administrative Agent in New York City or Chicago and designated by the relevant Borrower in the applicable

Borrowing Request, in the case of Loans denominated in Dollars to the Company and (y) an account of such Borrower maintained with the Administrative Agent in the relevant jurisdiction and designated by such Borrower in the applicable Borrowing Request, in the case of Loans denominated in a Foreign Currency or to a Foreign Subsidiary Borrower; provided that ABR Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) shall be remitted by the Administrative Agent to the relevant Issuing Bank.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the relevant Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and such Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation (including without limitation the Overnight Foreign Currency Rate in the case of Loans denominated in a Foreign Currency) or (ii) in the case of such Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.08. Interest Elections. (a) Each Revolving Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurocurrency Revolving Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the relevant Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurocurrency Revolving Borrowing, may elect Interest Periods therefor, all as provided in this Section. A Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section, a Borrower, or the Company on its behalf, shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if such Borrower were requesting a Revolving Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the relevant Borrower, or the Company on its behalf. Notwithstanding any contrary provision herein, this Section shall not be construed to permit any Borrower to (i) change the currency of any Borrowing, (ii) elect an Interest Period for Eurocurrency Loans that does not comply with Section 2.02(d) or (iii) convert any Borrowing to a Borrowing of a Type not available under the Class of Commitments pursuant to which such Borrowing was made.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

- (i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);
- (ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;
- (iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing; and
- (iv) if the resulting Borrowing is a Eurocurrency Borrowing, the Interest Period and Agreed Currency to be applicable thereto after giving effect to such election, which Interest Period shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurocurrency Borrowing but does not specify an Interest Period, then the applicable Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the relevant Borrower fails to deliver a timely Interest Election Request with respect to a Eurocurrency Revolving Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period (i) in the case of a Borrowing denominated in Dollars, such Borrowing shall be converted to an ABR Borrowing and (ii) in the case of a Borrowing denominated in a Foreign Currency, such Borrowing shall automatically continue as a Eurocurrency Borrowing in the same Agreed Currency with an Interest Period of one month unless (x) such Eurocurrency Borrowing is or was repaid in accordance with Section 2.11 or (y) such Borrower shall have given the Administrative Agent an Interest Election Request requesting that, at the end of such Interest Period, such Eurocurrency Borrowing continue as a Eurocurrency Borrowing for the same or another Interest Period. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Company, then, so long as an Event of Default is continuing (i) no outstanding Revolving Borrowing borrowed by the Company may be converted to or continued beyond its then current Interest Period as a Eurocurrency Borrowing and (ii) unless repaid, each Eurocurrency Revolving Borrowing borrowed by the Company shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.09. Termination and Reduction of Commitments. (a) Unless previously terminated, the Commitments shall terminate on the Maturity Date.

(b) The Company may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of \$500,000 and not less than \$5,000,000 and (ii) the Company shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.11, the Dollar Amount of the sum of the Revolving Credit Exposures would exceed the Aggregate Commitment.

(c) The Company shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Company pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Company may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Company (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

SECTION 2.10. Repayment of Loans; Evidence of Debt (a) Each Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan made to such Borrower on the Maturity Date in the currency of such Loan and (ii) in the case of the Company, to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of the Maturity Date and the fifteenth Business Day after the date such Swingline Loan is made.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of each Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class, Agreed Currency and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of any Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it to any Borrower be evidenced by a promissory note. In such event, the relevant Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent and the Company. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.11. Prepayment of Loans.

SECTION 2.11.1. Voluntary Prepayments.

(a) Any Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (b) of this Section.

(b) The applicable Borrower, or the Company on behalf of the applicable Borrower, shall notify the Administrative Agent by telephone (confirmed by telecopy) of any prepayment hereunder (other than a prepayment of a Swingline Loan) (i) in the case of prepayment of a Eurocurrency Revolving Borrowing, not later than 1:00 p.m., Local Time, three Business Days before the date of prepayment or (ii) in the case of prepayment of an ABR Revolving Borrowing, not later than 1:00 p.m., Chicago time, on the date of prepayment. Any prepayment of a Swingline Loan must be made not later than 1:00 p.m., Chicago time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.09, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.09. Promptly following receipt of any such notice relating to a Revolving Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Revolving Borrowing shall be in an amount that would be permitted in the case of an advance of a Revolving Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Revolving Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by (i) accrued interest to the extent required by Section 2.13 and (ii) break funding payments pursuant to Section 2.16.

SECTION 2.11.2. Mandatory Prepayments.

If at any time, (i) other than as a result of fluctuations in currency exchange rates, the sum of the aggregate principal Dollar Amount of all of the Revolving Credit Exposures (calculated, with respect to those Credit Events denominated in Foreign Currencies, as of the most recent Computation Date with respect to each such Credit Event) exceeds the Aggregate Commitment or (ii) solely as a result of fluctuations in currency exchange rates, the sum of the aggregate principal Dollar Amount of all of the Revolving Credit Exposures (as so calculated) exceeds 105% of the Aggregate Commitment, the Borrowers shall, promptly after receipt of written notice from the Administrative Agent, repay Borrowings and, if no Borrowings are then outstanding, cash collateralize LC Disbursements in an account with the Administrative Agent pursuant to Section 2.05(j), in an aggregate principal amount sufficient to eliminate any such excess.

SECTION 2.12. Fees. (a) The Company agrees to pay to the Administrative Agent for the account of each Lender a facility fee, which shall accrue at the Applicable Rate on the daily Dollar Amount of the Commitment of such Lender (whether used or unused) during the period from and including the Effective Date to but excluding the date on which such Commitment terminates; provided that, if such Lender continues to have any Revolving Credit Exposure after its Commitment terminates, then such facility fee shall continue to accrue on the daily Dollar Amount of such Lender's Revolving Credit Exposure from and including the date on which its Commitment terminates to but excluding the date on which such Lender ceases to have any Revolving Credit Exposure. Accrued facility fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof; provided that any facility fees accruing after the date on which the Commitments terminate shall be payable on demand. All facility fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Company agrees to pay (i) to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Rate used to determine the interest rate applicable to Eurocurrency Revolving Loans on the average daily Dollar Amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to each Issuing Bank a fronting fee, which shall accrue at a rate per annum agreed upon between the Company and such Issuing Bank on the average daily Dollar Amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the date on which there ceases to be any LC Exposure, as well as such Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third Business Day following such last day, commencing on the first such date to occur after the Effective Date; provided that all such fees shall be payable on the date on which the Commitments terminate and any such fees accruing after the date on which the Commitments terminate shall be payable promptly after demand. Any other fees payable to any Issuing Bank pursuant to this paragraph shall be payable within 30 days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) The Company agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Company and the Administrative Agent.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds in Dollars (except as expressly provided in this Section), to the Administrative Agent (or to the relevant Issuing Bank, in the case of fees payable to it) for distribution, in the case of facility fees and participation fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

SECTION 2.13. Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate as the same may be increased pursuant to the terms of the definition of "Applicable Rate". Each Swingline Loan shall bear interest at a rate per annum agreed upon between the Company and the Swingline Lender.

(b) The Loans comprising each Eurocurrency Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee payable by any Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any fee, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Revolving Loans, upon termination of the Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurocurrency Revolving Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest (i) computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and (ii) for Borrowings denominated in Pounds Sterling shall be computed on the basis of a year of 365 days, and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurocurrency Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the applicable Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the applicable Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a Eurocurrency Borrowing shall be ineffective and (ii) if any Borrowing Request requests a Eurocurrency Revolving Borrowing, such Borrowing shall be made as an ABR Borrowing; provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then the other Type of Borrowings shall be permitted.

SECTION 2.15. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or any Issuing Bank; or

(ii) impose on any Lender or any Issuing Bank or the London interbank market any other condition affecting this Agreement or Eurocurrency Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurocurrency Loan or of maintaining its obligation to make any such Loan (including, without limitation, pursuant to any conversion of any Borrowing denominated in an Agreed Currency into a Borrowing denominated in any other Agreed Currency) or to increase the cost to such Lender or Issuing Bank of participating in, issuing or maintaining any Letter of Credit (including, without limitation, pursuant to any conversion of any Borrowing denominated in an Agreed Currency into a Borrowing denominated in any other Agreed Currency) or to reduce the amount of any sum received or receivable by such Lender or Issuing Bank hereunder, whether of principal, interest or otherwise (including, without limitation, pursuant to any conversion of any Borrowing denominated in an Agreed Currency into a Borrowing denominated in any other Agreed Currency), then the applicable Borrower will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or Issuing Bank reasonably determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or Issuing Bank's capital or on the capital of such Lender's or

Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or Issuing Bank's policies and the policies of such Lender's or Issuing Bank's holding company with respect to capital adequacy), then from time to time the applicable Borrower will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or an Issuing Bank setting forth in reasonable detail the computation of the amount or amounts necessary to compensate such Lender or Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Company contemporaneously with any demand for payment hereunder and shall be conclusive absent manifest error. The Company shall pay, or cause the other Borrowers to pay, such Lender or Issuing Bank, as the case may be, the amount shown as due on any such certificate within 30 days after receipt thereof.

(d) Failure or delay on the part of any Lender or Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or Issuing Bank's right to demand such compensation; provided that the Company shall not be required to compensate a Lender or an Issuing Bank pursuant to this Section for any increased costs or reductions if such Lender or such Issuing Bank fails to notify the Company within 90 days after it obtains actual knowledge (or, in the exercise of ordinary due diligence, should have obtained actual knowledge) and such Lender and such Issuing Bank shall only be entitled to receive such compensation for any losses incurred by it or amounts to which it would otherwise be entitled from and after the date 90 days prior to the date such Lender or such Issuing Bank provided notice thereof to the Company of the Change in Law giving rise to such increased costs or reductions and of such Lender's or Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 90-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Eurocurrency Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or as a result of any prepayment pursuant to Section 2.11), (b) the conversion of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurocurrency Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(b) and is revoked in accordance therewith) or (d) the assignment of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Company pursuant to Section 2.19, then, in any such event, the applicable Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. Such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the

period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits in the relevant currency of a comparable amount and period from other banks in the eurocurrency market. A certificate of any Lender setting forth the computation in reasonable detail of any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the applicable Borrower contemporaneously with the demand for payment and shall be conclusive absent manifest error. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate within 30 days after receipt thereof.

SECTION 2.17. Taxes. (a) Any and all payments by or on account of any obligation of each Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if any Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent, Lender or Issuing Bank (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower shall make such deductions and (iii) such Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law. In the event that any such deduction or withholding can be reduced or nullified as a result of the application of any relevant double taxation convention, the Lenders, the Issuing Banks and the Administrative Agent will, at the expense of the Company, cooperate with the Company in making application to the relevant taxing authorities seeking to obtain such reduction or nullification, provided, however, that the Lenders, the Issuing Bank and the Administrative Agent shall have no obligation to (i) engage in litigation with respect thereto or (ii) disclose any tax return or other confidential information.

(b) In addition, each Borrower shall pay any Other Taxes related to such Borrower to the relevant Governmental Authority in accordance with applicable law.

(c) The relevant Borrower shall indemnify the Administrative Agent, each Lender and each Issuing Bank, within 30 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent, such Lender or such Issuing Bank, as the case may be, on or with respect to any payment by or on account of any obligation of such Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability together with a supporting document shall be delivered to the Company by a Lender or an Issuing Bank, or by the Administrative Agent on its own behalf or on behalf of a Lender or an Issuing Bank contemporaneously with any demand for payment, and shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by any Borrower to a Governmental Authority, such Borrower shall deliver to the Administrative Agent the original or a copy of a receipt issued, if available, by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which a Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to such Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by such Borrower as will permit such payments to be made without withholding or at a reduced rate.

(f) If the Administrative Agent or a Lender determines that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrowers or with respect to which a Borrower has paid additional amounts pursuant to this Section 2.17, it shall pay over such refund to such Borrower. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to any Borrower or any other Person. Notwithstanding any provision herein to the contrary, the Company shall have no obligation to pay to any Lender or any Issuing Bank any amount which the Company is liable to withhold due to the failure of such Lender or such Issuing Bank, as the case may be, to file any statement of exemption required by the Code.

SECTION 2.18. Payments Generally; Pro Rata Treatment; Sharing of Set-offs

(a) Each Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to (i) in the case of payments denominated in Dollars by the Company, 1:00 p.m., Chicago time and (ii) in the case of payments denominated in a Foreign Currency or by a Foreign Subsidiary Borrower, 1:00 p.m., Local Time, in the city of the Administrative Agent's Eurocurrency Payment Office for such currency, in each case on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made (i) in the same currency in which the applicable Credit Event was made (or where such currency has been converted to euro, in euro) and (ii) to the Administrative Agent at its offices at 131 South Dearborn Street, Chicago, Illinois 60603 or, in the case of a Borrowing denominated in a Foreign Currency or to a Foreign Subsidiary Borrower, the Administrative Agent's Eurocurrency Payment Office, except payments to be made directly to an Issuing Bank or Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments denominated in the same currency received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon

shall be payable for the period of such extension. Notwithstanding the foregoing provisions of this Section, if, after the making of any Credit Event in any Foreign Currency, currency control or exchange regulations are imposed in the country which issues such currency with the result that the type of currency in which the Credit Event was made (the "Original Currency") no longer exists or any Borrower is not able to make payment to the Administrative Agent for the account of the Lenders in such Original Currency, then all payments to be made by such Borrower hereunder in such currency shall instead be made when due in Dollars in an amount equal to the Dollar Amount (as of the date of repayment) of such payment due, it being the intention of the parties hereto that the Borrowers take all risks of the imposition of any such currency control or exchange regulations.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans and participations in LC Disbursements and Swingline Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans and participations in LC Disbursements and Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans and participations in LC Disbursements and Swingline Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by any Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements and Swingline Loans to any assignee or participant, other than to the Company or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the relevant Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or an Issuing Bank hereunder that such Borrower will not make such payment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or such Issuing Bank, as the case may be, the amount due. In such event, if such Borrower has not in fact made such payment, then each of the Lenders or such Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.05(c), 2.06(d) or (e), 2.07(b), 2.18(d) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.15, or if any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be materially disadvantageous to such Lender. The Company hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.15, or if any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, or if any Lender defaults in its obligation to fund Loans hereunder, or if any Lender shall determine that any law, regulation or treaty or directive, or any change therein or in the interpretation or application thereof, shall make it unlawful for such Lender to make or maintain any Eurocurrency Loans as contemplated by this Agreement, then the Company may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under the Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) such Lender is reasonably acceptable to the Administrative Agent and (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Company (in the case of all other amounts).

SECTION 2.20. Increase of Commitments. At any time and from time to time, but not more than five (5) times during the term of this Agreement, the Company may request that the Aggregate Commitment be increased; provided that (i) the Aggregate Commitment shall at no time exceed \$1,250,000,000 and (ii) such request shall be in a minimum amount of \$50,000,000. Such request shall be made in a written notice given to the Administrative Agent and the Lenders by the Company not less than ten (10) Business Days prior to the proposed effective date of such increase, which notice (a "Commitment Increase Notice") shall specify the amount of the proposed increase in the Aggregate Commitment and the proposed effective date of such increase. The Company may notify the Administrative Agent of any financial institution that shall have agreed to become a "Lender" party hereto (a "Proposed New Lender") in connection with the Commitment Increase Notice and any Proposed New Lender shall be reasonably acceptable to the Administrative Agent. The Administrative Agent shall notify the Company and the Lenders on or before the Business Day immediately prior to the proposed effective date of the amount of each Lender's and Proposed New Lender's Commitment (the "Effective Commitment Amount") and the amount of the Aggregate Commitment, which amount shall be effective on the following Business Day. Any increase in the Aggregate Commitment shall be subject to the following conditions precedent: (A) as of the date of the Commitment Increase Notice and as of the proposed effective date of the increase in the Aggregate Commitment, all representations and warranties under Article III shall be true and correct in all material respects as though made on such date or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date (except for representations and warranties for which exceptions thereto have been disclosed in writing to the Administrative Agent and which have been approved in writing by the Required Lenders) and no event shall have occurred and then be continuing which constitutes a Default or Event of Default, (B) the Borrowers, the Administrative Agent and each Proposed New Lender or Lender that shall have agreed to provide a "Commitment" in support of such increase in the Aggregate Commitment shall have executed and delivered a "Commitment and Acceptance" substantially in the form of Exhibit C, (C) counsel for the Borrowers shall have provided to the Administrative Agent supplemental opinions in form and substance reasonably satisfactory to the Administrative Agent and (D) the Borrowers and the Proposed New Lender shall otherwise have executed and delivered such other instruments and documents as may be required under Article IV or that the Administrative Agent shall have reasonably requested in connection with such increase. The Administrative Agent shall, with the consent of the Company, reallocate the Revolving Credit Exposures on the effective date of such increase ratably among the Lenders (including new Lenders) after giving effect to such increase. The Company hereby agrees to compensate each Lender for all losses, expenses and liabilities incurred by such Lender in connection with the sale and assignment of any Eurocurrency Loan hereunder on the terms and in the manner as set forth in Section 2.16 hereof. Upon satisfaction of the conditions precedent to any increase in the Aggregate Commitment, the Administrative Agent shall promptly advise the Company and each Lender of the effective date of such increase. Upon the effective date of any increase in the Aggregate Commitment that is supported by a Proposed New Lender, such Proposed New Lender shall be a party to this Agreement as a Lender and shall have the rights and obligations of a Lender hereunder. Nothing contained herein shall constitute, or otherwise be deemed to be, a commitment on the part of any Lender to increase its Commitment at any time.

SECTION 2.21. Market Disruption. Notwithstanding the satisfaction of all conditions referred to in Article II and Article IV with respect to any Credit Event to be effected in any Foreign Currency, if (i) there shall occur on or prior to the date of such Credit Event any change in national or international financial, political or economic conditions or currency exchange rates or exchange controls which would in the reasonable opinion of the Administrative Agent, the relevant Issuing Bank (if such Credit Event is a Letter of Credit) or the Required Lenders make it impracticable for the Eurocurrency Borrowings or Letters of Credit comprising such Credit Event to be denominated in the Agreed Currency specified by the applicable Borrower or (ii) an Equivalent Amount of such currency is not readily calculable, then the Administrative Agent shall forthwith give notice thereof to such Borrower, the Lenders and, if such Credit Event is a Letter of Credit, the relevant Issuing Bank, and such Credit Events shall not be denominated in such Agreed Currency but shall, except as otherwise set forth in Section 2.07, be made on the date of such Credit Event in Dollars, (a) if such Credit Event is a Borrowing, in an aggregate principal amount equal to the Dollar Amount of the aggregate principal amount specified in the related Credit Event Request or Interest Election Request, as the case may be, as ABR Loans, unless such Borrower notifies the Administrative Agent prior to the occurrence of such Credit Event that (i) it elects not to borrow on such date or (ii) it elects to borrow on such date in a different Agreed Currency, as the case may be, in which the denomination of such Loans would in the reasonable opinion of the Administrative Agent and the Required Lenders be practicable and in an aggregate principal amount equal to the Dollar Amount of the aggregate principal amount specified in the related Credit Event Request or Interest Election Request, as the case may be or (b) if such Credit Event is a Letter of Credit, in a face amount equal to the Dollar Amount of the face amount specified in the related request or application for such Letter of Credit, unless such Borrower notifies the Administrative Agent prior to the occurrence of such Credit Event that (i) it elects not to request the issuance of such Letter of Credit on such date or (ii) it elects to have such Letter of Credit issued on such date in a different Agreed Currency, as the case may be, in which the denomination of such Letter of Credit would in the reasonable opinion of the Issuing Bank which has issued such Letter of Credit, the Administrative Agent and the Required Lenders be practicable and in face amount equal to the Dollar Amount of the face amount specified in the related request or application for such Letter of Credit, as the case may be.

SECTION 2.22. Judgment Currency. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from any Borrower hereunder in the currency expressed to be payable herein (the "specified currency") into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the specified currency with such other currency at the Administrative Agent's main New York City office on the Business Day preceding that on which final, non-appealable judgment is given. The obligations of each Borrower in respect of any sum due to any Lender or the Administrative Agent hereunder shall, notwithstanding any judgment in a currency other than the specified currency, be discharged only to the extent that on the Business Day following receipt by such Lender or the Administrative Agent (as the case may be) of any sum adjudged to be so due in such other currency such Lender or the Administrative Agent (as the case may be) may in accordance with normal, reasonable

banking procedures purchase the specified currency with such other currency. If the amount of the specified currency so purchased is less than the sum originally due to such Lender or the Administrative Agent, as the case may be, in the specified currency, each Borrower agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or the Administrative Agent, as the case may be, against such loss, and if the amount of the specified currency so purchased exceeds (a) the sum originally due to any Lender or the Administrative Agent, as the case may be, in the specified currency and (b) any amounts shared with other Lenders as a result of allocations of such excess as a disproportionate payment to such Lender under Section 2.18, such Lender or the Administrative Agent, as the case may be, agrees to remit such excess to such Borrower.

SECTION 2.23. Designation of Foreign Subsidiary Borrowers. The Company may at any time and from time to time designate any Eligible Foreign Subsidiary as a Foreign Subsidiary Borrower by delivery to the Administrative Agent of a Borrowing Subsidiary Agreement executed by such Subsidiary and the Company and the satisfaction of the other conditions precedent set forth in Section 4.03, and upon such delivery and satisfaction such Subsidiary shall for all purposes of this Agreement be a Foreign Subsidiary Borrower and a party to this Agreement until the Company shall have executed and delivered to the Administrative Agent a Borrowing Subsidiary Termination with respect to such Subsidiary, whereupon such Subsidiary shall cease to be a Foreign Subsidiary Borrower and a party to this Agreement. Notwithstanding the preceding sentence, no Borrowing Subsidiary Termination will become effective as to any Foreign Subsidiary Borrower at a time when any principal of or interest on any Loan to such Borrower shall be outstanding hereunder, provided that such Borrowing Subsidiary Termination shall be effective to terminate the right of such Foreign Subsidiary Borrower to make further Borrowings under this Agreement. As soon as practicable upon receipt of a Borrowing Subsidiary Agreement, the Administrative Agent shall furnish a copy thereof to each Lender.

SECTION 2.24. Termination of Commitments under Existing Credit Agreements. Each of the signatories hereto that is also a party to an Existing Credit Agreement hereby agrees that, as of the Effective Date, all of the commitments to extend credit under each Existing Credit Agreement to which such signatory is a party will be terminated automatically, each such Existing Credit Agreement shall be terminated and of no further force or effect and any and all conditions precedent or required notice periods in connection with such termination are hereby waived and of no further force and effect.

ARTICLE III

Representations and Warranties

Each Borrower represents and warrants to the Lenders that:

SECTION 3.01. Existence and Power. Each of the Company and its Material Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, has all requisite power and authority to own its Property and to carry on its business as now conducted, and each of the Company and its Subsidiaries is in good standing and authorized to do business in each jurisdiction in which the failure so to qualify could reasonably be expected to have a Material Adverse Effect.

SECTION 3.02. Authority. Each Loan Party has full power and authority to enter into, execute, deliver and perform the terms of the Loan Documents to which it is a party, all of which have been duly authorized by all proper and necessary corporate or other entity action and are in full compliance with its certificate of incorporation, by-laws or other comparable documents. No consent or approval of, or other action by, shareholders or other equity owners of any Loan Party, any Governmental Authority or any other Person, which has not already been obtained, (a) is required to authorize the execution, delivery or performance by any Loan Party of the Loan Documents to which it is a party, (b) except for the filing of the Loan Documents with the SEC, is required of the Company or any Subsidiary in connection with the execution and delivery by the Company or such Subsidiary of the Loan Documents to which it is a party, or (c) is required as a condition to the enforceability against any Loan Party of the Loan Documents to which it is a party.

SECTION 3.03. Binding Agreements. The Loan Documents constitute the valid and legally binding obligations of the Loan Parties, enforceable in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by equitable principles relating to the availability of specific performance as a remedy.

SECTION 3.04. Litigation. (a) Except as set forth on Schedule 3.04 and in the Company's filings on Forms 10K, 10Q or 8K, there are no actions, suits or arbitration proceedings pending or, to the knowledge of the Company, threatened against the Company or any Subsidiary, at law or in equity, before any Governmental Authority which could reasonably be expected to have a Material Adverse Effect.

(b) There are no proceedings pending or, to the knowledge of the Company, threatened against the Company or any Subsidiary (i) which call into question the validity or enforceability of, or otherwise seek to invalidate, any Loan Document, or (ii) which would reasonably be expected to, individually or in the aggregate, materially and adversely affect any of the transactions contemplated by any Loan Document.

SECTION 3.05. No Conflicting Agreements. (a) Neither the Company nor any Subsidiary is in default under any existing mortgage, indenture, contract, or agreement to which it is a party or by which it or any of its Property is bound the effect of which could reasonably be expected to have a Material Adverse Effect. No notice to, or filing with, any Governmental Authority is required for the due execution or delivery (except for the filing of the Loan Documents with the SEC promptly thereafter) or performance by any Loan Party of the Loan Documents to which it is a party other than those notices or filings which have been given and filed, as the case may be.

(b) No provision of any existing mortgage, indenture, material contract, material agreement or material instrument evidencing Indebtedness, in each case binding on the Company or any Material Subsidiary or affecting the Property of the Company

or any Material Subsidiary, and no provision of any statute, rule, regulation, judgment, decree or order binding on the Company or any Material Subsidiary or affecting the Property of the Company or any Material Subsidiary conflicts with, or requires any consent which has not already been obtained under, or would in any way prevent the execution, delivery or performance by any Loan Party of the terms of, any Loan Document. The execution, delivery or performance by each Loan Party of the terms of each Loan Document to which it is a party will not constitute a default under, or result in the creation or imposition of, or obligation to create, any Lien (other than any Lien permitted under Section 6.02) upon the Property of the Company or any Material Subsidiary pursuant to the terms of any mortgage, indenture, material contract, material agreement or material instrument evidencing Indebtedness binding on the Company or any Material Subsidiary or affecting the Property of the Company or any Material Subsidiary.

SECTION 3.06. Taxes. The Company and each Subsidiary has filed or caused to be filed all tax returns, and has paid, or has made adequate provision for the payment of, all taxes shown to be due and payable on said returns or in any assessments made against them, the failure of which to file or pay could reasonably be expected to have a Material Adverse Effect.

SECTION 3.07. Governmental Regulations. Neither the Company nor any Subsidiary nor any corporation controlling the Company or any Subsidiary or under common control with the Company or any Subsidiary is subject to regulation under the Investment Company Act of 1940.

SECTION 3.08. Federal Reserve Regulations; Use of Loan Proceeds. None of the Borrowers is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. After giving effect to the making of each Loan, and the issuance of each Letter of Credit, Margin Stock will constitute less than 25% of the assets (as determined by any reasonable method) of the Company and the Subsidiaries. None of the Borrowers have used or will use the proceeds of the Loans for any purpose other than their respective general corporate purposes (including refinancing existing Indebtedness and, in the case of the Company, repurchases of the Company's Stock, in each case to the extent not inconsistent with the terms hereof). Anything in this Agreement to the contrary notwithstanding, no Lender shall be obligated to extend credit to any Borrower (i) in violation of any limitation or prohibition provided by any applicable law, regulation or statute, including Regulations U or X of the Board or (ii) to fund any tender offer for, or other Acquisition of, Stock issued by any other Person with a view towards attaining Control of such other Person at a time when the board of directors or other similar managing body of such Person shall not have approved of such attainment of Control.

SECTION 3.09. Disclosure. None of the Information Memorandum, any Loan Document or any material information delivered hereunder or thereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; provided that, with respect to projected financial information, the Company represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

SECTION 3.10. Plans. Each Employee Benefit Plan of the Company, each Subsidiary and each ERISA Affiliate is in compliance with ERISA and the Code, where applicable, except to the extent that non-compliance would not reasonably be expected to have a Material Adverse Effect. The Company, each Subsidiary and each ERISA Affiliate have complied with the requirements of Section 515 of ERISA with respect to each Pension Plan which is a Multiemployer Plan, except to the extent that non-compliance would not reasonably be expected to have a Material Adverse Effect. The Company, each Subsidiary and each ERISA Affiliate has, as of the date hereof, made all contributions or payments to or under each such Pension Plan required by law or the terms of such Pension Plan or any contract or agreement, except to the extent that non-compliance would not reasonably be expected to have a Material Adverse Effect. No liability to the PBGC has been, or is expected by the Company, any Subsidiary or any ERISA Affiliate to be, incurred by the Company, any Subsidiary or any ERISA Affiliate, except to the extent that such liability, individually or in the aggregate, is not in excess of \$100,000,000. Liability, as referred to in this Section 3.10, includes any joint and several liability. Each Employee Benefit Plan which is a group health plan within the meaning of Section 5000(b)(1) of the Code is in material compliance with the continuation of health care coverage requirements of Section 4980B and 4980D of the Code, except to the extent that non-compliance would not reasonably be expected to have a Material Adverse Effect.

SECTION 3.11. Environmental Matters. Except as set forth in Schedule 3.11 and except as would not reasonably be expected to have a Material Adverse Effect, (a) the Company and each Subsidiary possess all Environmental Permits currently required under applicable Environmental Laws to conduct their respective businesses and are, and within applicable statutes of limitation, have been, in compliance with the terms and conditions of such Environmental Permits, nor has the Company or any Subsidiary received written notice that any Environmental Permits possessed by any of them will be revoked, suspended or will not be renewed; (b) the Company and each Subsidiary is currently, and within applicable statutes of limitation, have been, in compliance with all applicable Environmental Laws; (c)(i) the Company has not received notice of any civil, criminal or administrative action, suit, demand, claim, hearing, notice of violation, investigation, notice or demand letter or request for information pending or threatened under any Environmental Law against the Company or any Subsidiary, and (ii) the Company has not received notice of actual or potential liability under any Environmental Law that has not been resolved, including, but not limited to, any liability that the Company or any Subsidiary may have retained or assumed either contractually or by operation of law; (d) as of the date hereof, no property or facility currently, or to the best of the Company's knowledge, formerly owned, operated or leased by the Company or any present or former Subsidiary, or by any respective predecessor in interest, is listed or proposed for listing on the National Priorities List or CERCLIS, both promulgated under the CERCLA, or on any comparable foreign or state list established under any Environmental Law; (e)(i) there has been no disposal, spill, discharge or release of any Hazardous Material generated, used, owned, stored or controlled by the Company, any Subsidiary or respective predecessors in interest, on, at or under any property presently or formerly owned, leased or operated by the Company, any Subsidiary or any predecessor in interest; and (ii) there are no Hazardous Materials located in, at, on or under such facility or property, or at any other location, in either case, that could reasonably be expected to require investigation, removal, remedial or corrective action by the Company or that would reasonably likely result in liabilities of, or losses, damages or costs to the Company under any Environmental Law; (f)(i) there has not been any underground or aboveground

storage tank or other underground storage receptacle or related piping, or any impoundment or other disposal area in each case containing Hazardous Materials located on any facility or property owned, leased or operated by the Company, any Subsidiary or respective predecessors in interest except in compliance with Environmental Laws during the period of such ownership, lease or operation, and (ii) no asbestos or polychlorinated biphenyls have been used or disposed of, or have been located at, on or under any such facility or property during the period of such ownership, lease or operation, except in compliance with Environmental Laws; and (g) no lien has been recorded against any properties, assets or facilities currently owned, leased or operated by the Company or any Subsidiary under any Environmental Law.

SECTION 3.12. Financial Statements. (a) The Company has heretofore delivered to the Lenders copies of its audited Consolidated Balance Sheet as of December 31, 2005, and the related Consolidated Statement of Income and Retained Earnings, and Consolidated Statement of Cash Flows, for the fiscal year then ended (collectively, together with the related notes and schedules, the "Financial Statements"). The Financial Statements fairly present the Consolidated financial condition and results of the operations of the Company and the Subsidiaries as of the dates and for the periods indicated therein and have been prepared in conformity with GAAP as then in effect.

(b) Since December 31, 2005, there has been no material adverse change in the financial condition, operations, business or assets of the Company and its Subsidiaries on a Consolidated basis.

SECTION 3.13. Material Subsidiaries; Capital Stock. As of the date of this Agreement, each Material Subsidiary of the Company is set forth on Schedule 3.13. The shares of each Material Subsidiary are duly authorized, validly issued, fully paid and, except to the extent that the law of the State of Wisconsin may require assessment of each shareholder of a Material Subsidiary for an amount not exceeding the lesser of the par value of the shares held by such shareholder and the unpaid wages owed by such Material Subsidiary, nonassessable.

SECTION 3.14. Holding Company Status. Neither the Company nor any Subsidiary is a Holding Company.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received from (i) each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this

Agreement and (ii) each initial Subsidiary Guarantor either (A) a counterpart of the Subsidiary Guaranty signed on behalf of such Subsidiary Guarantor or (B) written evidence satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of the Subsidiary Guaranty) that such Subsidiary Guarantor has signed a counterpart of the Subsidiary Guaranty.

(b) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of (i) Foley & Lardner LLP, special counsel for the Loan Parties and (ii) Charles W. Sprague, General Counsel of the Loan Parties, substantially in the form of Exhibits B-1 and B-2, respectively, and covering such other matters relating to the Loan Parties, this Agreement or the Transactions as the Required Lenders shall reasonably request. The Company hereby requests such counsel to deliver such opinion.

(c) The Lenders shall have received (i) reasonably satisfactory audited consolidated financial statements of the Company for the two most recent fiscal years ended prior to the Effective Date as to which such financial statements are available and (ii) reasonably satisfactory unaudited interim consolidated financial statements of the Company for each quarterly period ended subsequent to the date of the latest financial statements delivered pursuant to clause (i) of this paragraph as to which such financial statements are available.

(d) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the initial Loan Parties, the authorization of the Transactions and any other legal matters relating to such Loan Parties, the Loan Documents or the Transactions, all in form and substance satisfactory to the Administrative Agent and its counsel and as further described in the list of closing documents attached as Exhibit D.

(e) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Company, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(f) The Administrative Agent shall have received evidence satisfactory to it that all of the Initial Borrowers' existing credit facilities (including without limitation, under the Existing Credit Agreements) shall have been cancelled and terminated and all indebtedness thereunder shall have been fully repaid (except to the extent being so repaid with the initial Revolving Loans or otherwise permitted to be outstanding pursuant to Section 6.01) or otherwise hereunder.

(g) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Company hereunder.

The Administrative Agent shall notify the Company and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan, and of the Issuing Banks to issue, increase, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrowers set forth in this Agreement (other than the representations contained in Section 3.04(a) and 3.12(b)) shall be true and correct on and as of the date of such Loan (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date) or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable.

(b) At the time of and immediately after giving effect to such Loan or the issuance, amendment to increase, renewal or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing.

(c) In the case of a Loan or Letter of Credit denominated in a Foreign Currency or to a Foreign Subsidiary Borrower, no law or regulation shall prohibit, and no order, judgment or decree of any Governmental Authority shall enjoin, prohibit or restrain, any Lender from making the requested Loan or any Issuing Bank or any Lender from issuing, renewing, extending or increasing the face amount of or participating in the Letter of Credit requested to be issued, renewed, extended or increased.

Each Loan and each issuance, amendment to increase, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrowers on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

SECTION 4.03. Designation of a Foreign Subsidiary Borrower. The designation of a Foreign Subsidiary Borrower pursuant to Section 2.23 is subject to the condition precedent that the Company or such proposed Foreign Subsidiary Borrower shall have furnished or caused to be furnished to the Administrative Agent:

(a) Copies, certified by the Secretary or Assistant Secretary of such Subsidiary, of its Board of Directors' resolutions (and resolutions of other bodies, if any are deemed necessary by counsel for the Administrative Agent) approving the Borrowing Subsidiary Agreement and any other Loan Documents to which such Subsidiary is becoming a party;

(b) An incumbency certificate, executed by the Secretary or Assistant Secretary of such Subsidiary, which shall identify by name and title and bear the signature of the officers of such Subsidiary authorized to request Borrowings hereunder and sign the Borrowing Subsidiary Agreement and the other Loan Documents to which such Subsidiary is becoming a party, upon which certificate the Administrative Agent and the Lenders shall be entitled to rely until informed of any change in writing by the Company or such Subsidiary;

(c) Opinions of counsel to such Subsidiary (which may include inside counsel to such Subsidiary for certain matters), in form and substance reasonably satisfactory to the Administrative Agent and its counsel, with respect to the laws of its jurisdiction of organization and such other matters as are reasonably requested by counsel to the Administrative Agent and addressed to the Administrative Agent and the Lenders;

(d) Any promissory notes requested by any Lender, and any other instruments and documents reasonably requested by the Administrative Agent; and

(e) The Administrative Agent shall have received evidence satisfactory to it that all of such Foreign Subsidiary Borrower's then existing credit facilities shall have been cancelled and terminated and all indebtedness thereunder shall have been fully repaid (except to the extent being so repaid with the initial Revolving Loans to such Borrower or otherwise permitted to be outstanding pursuant to Section 6.01).

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired, terminated, been collateralized or otherwise been covered by a letter of credit as permitted herein and all LC Disbursements shall have been reimbursed, each Borrower covenants and agrees with the Lenders that such Borrower will:

SECTION 5.01. Legal Existence. Except as may otherwise be permitted by Sections 6.03 and 6.04, maintain, and cause each Subsidiary to maintain, its corporate existence in good standing in the jurisdiction of its incorporation or formation and in each other jurisdiction in which the failure so to do could reasonably be expected to have a Material Adverse Effect.

SECTION 5.02. Taxes. Pay and discharge when due, and cause each Subsidiary so to do, all taxes, assessments, governmental charges, license fees and levies upon or with respect to the Company and such Subsidiary, and upon the income, profits and Property thereof unless, and only to the extent, that (a)(i) such taxes, assessments, governmental charges, license fees and levies shall be contested in good faith and by appropriate proceedings diligently conducted by the Company or such Subsidiary, and (ii) such reserve or other appropriate provision as shall be required by GAAP shall have been made therefor, or (b) the failure so to do would not have a Material Adverse Effect.

SECTION 5.03. Insurance. Maintain, and cause each Material Subsidiary to maintain, insurance with financially sound insurance carriers against at least such risks, and in at least such amounts, as are usually insured against by similar businesses, including business interruption, public liability (bodily injury and property damage), fidelity, workers' compensation and property insurance, except to the extent that the failure so to do could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.04. Performance of Obligations. Pay and discharge promptly when due, and cause each Subsidiary so to do, all lawful Indebtedness, obligations and claims for labor, materials and supplies or otherwise which, if unpaid, could reasonably be expected to have a Material Adverse Effect, provided that neither the Company nor such Subsidiary shall be required to pay or discharge or cause to be paid or discharged any such Indebtedness, obligation or claim so long as (i) the validity thereof shall be contested in good faith and by appropriate proceedings diligently conducted by the Company or such Subsidiary, and (ii) such reserve or other appropriate provision as shall be required by GAAP shall have been made therefor.

SECTION 5.05. Condition of Property. Except as permitted by Sections 6.03 and 6.04 and for ordinary wear and tear, at all times, maintain, protect and keep in good repair, working order and condition, all Property used or useful in the operation of its business (other than Property which is replaced with similar Property), and cause each Subsidiary so to do, except to the extent that the failure to do so would not have a Material Adverse Effect.

SECTION 5.06. Observance of Legal Requirements. Observe and comply in all material respects, and cause each Subsidiary so to do, with all laws, ordinances, orders, judgments, rules, regulations, certifications, franchises, permits, licenses, directions and requirements of all Governmental Authorities, which now or at any time hereafter may be applicable to it or to such Subsidiary, a violation of which would reasonably be expected to have a Material Adverse Effect.

SECTION 5.07. Financial Statements and Other Information. Furnish to the Administrative Agent:

(a) As soon as available and, in any event, within 90 days after the close of each fiscal year, a copy of (x) the Company's 10-K in respect of such fiscal year, and (y) (i) the Company's Consolidated Balance Sheet as of the end of such fiscal year, and (ii) the related Consolidated Statement of Income and Retained Earnings, and Consolidated Statement of Cash Flows, as of and through the end of such fiscal year, setting forth in each case in comparative form the corresponding figures in respect of the previous fiscal year, all in reasonable detail, and accompanied by a report of the Company's auditors, which report shall state that (A) such auditor has audited such financial statements, (B) such audit was made in accordance with generally accepted auditing standards in effect at the time and provides a reasonable basis for such opinion, and (C) said financial statements have been prepared in accordance with GAAP (provided that, notwithstanding the foregoing, such report may be with reference to such financial statements which have given effect to the consolidation of any FIN 46 Entities with the Company);

(b) Simultaneously with the delivery of the certified statements required by paragraph (a) of this Section, copies of a certificate of the Company's auditors (i) expressing their opinion that the computations by the Company (which computations shall accompany such certificate and shall be in reasonable detail) show compliance with Section 6.08 and are in accordance with such Section, and (ii) stating that, in making the examination necessary for their audit of the financial statements of the Company for such

fiscal year, nothing came to their attention of a financial or accounting nature that caused them to believe that there shall have occurred any condition or event which would constitute a Default or an Event of Default, or, if so, specifying in such certificate all such Defaults or Events of Default and the nature and status thereof;

(c) As soon as available, and in any event within 45 days after the end of each of the first three fiscal quarters of each fiscal year, a copy of (x) the Company's 10-Q in respect of such fiscal quarter, and (y) (i) the Company's Consolidated Balance Sheet as of the end of such quarter, and (ii) the related Consolidated Statement of Income and Retained Earnings, and Consolidated Statement of Cash Flows for (A) such quarter, and (B) the period from the beginning of the then current fiscal year to the end of such quarter, in each case in comparable form with the prior fiscal year, all in reasonable detail and prepared in accordance with GAAP (without footnotes and subject to normal year-end and audit adjustments);

(d) (i) Simultaneously with the delivery of the financial statements required by Section 5.07(c), a certificate of a Financial Officer of the Company certifying that no Default or Event of Default shall have occurred and be continuing or, if so, specifying in such certificate all such Defaults and Events of Default, and setting forth computations in reasonable detail demonstrating compliance with Section 6.08, and (ii) simultaneously with the delivery of the financial statements required by Section 5.07(a) or 5.07(c), as the case may be, a Compliance Certificate, as of the fiscal period then ended, certified by a Financial Officer of the Company;

(e) Upon an executive officer of the Company becoming aware thereof, prompt written notice of: (i) any citation, summons, subpoena, order to show cause or other order naming the Company or any Subsidiary a party to any proceeding before any Governmental Authority which could reasonably be expected to have a Material Adverse Effect, and include with such notice a copy of such citation, summons, subpoena, order to show cause or other order, (ii) any lapse or other termination of any license, permit, franchise or other authorization issued to the Company or any Subsidiary by any Governmental Authority, (iii) any refusal by any Governmental Authority to renew or extend any license, permit, franchise or other authorization, and (iv) any dispute between the Company or any Subsidiary and any Governmental Authority, which lapse, termination, refusal or dispute, referred to in clause (ii), (iii) or (iv) above, could reasonably be expected to have a Material Adverse Effect;

(f) Upon an executive officer of the Company becoming aware thereof, prompt written notice of the occurrence of (i) each Default, and (ii) each Material Adverse Effect;

(g) Upon the forwarding thereof to the shareholders of the Company generally, copies of all financial statements, reports and proxy statements so furnished;

(h) Prompt written notice of the occurrence of any change in the aggregate Revolving Credit Exposures that would cause the Applicable Rate to change;

(i) Promptly after either rating agency providing a rating for the Index Debt pursuant to the definition of "Applicable Rate" shall have publicly announced a change in the rating established or deemed to have been established for the Index Debt, written notice of such rating change; and

(j) Promptly after request therefor, such other information relating to the financial condition or business of the Company, the Subsidiaries and the FIN 46 Entities, as the Administrative Agent, any Issuing Bank, the Swingline Lender or any Lender at any time or from time to time may reasonably request.

Each report and other document required to be delivered by the Company pursuant to subparagraphs (a), (b), (c), (d)(i), (d)(ii) and (g) of this Section 5.07 shall be deemed to have been delivered on the date upon which the Company notifies the Administrative Agent that such report or other document has been posted at a site (the address of which shall be contained in such notice) on the world wide web, which site is accessible by a widely held nationally recognized web browser, from which such report or document may be readily viewed and printed. The Administrative Agent shall promptly furnish to each Lender a copy (in the form received) of each notice or other information provided to the Administrative Agent under this Section 5.07.

SECTION 5.08. Records. At all reasonable times, upon reasonable prior notice and at the sole cost and expense of the Administrative Agent and the Lenders, permit representatives of the Administrative Agent and each Lender to discuss the affairs of the Company and each Subsidiary with the respective officers thereof, and to meet and discuss the affairs of the Company and each Subsidiary with the Company's auditors.

SECTION 5.09. Authorizations. Maintain and cause each Subsidiary to maintain, in full force and effect, all copyrights, patents, trademarks, trade names, franchises, licenses, permits, applications, reports, and other authorizations and rights, except where the failure so to do could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.10. Disaster Recovery Program. Maintain, and cause each Subsidiary to maintain, a "disaster recovery program" which conforms to and complies with all laws, rules and regulations, and all industry standards for businesses of the type engaged in by the Company and the Subsidiaries, and keep such disaster recovery program in a current status at all times, in each case except to the extent that the failure so to do could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.11. Subsidiary Guaranty.

(a) Guarantors. As promptly as possible but in any event within forty-five (45) days (or such later date as may be agreed upon by the Administrative Agent) (i) after any Person becomes a Domestic Subsidiary or (ii) after any Domestic Subsidiary becomes a Material Subsidiary, the Company shall provide the Administrative Agent with written notice thereof setting forth information in reasonable detail describing the material assets of such Person and shall cause each such Person that is a Material Subsidiary to deliver to the Administrative Agent the Subsidiary Guaranty pursuant to which such Material Subsidiary agrees to be bound by the terms and provisions thereof, such Subsidiary Guaranty to be accompanied by appropriate corporate or equivalent resolutions, other corporate or equivalent documentation and legal opinions (which may include inside counsel to such Material Subsidiary for certain matters) in form and substance reasonably satisfactory to the Administrative Agent and its counsel. Notwithstanding the foregoing, promptly after consummation of the CheckFree Acquisition, the Company shall cause CheckFree Services Corporation to become a Subsidiary Guarantor in the manner contemplated by the immediately preceding sentence.

(b) Release.

(i) If any Subsidiary Guarantor ceases to be a Material Subsidiary (excluding any Domestic Subsidiary that becomes a Subsidiary Guarantor pursuant to the proviso in subsection (ii) below or that is a Subsidiary Guarantor, but not a Material Subsidiary, on the Amendment Effective Date (or, upon the occurrence of the Term Loan Facility Effective Date, the Term Loan Facility Effective Date)), the Company may provide the Administrative Agent with written notice thereof, and, upon receipt by the Administrative Agent of such notice, such Domestic Subsidiary shall no longer be a Subsidiary Guarantor and shall be automatically released from the Subsidiary Guaranty and its obligations thereunder shall be terminated; provided that such Domestic Subsidiary shall remain subject to the Subsidiary Guarantor requirements of subsection (a) above, if applicable. The obligations of all Subsidiary Guarantors under the Subsidiary Guaranty shall be automatically released and terminated when the Company achieves the Guaranty Ratings Threshold; provided that at any time the Company does not maintain the Guaranty Ratings Threshold, the obligations and requirements of any Subsidiary to be a Subsidiary Guarantor and to enter into the Subsidiary Guaranty, all pursuant to the terms and conditions of this Agreement, shall once again be fully effective upon the forty-fifth (45th) day after the date upon which the Company ceases to maintain the Guaranty Ratings Threshold.

(ii) Any Subsidiary Guarantor (including any Domestic Subsidiary that becomes a Subsidiary Guarantor pursuant to the proviso in this subsection (ii) or that is a Subsidiary Guarantor, but not a Material Subsidiary, on the Amendment Effective Date (or, upon the occurrence of the Term Loan Facility Effective Date, the Term Loan Facility Effective Date)) shall be released from the Subsidiary Guaranty upon the Company's written request to the Administrative Agent, provided, however, that, (x) any such release of a Material Subsidiary shall only be permitted hereunder if, and effective upon, all of the assets (or substantially all of the assets) of, or all of the equity interests (or substantially all of the equity interests) in, a Material Subsidiary are being sold, transferred or otherwise disposed of pursuant to a transaction permitted by the Loan Documents and (y) if at the time of

any release of any Subsidiary Guarantor (based on the financial statements delivered pursuant to Section 5.07 for the most recently ended fiscal quarter prior to such release and calculated for the most recently ended four consecutive fiscal quarter period) the aggregate amount of the EBITDA of such Subsidiary Guarantor and all Domestic Subsidiaries that are not Subsidiary Guarantors (on a consolidated basis) at such time exceeds forty percent (40%) of the EBITDA of the Company and its Domestic Subsidiaries, on a consolidated basis, for the four consecutive fiscal quarter period most recently ended prior to the Amendment Effective Date (or, upon the occurrence of the Term Loan Facility Effective Date, the Term Loan Facility Effective Date) (as calculated by the Company on a pro forma basis reasonably acceptable to the Administrative Agent giving positive effect to the CheckFree Acquisition and deducting for discontinued operations as a result of the Trust Business Disposition), then the Company shall, contemporaneously with such release, cause sufficient Domestic Subsidiaries to become Subsidiary Guarantors to eliminate such excess.

(c) Other Requirements. Notwithstanding anything to the contrary in this Agreement (including, without limitation, Section 5.11(b)), the Company shall not permit any Subsidiary to guaranty the obligations under the New Bond Indenture or the Term Loan Facility, regardless of whether such Subsidiary is a "Material Subsidiary", unless such Subsidiary shall become a Subsidiary Guarantor.

ARTICLE VI

Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired, terminated, been collateralized or otherwise been covered by a letter of credit as permitted herein and all LC Disbursements shall have been reimbursed, each Borrower covenants and agrees with the Lenders that it will not:

SECTION 6.01. Subsidiary Indebtedness. Permit any Subsidiary that is not a Subsidiary Guarantor to create, incur, assume or suffer to exist any Indebtedness, except any one or more of the following types of Indebtedness:

- (a) (i) the Obligations and any other Indebtedness created under the Loan Documents, (ii) the obligations and any other Indebtedness under the Term Loan Facility, and (iii) the obligations and any other Indebtedness under the New Bond Indenture;
- (b) Indebtedness existing on the Effective Date and set forth on Schedule 6.01 (including any extensions, renewals, refinancings, amendments, supplements, refundings, modifications or replacements of such Indebtedness, to the extent that the principal amount thereof shall not be increased);
- (c) Indebtedness in respect of capital and operating leases, and Permitted Sale-Leaseback Transactions;

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- (d) purchase money Indebtedness in connection with the Acquisition of fixed or capital assets;
 - (e) Indebtedness to the Company or any Subsidiary, and Guarantees by any Subsidiary of Indebtedness of another Subsidiary or the Company to the extent that such Indebtedness is not prohibited hereby; and
 - (f) other Indebtedness, provided that, immediately after giving effect thereto, the aggregate sum of all Indebtedness (without duplication) under this Section 6.01(f) (i) would not exceed 15.0% of Net Worth and (ii) to the extent secured by Liens, would be permitted under Section 6.02(f).

SECTION 6.02. Liens. Create, incur, assume or suffer to exist any Lien against or on any Property now owned or hereafter acquired by the Company or any Subsidiary, or permit any Subsidiary so to do, except any one or more of the following types of Liens:

- (a) Liens in connection with workers' compensation, unemployment insurance or other social security obligations (which phrase shall not be construed to refer to ERISA or the minimum funding obligations under Section 412 of the Code);
- (b) Liens to secure the performance of bids, tenders, letters of credit, contracts (other than contracts for the payment of Indebtedness), leases, statutory obligations, surety, customs, appeal, performance and payment bonds and other obligations of like nature, in each such case arising in the ordinary course of business;
- (c) mechanics', workmen's, carriers', warehousemen's, materialmen's, landlords', or other like Liens arising in the ordinary course of business with respect to obligations which are not due or which are being contested in good faith and by appropriate proceedings diligently conducted;
- (d) Liens for taxes, assessments, fees or governmental charges or levies which are not delinquent or are payable without penalty, or are being contested in good faith and by appropriate proceedings diligently conducted, and in respect of which adequate reserves shall have been established in accordance with GAAP on the books of the Company or any Subsidiary;
- (e) Liens consisting of attachments, judgments or awards against the Company or any Subsidiary with respect to which an appeal or proceeding for review shall be pending or a stay of execution shall have been obtained, or which are otherwise being contested in good faith and by appropriate proceedings diligently conducted, and in respect of which adequate reserves shall have been established in accordance with GAAP on the books of the Company or any Subsidiary;
- (f) easements, rights of way, restrictions, leases of Property to others, easements for installations of public utilities, title imperfections and restrictions, zoning ordinances and other similar encumbrances affecting Property which in the aggregate do not materially adversely affect the value of such Property or materially impair its use for the operation of the business of the Company or any Subsidiary;

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- (g) Liens existing on the Effective Date and securing Indebtedness or other obligations of the Company or, to the extent permitted by Section 6.01, of the Subsidiaries;
- (h) statutory Liens in favor of lessors arising in connection with Property leased to the Company or any Subsidiary;
- (i) Liens on Margin Stock to the extent that a prohibition on such Liens pursuant to this Section 6.02 would violate Regulation U of the Board, as amended;
- (j) purchase money Liens on Property hereafter acquired by the Company or any Subsidiary created within 180 days of such acquisition (or in the case of real property, completion of construction including any improvements or the commencement of operation of the property, whichever occurs later) to secure or provide for the payment or financing of all or any part of the purchase price thereof, provided that the Lien secured thereby shall attach only to the Property so acquired and related assets; (except that individual financings by one Person (or an Affiliate thereof) may be cross-collateralized to other financings provided by such Person and its Affiliates that are permitted by this clause (j));
- (k) Liens in respect of capital leases permitted by Section 6.01 and Permitted Sale-Leaseback Transactions;
- (l) Liens on the Property of a Person that becomes a Subsidiary after the date hereof, provided that (i) such Liens existed at the time such Person becomes a Subsidiary and were not created in anticipation thereof, (ii) any such Lien does not by its terms cover any Property after the time such Person becomes a Subsidiary that was not covered immediately prior thereto and (iii) any such Lien does not by its terms secure any Indebtedness other than Indebtedness existing immediately prior to the time such Person becomes a Subsidiary;
- (m) Liens on Property and proceeds thereof existing at the time of acquisition thereof and not created in contemplation thereof;
- (n) Liens (i) of a collection bank arising under Section 4-208 of the Uniform Commercial Code on the items in the course of collection, and (ii) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of set off) and which are within the general parameters customary in the banking industry.
- (o) Liens securing Securitized Indebtedness in an aggregate principal amount not in excess of \$200,000,000 at any one time outstanding;
- (p) any extension, renewal, refinancing, substitution or replacement (or successive extensions, renewals, refinancings, substitutions or replacements), as a whole or in part, of any of the Liens referred to in paragraphs (g), (j), (l) and (m) of this Section 6.02, provided that such extension, renewal, refinancing substitution or replacement Lien shall be limited to all or any part of substantially the same property or assets that secured the Lien extended, renewed, refinanced, substituted or replaced (plus improvements on such property) and the liability secured by such Lien at such time is not increased, and

(q) Liens on proceeds of any of the assets permitted to be the subject of any Lien or assignment permitted by this Section 6.02, and

(r) other Liens, provided that, without duplication, the aggregate sum of all obligations and Indebtedness secured by Liens permitted under this Section 6.02(r) would not exceed 10.0% of Net Worth.

SECTION 6.03. Asset Sales. Other than in connection with the Trust Business Disposition, Permitted Sale-Leaseback Transactions or one or more transactions contemplated by Sections 6.04(a) or 6.04(b), sell, assign (other than a collateral assignment intended for security), transfer or otherwise dispose of, in one transaction or a series of related transactions, or permit any Material Subsidiary so to do, all or a substantial part of the consolidated assets of the Company and the Subsidiaries taken as a whole. As used herein the "Trust Business Disposition" means the consummation of the transactions contemplated by the following agreements and any related agreements, instruments or documents in connection with the Company's sale of capital stock in each of Fiserv Trust Company, Fiserv Affinity, Inc., Trust Industrial Bank and Fiserv Brokerage Services, Inc.: (i) that certain Stock Purchase Agreement dated as of May 24, 2007 between the Borrower and TD Ameritrade Online Holdings Corp.; and (ii) that certain Stock Purchase Agreement dated as of May 24, 2007 between the Company and Robert Beriault Holdings, Inc.

SECTION 6.04. Mergers and Acquisitions. Consolidate or merge into or with any Person, or make any Acquisition, or enter into any binding agreement to do any of the foregoing which is not contingent on obtaining the consent of the Required Lenders, or permit any Subsidiary so to do, except as follows:

(a) any Subsidiary may merge into or be acquired by a Loan Party, provided that (i) such Loan Party is the survivor thereof (and in a transaction involving the Company, the Company is the survivor thereof), and (ii) immediately before and after giving effect thereto no Default or Event of Default shall or would exist;

(b) any Subsidiary may merge into or be acquired by another Subsidiary, and;

(c) the consummation of the CheckFree Acquisition; and

(d) Acquisitions of one or more Operating Entities or Properties, provided that immediately before and after giving effect to each such Acquisition under this Section 6.04(d), (1) no Default shall or would exist, and (2) all of the representations and warranties contained in Article III (other than Sections 3.04(a) and 3.12) shall be true and correct as if then made (except to the extent such representations and warranties refer to an earlier date, in which case they shall be true and correct as of such date).

SECTION 6.05. Pari Passu Obligations. The obligations of each Loan Party under the Loan Documents shall at all times rank not lower than pari passu as to priority of payment and in all other respects with all other unsecured and unsubordinated obligations of such Loan Party.

SECTION 6.06. Transactions with Affiliates. Become, or permit any Subsidiary to become, a party to any transaction with any Affiliate of the Company on a basis materially less favorable to the Company or such Subsidiary in any material respect than if such transaction were not with an Affiliate of the Company.

SECTION 6.07. Restricted Payments. Make any Restricted Payment, or permit any Subsidiary so to do, except any one or more of the following Restricted Payments:

- (a) Restricted Payments made by the Company, provided that (i) immediately before and after giving effect thereto no Event of Default shall or would exist, and (ii) immediately after giving effect thereto, the Company would be in pro-forma compliance with Section 6.08; and
- (b) Restricted Payments by any Subsidiary, provided that no Restricted Payment made to any holder of a minority interest in the Stock thereof shall be greater, on a pro rata basis, than the amount received by the Company and the other Subsidiaries in respect thereof.

SECTION 6.08. Financial Covenants.

(a) Maximum Leverage Ratio. Permit the Leverage Ratio at the end of any fiscal quarter to be greater than: (i) 3.5 to 1.0 at all times prior to the Term Loan Facility Effective Date, (ii) for the period beginning on the Term Loan Facility Effective Date and ending March 30, 2009, 4.5 to 1.0, (iii) for the period beginning on March 31, 2009 and ending March 30, 2010, 4.0 to 1.0, and (iv) from March 31, 2010 and thereafter, 3.5 to 1.0; or

(b) Minimum Interest Coverage Ratio. Permit the Interest Coverage Ratio at the end of any fiscal quarter to be less than 3.0 to 1.0.

ARTICLE VII

Events of Default

If any of the following events ("Events of Default") shall occur:

- (a) any Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;
- (b) any Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five (5) Business Days;

(c) any representation or warranty of any Loan Party in this Agreement or any other Loan Document or any amendment or modification thereof or waiver thereunder, or in any final version of any report, certificate or other document delivered on or after the date hereof, shall prove to have been incorrect in any material respect when made;

(d) (i) any Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.01 or in Article VI or (ii) except as permitted herein, any Loan Document shall for any reason not be or shall cease to be in full force and effect or is declared to be null and void by any Loan Party, or the Company or any Subsidiary takes any action for the purpose of terminating, repudiating or rescinding any Loan Document or any of its obligations thereunder;

(e) any Borrower or any Subsidiary Guarantor, as applicable, shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b) or (d) of this Article) or any other Loan Document, and such failure shall continue unremedied for a period of 30 days after an executive of such Loan Party being aware of such failure;

(f) the Company or any Subsidiary shall fail to make any payment (whether of principal, interest or otherwise and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable (after giving effect to any applicable grace period);

(g) any event or condition occurs that (i) results in any Material Indebtedness becoming or being declared due prior to its scheduled maturity or (ii) enables or permits the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due prior to its scheduled maturity; provided that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Company or any Material Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or any Material Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Company or any Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or any Material Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Company or any Material Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of \$50,000,000 shall be rendered against the Company or any Subsidiary and the same shall remain unpaid, unstayed on appeal, undischarged, unbonded or undismitted for a period of 60 consecutive days;

(l) an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, would have a Material Adverse Effect;

(m) a Change in Control shall occur; or

(n) the occurrence of an Event of Default under and as defined in (i) the Indenture, dated as of April 11, 2003, between the Company, as Issuer, and BNY Midwest Trust Company, as Trustee, as amended or supplemented, (ii) the Indenture, dated as of June 27, 2003, between the Company, as Issuer, and BNY Midwest Trust Company, as Trustee, as amended or supplemented, or (iii) the New Bond Indenture;

then, and in every such event (other than an event with respect to the Company described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Company, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder and under the other Loan Documents, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers; and in case of any event with respect to any Borrower described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other Obligations accrued hereunder and under the other Loan Documents, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers.

ARTICLE VIII

The Administrative Agent

Each of the Lenders and the Issuing Banks hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with Company or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and (c) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Company or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Company), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent; provided, no such delegation shall serve as a release of the Administrative Agent or waiver by any Borrower of any rights hereunder. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders, the Issuing Banks and the Company. Upon any such resignation, the Required Lenders shall have the right, in consultation with (and, so long as no Default shall then exist, the consent of) the Company, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Banks, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by any Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between such Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

None of the Lenders, if any, identified in this Agreement as a Syndication Agent or Documentation Agent shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of such Lenders shall have or be deemed to have a fiduciary relationship with any Lender. Each Lender hereby makes the same acknowledgments with respect to the relevant Lenders in their respective capacities as Syndication Agent or Documentation Agents, as applicable, as it makes with respect to the Administrative Agent in the preceding paragraph.

In the event that a Subsidiary organized under the laws of a jurisdiction in the United Kingdom becomes a Foreign Subsidiary Borrower party hereto (a UK Borrower"), each Lender (a) irrevocably appoints the Administrative Agent to act as syndicate manager under, and authorizes the Administrative Agent to operate, and take any action necessary or desirable under, the PTR Scheme in connection with this Agreement, (b) shall cooperate with the Administrative Agent in completing any procedural formalities necessary under the PTR Scheme, and shall promptly supply to the Administrative Agent such information as the Administrative Agent may request in connection with the operation of the PTR Scheme, and (c) without limiting the liability of such UK Borrower under this Agreement, shall, within five (5) Business Days of demand, indemnify the Administrative Agent for any liability or loss incurred by the Administrative Agent as a result of the Administrative Agent acting as syndicate manager under the PTR Scheme in connection with such Lender's participation in any Borrowing (except to the extent that the liability or loss arises directly from the Administrative Agent's gross negligence or willful misconduct). Each UK Borrower acknowledges that it is fully aware of its contingent obligations under the PTR Scheme and shall (a) promptly supply to the Administrative Agent such information as the Administrative Agent may request in connection with the operation of the PTR Scheme and (b) act in accordance with any provisional notice issued by H.M. Revenue & Customs under the PTR Scheme. Each of the parties hereto acknowledge that the Administrative Agent (a) is entitled to rely completely upon information provided to it in connection with this paragraph, (b) is not obliged to undertake any inquiry into the accuracy of such information, nor into the taxation status of any Lender or, as the case may be, a UK Borrower providing such information and (c) shall have no liability to any Person for the accuracy of any information the Administrative Agent submits in connection with this paragraph. As used herein, "PTR Scheme" means the Provisional Treaty Relief scheme as described in the United Kingdom's Inland Revenue Guidelines dated January 2003 and administered by H.M. Revenue & Custom's Centre for Non-Residents.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone or other means permitted hereunder (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to any Borrower, to it c/o Fiserv, Inc., 255 Fiserv Drive, Brookfield, Wisconsin 53045, Attention of Thomas Hirsch, Executive Vice President and Chief Financial Officer and Erich Janzen, Vice President of Treasury (Telecopy No. (262) 879-5318), with a copy to, in the case of any notice of Default or Event of Default, Charles W. Sprague, Executive Vice President and General Counsel (Telecopy No. (414) 879-5425);

(ii) if to the Administrative Agent, to JPMorgan Chase Bank, National Association, Loan and Agency Services Group, Chase Tower IL 1-0010, Chicago, Illinois 60670, Attention of Teresita Siao (Telecopy No. (312) 385-7096);

(iii) if to an Issuing Bank, to it at (a) JPMorgan Chase Bank, National Association, Loan and Agency Services Group, Chase Tower IL 1-0010, Chicago, Illinois 60670, Attention of Teresita Siao (Telecopy No. (312) 385-7096) or (b) The Bank of New York, One Wall Street, 19th Floor, New York, New York 10286, Attention of Edgar Greaves (Telecopy No. (212) 635-7923), with a copy to The Bank of New York, One Wall Street, 19th Floor, New York, New York 10286, Attention of Mark Wrigley (Telecopy No. (212) 635-1208);

(iv) if to the Swingline Lender, to it at JPMorgan Chase Bank, National Association, Loan and Agency Services Group, Chase Tower IL 1-0010, Chicago, Illinois 60670, Attention of Teresita Siao (Telecopy No. (312) 385-7096); and

(v) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Company may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 9.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrowers and the Required Lenders or by the Borrowers and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.18(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender or (vi) release the Company or, unless required by the terms of this Agreement, all or substantially all of the Subsidiary Guarantors from, its obligations under Article X or the Subsidiary Guaranty, as applicable, without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, any Issuing Bank or the Swingline Lender hereunder without the prior written consent of the Administrative Agent, such Issuing Bank or the Swingline Lender, as the case may be.

SECTION 9.03. Expenses; Indemnity; Damage Waiver. (a) The Company shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated); provided that, in advance of contacting outside counsel of the Administrative Agent regarding matters concerning the administration of this Agreement in respect of which the Administrative Agent will expect to be reimbursed by the Company, the Administrative Agent will notify the Company of its intent to contact such outside counsel, (ii) all reasonable out-of-pocket expenses incurred by any Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable out-of-pocket expenses incurred by the Administrative Agent, any Issuing Bank or any Lender, including the reasonable fees, charges and disbursements of any counsel for the Administrative Agent, any Issuing Bank or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement at any time during a Default, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations during an Event of Default in respect of such Loans or Letters of Credit.

(b) The Company shall indemnify the Administrative Agent, each Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, penalties and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, as and when incurred by any Indemnitee arising out of, in connection with, or as a result of (i) the enforcement and performance of this Agreement or any agreement or instrument contemplated hereby or the performance by the parties hereto of their respective obligations hereunder, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by any Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Company or any of its Subsidiaries, or any Environmental Liability related in any way to the Company or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (a) the gross negligence or willful misconduct of such Indemnitee (b) a dispute among the Lenders not arising from a Default or (c) such Indemnitee's breach of the Loan Documents.

(c) To the extent that the Company fails to pay any amount required to be paid by it to the Administrative Agent, any Issuing Bank or the Swingline Lender under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent, such Issuing Bank or the Swingline Lender, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, such Issuing Bank or the Swingline Lender in its capacity as such.

(d) To the extent permitted by applicable law, the Company shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan, any Letter of Credit or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable not later than 30 days after written demand therefor.

SECTION 9.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of an Issuing Bank that issues any Letter of Credit), except that (i) no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by any Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in

accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of an Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Banks and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b)(i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Company, provided that no consent of the Company shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee; and

(B) the Administrative Agent.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 unless each of the Company and the Administrative Agent otherwise consent, provided that no such consent of the Company shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

For the purposes of this Section 9.04(b), the term "Approved Fund" has the following meaning:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of each Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrowers, the Administrative Agent, the Issuing Banks and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Company, any Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.05(c), 2.06(d) or (e), 2.07(b), 2.18(d) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of the Company, the Administrative Agent, any Issuing Bank or the Swingline Lender, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such

Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrowers, the Administrative Agent, the Issuing Banks and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) or in clause (i) of Section 9.04(a) that affects such Participant. Subject to paragraph (c)(ii) of this Section, each Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(c) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.15 or 2.17 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Company's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.17 unless the Company is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Company, to comply with Section 2.17(e) as though it were a Lender.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, any Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect in accordance with their terms as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17, 9.03 and 9.12 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions

contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 9.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or electronically shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final and in whatever currency denominated) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of any Borrower against any of and all the obligations of such Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured; provided that, promptly after any such set off and application, such Lender or Affiliate shall give notice thereof to the Company. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally

agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against any Borrower or its properties in the courts of any jurisdiction.

(c) Each Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Each Foreign Subsidiary Borrower irrevocably designates and appoints the Company, as its authorized agent, to accept and acknowledge on its behalf, service of any and all process which may be served in any suit, action or proceeding of the nature referred to in Section 9.09(b) in any federal or New York State court sitting in New York City. The Company hereby represents, warrants and confirms that the Company has agreed to accept such appointment (and any similar appointment by a Subsidiary Guarantor which is a Foreign Subsidiary). Said designation and appointment shall be irrevocable by each such Foreign Subsidiary Borrower until all Loans, all reimbursement obligations, interest thereon and all other amounts payable by such Foreign Subsidiary Borrower hereunder and under the other Loan Documents shall have been paid in full in accordance with the provisions hereof and thereof and such Foreign Subsidiary Borrower shall have been terminated as a Borrower hereunder pursuant to Section 2.23. Each Foreign Subsidiary Borrower hereby consents to process being served in any suit, action or proceeding of the nature referred to in Section 9.09(b) in any federal or New York State court sitting in New York City by service of process upon the Company as provided in this Section 9.09(d); provided that, to the extent lawful and possible, notice of said service upon such agent shall be mailed by registered or certified air mail, postage prepaid, return receipt requested, to the Company and (if applicable to) such Foreign Subsidiary Borrower at its address set forth in the Borrowing Subsidiary Agreement to which it is a party or to any other address of which such Foreign Subsidiary Borrower shall have given written notice to the Administrative Agent (with a copy thereof to the Company). Each Foreign Subsidiary Borrower irrevocably waives, to the fullest extent permitted by law, all claim of error by reason of any such service in such manner and agrees that such service shall be deemed in every respect effective service of process upon such Foreign Subsidiary Borrower in any such suit, action or proceeding and shall, to the fullest extent permitted by law, be taken and held to be valid and personal service upon and personal delivery to such Foreign Subsidiary Borrower. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL

PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent, the Issuing Banks and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential to the same extent as if they were parties hereto), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to any Borrower and its obligations, (g) with the consent of the Company or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis from a source other than the Company or any of its Subsidiaries. For the purposes of this Section, "Information" means all information which is received from the Company relating to the Company, the Target, their respective Subsidiaries or Affiliates, their respective business or the CheckFree Acquisition, other than any such information that is available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by the Company. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 9.13. USA PATRIOT Act. Each Lender that is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act") hereby notifies each Borrower that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies such Borrower, which information includes the name and address of such Borrower and other information that will allow such Lender to identify such Borrower in accordance with the Act.

ARTICLE X

Company Guarantee

In order to induce the Lenders to extend credit to the other Borrowers hereunder, the Company hereby irrevocably and unconditionally guarantees, as a primary obligor and not merely as a surety, the payment when and as due, subject to the notice provisions contained in this Article X, of the Obligations of such other Borrowers. The Company further agrees that the due and punctual payment of such Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee hereunder notwithstanding any such extension or renewal of any such Obligation.

The Company waives presentment to, demand of payment from and protest to any Borrower of any of the Obligations, and also waives, other than as set forth in this Article X, notice of acceptance of its obligations and notice of protest for nonpayment. The obligations of the Company hereunder shall not be affected by: (a) the failure of the Administrative Agent, any Issuing Bank or any Lender to assert any claim or demand or to enforce any right or remedy against any Borrower under the provisions of this Agreement, any other Loan Document or otherwise; (b) any extension or renewal of any of the Obligations; (c) any rescission, waiver, amendment or modification of, or release from, any of the terms or provisions of this Agreement, or any other Loan Document or agreement; (d) any default, failure or delay, willful or otherwise, in the performance of any of the Obligations; (e) the failure of the Administrative Agent to take any steps to perfect and maintain any security interest in, or to preserve any rights to, any security or collateral for the Obligations, if any; (f) any change in the corporate, partnership or other existence, structure or ownership of any Borrower or any other guarantor of any of the Obligations; (g) the enforceability or validity of the Obligations or any part thereof or the genuineness, enforceability or validity of any agreement relating thereto or with respect to any collateral securing the Obligations or any part thereof, or any other invalidity or unenforceability relating to or against any Borrower or any other guarantor of any of the Obligations, for any reason related to this Agreement, any other Loan Document, or any provision of applicable law, decree, order or regulation of any jurisdiction purporting to prohibit the payment by such Borrower or any other guarantor of the Obligations, of any of the Obligations or otherwise affecting any term of any of the Obligations; or (h) any other act, omission or delay to do any other act which may or might in any manner or to any extent vary the risk of the Company or otherwise operate as a discharge of a guarantor as a matter of law or equity or which would impair or eliminate any right of the Company to subrogation.

The Company further agrees that its agreement hereunder constitutes a guarantee of payment when due (whether or not any bankruptcy or similar proceeding shall have stayed the accrual or collection of any of the Obligations or operated as a discharge thereof) and not merely of collection, and waives any right to require that any resort be had by the Administrative Agent, any Issuing

Bank or any Lender to any balance of any deposit account or credit on the books of the Administrative Agent, any Issuing Bank or any Lender in favor of any Borrower or any other Person.

The obligations of the Company hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever, by reason of the invalidity, illegality or unenforceability of any of the Obligations, any impossibility in the performance of any of the Obligations or otherwise.

The Company further agrees that its obligations hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by the Administrative Agent, any Issuing Bank or any Lender upon the bankruptcy or reorganization of any Borrower or otherwise.

In furtherance of the foregoing and not in limitation of any other right which the Administrative Agent, any Issuing Bank or any Lender may have at law or in equity against the Company by virtue hereof, upon the failure of any other Borrower to pay any Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, the Company hereby promises to and will, promptly but in any event within two (2) Business Days following receipt of written demand by the Administrative Agent, any Issuing Bank or any Lender, forthwith pay, or cause to be paid, to the Administrative Agent, any Issuing Bank or any Lender in cash an amount equal to the unpaid principal amount of such Obligations then due, together with accrued and unpaid interest thereon. The Company further agrees that if payment in respect of any Obligation shall be due in a currency other than Dollars and/or at a place of payment other than New York, Chicago or any other Eurocurrency Payment Office and if, by reason of any Change in Law, disruption of currency or foreign exchange markets, war or civil disturbance or other similar event, payment of such Obligation in such currency or at such place of payment shall be impossible or, in the reasonable judgment of the Administrative Agent, any Issuing Bank or any Lender, disadvantageous to the Administrative Agent, any Issuing Bank or any Lender in any material respect, then, at the election of the Administrative Agent, the Company shall make payment of such Obligation in Dollars (based upon the applicable Equivalent Amount in effect on the date of payment) and/or in New York, Chicago or such other Eurocurrency Payment Office as is designated by the Administrative Agent and, as a separate and independent obligation, shall indemnify the Administrative Agent, any Issuing Bank and any Lender against any losses or reasonable out-of-pocket expenses that it shall sustain as a result of such alternative payment.

Upon payment by the Company of any sums as provided above, all rights of the Company against any Borrower arising as a result thereof by way of right of subrogation or otherwise shall in all respects be subordinated and junior in right of payment to the prior indefeasible payment in full in cash of all the Obligations owed by such Borrower to the Administrative Agent, the Issuing Banks and the Lenders.

Nothing shall discharge or satisfy the liability of the Company hereunder except the full performance and payment of the Obligations.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

FISERV, INC., as the Company

By _____
Name:
Title:

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,
individually and as Administrative Agent

By _____
Name:
Title:

THE BANK OF NEW YORK, individually and as Syndication Agent

By _____
Name:
Title:

[OTHER LENDERS]

By _____
Name:
Title:

Signature Page to Credit Agreement
Fiserv, Inc.



LOAN AGREEMENT

dated as of

November 9, 2007

among

FISERV, INC.

The Lenders Party Hereto

and

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION,
as Administrative Agent

SUNTRUST BANK,
as Syndication Agent

and

CREDIT SUISSE SECURITIES (USA) LLC, WACHOVIA BANK, N.A.
SUMITOMO MITSUI BANKING CORPORATION,
THE BANK OF TOKYO- MITSUBISHI UFJ, LTD. and BANK OF AMERICA, N.A.,
as Documentation Agents

J.P. MORGAN SECURITIES INC., SUNTRUST ROBINSON HUMPHREY, INC. and
CREDIT SUISSE SECURITIES (USA) LLC,
as Joint Bookrunners and Joint Lead Arrangers

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Exhibit D	—	List of Closing Documents
Exhibit E	—	Form of Subsidiary Guaranty
Exhibit F	—	Form of Compliance Certificate

LOAN AGREEMENT (this "Agreement") dated as of November 9, 2007 among FISERV, INC., the LENDERS from time to time party hereto, SUNTRUST BANK, as Syndication Agent and CREDIT SUISSE SECURITIES (USA) LLC, WACHOVIA BANK, N.A., SUMITOMO MITSUI BANKING CORPORATION, THE BANK OF TOKYO-MITSUBISHI UFJ, LTD. and BANK OF AMERICA, N.A., as Documentation Agents and JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as Administrative Agent.

The parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"Acquisition" means, with respect to any Person, the purchase or other acquisition by such Person, by any means whatsoever (including by devise, bequest, gift, through a dividend or otherwise), of (a) Stock of, or other equity securities of, any other Person if, immediately thereafter, such other Person would be either a consolidated subsidiary of such Person or otherwise under the Control of such Person, (b) any business, going concern or division or segment thereof, or (c) the Property of any other Person other than in the ordinary course of business, provided, however, that no acquisition of substantially all of the assets of such other Person shall be deemed to be in the ordinary course of business.

"Adjusted LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

"Administrative Agent" means JPMorgan Chase Bank, National Association, in its capacity as administrative agent for the Lenders hereunder.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person (other than a consolidated subsidiary of such Person) that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Aggregate Commitment" means the aggregate of the Commitments of all of the Lenders, in the amount of \$2,500,000,000, as the same may be terminated pursuant to Section 2.09.

“Alternate Base Rate” means, for any day, a rate per annum equal to the higher of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

“Applicable Percentage” means, with respect to any Lender, the percentage of the Aggregate Commitment represented by such Lender’s Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the percentage obtained by dividing such Lender’s outstanding Loans by the aggregate outstanding principal amount of all of the Loans at such time.

“Applicable Rate” means, for any day, with respect to any Eurodollar Loan, the applicable rate per annum set forth below under the caption “Eurodollar Spread” based upon the ratings by two (2) nationally recognized rating agencies as selected by the Borrower and agreed to by the Administrative Agent and thereafter disclosed to the Lenders, respectively, applicable on such date to the Index Debt:

<u>Index Debt Ratings:</u>	<u>Eurodollar Spread</u>
Category 1: A3 or A- or higher	0.45%
Category 2: Baa1 or BBB+	0.50%
Category 3: Baa2 or BBB	0.625%
Category 4: Baa3 or BBB-	0.75%
Category 5: Ba1 or BB+ or lower	1.00%

For purposes of, and notwithstanding, the foregoing,

(i) if either such rating agencies shall not have in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the last sentence of this definition), then such rating agency shall be deemed to have established a rating in Category 5;

(ii) if the ratings established or deemed to have been established by such rating agencies for the Index Debt shall fall within different Categories, the Applicable Rate shall be based on the higher of the two ratings unless one of the two ratings is two or more Categories lower than the other, in which case the Applicable Rate shall be determined by reference to the Category next below that of the higher of the two ratings;

(iii) if the ratings established or deemed to have been established by such rating agencies for the Index Debt shall be changed (other than as a result of a change in the rating system of either rating agency), such change shall be

effective as of the date on which it is first announced by the applicable rating agency, irrespective of when notice of such change shall have been furnished by the Borrower to the Administrative Agent and the Lenders pursuant to Section 5.07 or otherwise; and

(iv) each change in the Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of either rating agency shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, the Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation.

“Approved Fund” has the meaning assigned to such term in Section 9.04.

“Arranger” means each of J.P. Morgan Securities Inc., SunTrust Robinson Humphrey, Inc. and Credit Suisse Securities (USA) LLC in its capacity as joint bookrunner and joint lead arranger for the loan facility evidenced by this Agreement.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

“Bank Holding Company Act” means the Bank Holding Company Act of 1956, as amended from time to time.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” means Fiserv, Inc., a Wisconsin corporation.

“Borrowing” means Term Loans of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

“Borrowing Request” means a request by the Borrower for a Borrowing in accordance with Section 2.03.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in Dollar deposits in the London interbank market.

“Change in Control” means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the SEC thereunder as in effect on the date hereof), of Stock representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding Stock of the Borrower; or (b) during any period of up to three consecutive calendar years commencing on or after the Effective Date, individuals (i) who were directors of the Borrower on the first day of such period or (ii) whose election or nomination for election to the board of directors of the Borrower was recommended or approved by at least a majority of directors who were directors of the Borrower on the first day of such period, or whose election or nomination for election was so approved, shall cease to constitute a majority of the board of directors of the Borrower.

“Change in Law” means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender (or, for purposes of Section 2.15(b), by any lending office of such Lender or by such Lender’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

“CheckFree Acquisition” means the acquisition by the Borrower, directly or indirectly, of all issued and outstanding stock of the Target.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Commitment” means, with respect to each Lender, the commitment of such Lender to make Term Loans on the Funding Date, expressed as an amount representing the maximum aggregate amount of such Lender’s Term Loans hereunder. The amount of each Lender’s Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable. The aggregate amount of the Lenders’ Commitments is \$2,500,000,000.

“Compliance Certificate” means a certificate substantially in the form of Exhibit F.

“Consolidated” means the Borrower and the Subsidiaries on a consolidated basis in accordance with GAAP.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Documentation Agent” means each of Credit Suisse Securities (USA) LLC, Wachovia Bank, N.A., Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Bank of America, N.A. in its capacity as documentation agent for the credit facility evidenced by this Agreement.

“Dollars” or “\$” refers to lawful money of the United States of America.

“Domestic Subsidiary” means a Subsidiary organized under the laws of a jurisdiction located in the United States of America, or any state thereof or the District of Columbia.

“EBITDA” means, with respect to any Person for any period, the consolidated net earnings of such Person in respect of such period plus the sum of each of the following with respect to such Person on a consolidated basis for such period to the extent deducted in the determination of such net earnings: (i) interest expense, (ii) provision for taxes, (iii) depreciation, (iv) amortization, (v) extraordinary losses incurred other than in the ordinary course of business, (vi) stock-based non-cash compensation expense, minus (vii) extraordinary gains realized other than in the ordinary course of business and (viii) any cash payments made during such period in respect of the item described in clause (vi) above subsequent to the fiscal quarter in which the relevant stock-based non-cash compensation expense was incurred.

“Effective Date” means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

“Employee Benefit Plan” means an employee benefit plan within the meaning of Section 3(3) of ERISA maintained, sponsored or contributed to by the Borrower, any Subsidiary or any ERISA Affiliate.

“Environmental Laws” means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources or the management, release or threatened release of any Hazardous Material.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Environmental Permit” means any permit, license, approval, consent or other authorization by a federal, state, local or foreign government or regulatory entity pursuant to any Environmental Law.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” means (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an “accumulated funding deficiency” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any material liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention by the PBGC to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any material liability with respect to the withdrawal or partial withdrawal of the Borrower or any of its ERISA Affiliates from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition upon the Borrower or any of its ERISA Affiliates of Withdrawal Liability in a material amount or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

“Eurodollar”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

“Event of Default” has the meaning assigned to such term in Article VII; provided that any requirement for the giving of notice, the lapse of time, or both, or any other condition has been satisfied.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which it is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Borrower is located and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.19(b)), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office) or is attributable to such Foreign Lender’s failure to comply with Section 2.17(e), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 2.17(a).

“Federal Funds Effective Rate” means, for any day, the weighted average (rounded upwards, if necessary, to the next ¹/₁₀₀ of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next ¹/₁₀₀ of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

“Financial Officer” means the Chief Financial Officer, the Controller, any Assistant Controller, the Treasurer or any Assistant Treasurer, in each case of the Borrower.

“Financial Statements” is defined in Section 3.12.

“FIN 46 Entity” means any Person the financial condition and results of which, solely due to Financial Accounting Standards Board Interpretation No. 46, Consolidation of Variable Interest Entities (Revised December 2003) the Borrower is required to consolidate in its financial statements.

“Foreign Lender” means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Foreign Subsidiary” means any Subsidiary that is not a Domestic Subsidiary.

“Funding Date” means the date on which the Loans are made hereunder in accordance with Section 4.02.

“GAAP” means generally accepted accounting principles as from time to time in effect in the United States of America.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, without duplication (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease

property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business and provided further that the amount of each "Guarantee" shall be the lesser of (a) the amount of the primary obligation with respect thereto or, if not stated, the reasonably expected liability in respect of such primary obligation, and (b) the stated maximum amount of such "Guarantee".

"Guaranty Ratings Threshold" means that at any time, the Borrower's Index Debt is rated (i) at or above A- by S&P and (ii) at or above A3 by Moody's.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Holding Company" means a bank holding company or a financial holding company, in either case within the meaning of the Bank Holding Company Act.

"Indebtedness" means, with respect to any Person, at a particular time, all items of such Person which constitute, without duplication, (a) indebtedness for borrowed money or the deferred purchase price of Property (other than accounts payable, deferred compensation, customer advances, earn-outs, agreements providing for the holdback of up to 10% of the purchase price relating to an acquisition and accrued expenses incurred in the ordinary course of business), (b) indebtedness evidenced by notes, bonds, debentures or similar instruments, (c) obligations with respect to any conditional sale or other title retention agreement (excluding operating leases), (d) indebtedness arising under acceptance facilities and the amount available to be drawn under all letters of credit issued for the account of such Person and, without duplication, all drafts drawn thereunder to the extent such Person shall not have reimbursed the issuer in respect of the issuer's payment of such drafts, (e) all liabilities secured by any Lien (other than carriers', warehousemen's, mechanics', repairmen's or other like non-consensual Liens arising in the ordinary course of business) on any Property owned by such Person even though such Person shall not have assumed or otherwise become liable for the payment thereof, provided that in the event such Person shall not have assumed or otherwise become liable for the payment thereof, the amount of such liabilities shall be deemed to be the lesser of (i) the fair market value of the assets of such Person subject to such Lien and (ii) the amount of the liability secured by such Lien, (f) that portion of any obligation of such Person, as lessee, which in accordance with GAAP is required to be capitalized on the balance sheet of such Person, (g) Securitized Indebtedness, and (h) all Guarantees by such Person of any of the foregoing; provided, however, that, notwithstanding anything to the contrary contained herein, for purposes of this definition, "Indebtedness" shall not include any Trust Company Indebtedness or any intercompany indebtedness.

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Index Debt” means senior, unsecured, long-term indebtedness for borrowed money of the Borrower that is not guaranteed by any other Person or subject to any other credit enhancement.

“Information Memorandum” means the Confidential Information Memorandum dated October 2007 relating to the Borrower and the Transactions.

“Interest Coverage Ratio” means as of any date, the ratio of (a) the Consolidated EBITDA of the Borrower for the four consecutive fiscal quarter period ended on such date to (b) Consolidated interest expense of the Borrower for the four consecutive fiscal quarter period ended on such date, in each case based on the most recent financial statements required by Section 5.07(a) or 5.07(c), as the case may be. For purposes of this defined term, “EBITDA” shall be adjusted to give effect to each acquisition (including any Indebtedness assumed in connection therewith and related interest expense) and disposition (including any Indebtedness repaid in connection therewith and related interest expense) that occurred during such period as if such acquisition or disposition had occurred at the inception of such period.

“Interest Election Request” means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.08.

“Interest Payment Date” means (a) with respect to any ABR Loan, the last day of each March, June, September and December and (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part.

“Interest Period” means with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and, with respect to the initial Interest Period hereunder, ending on the last day of the calendar month of the day of the initial Borrowing, and, with respect to each other Interest Period hereunder, ending on the numerically corresponding day in the calendar month that is three months thereafter (or such other period of time as is acceptable to each of the Lenders), as the Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Borrowing only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurodollar Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made.

“Lenders” means the Persons listed on Schedule 2.01 and any other Person that shall have become a Lender hereunder pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

“Leverage Ratio” means, as of any date, the ratio of (a) the Consolidated Indebtedness of the Borrower and the Subsidiaries on such date to (b) Consolidated EBITDA of the Borrower for the four consecutive fiscal quarter period ended on such date, in each case based on the most recent financial statements required by Section 5.07(a) or 5.07(c), as the case may be. For purposes of this defined term, “EBITDA” shall be adjusted to give effect to each acquisition (including any Indebtedness assumed in connection therewith and related interest expense) and disposition (including any Indebtedness repaid in connection therewith and related interest expense) that occurred during such period as if such acquisition or disposition had occurred at the inception of such period.

“LIBO Rate” means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on Reuters BBA Libor Rates Page 3750 (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to deposits in Dollars in the London interbank market) at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period, as the rate for deposits in Dollars with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the “LIBO Rate” with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which deposits in Dollars of \$5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period.

“Lien” means, with respect to any asset and excluding operating leases, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset.

“Loans” means the term loans made by the Lenders to the Borrower pursuant to this Agreement on the Funding Date, it being understood that conversions and continuations of Loans are not Loans hereunder.

“Loan Documents” means this Agreement, the Subsidiary Guaranty, any promissory notes executed and delivered pursuant to Section 2.10(e) and any and all other instruments and documents executed and delivered in connection with any of the foregoing.

“Loan Parties” means, collectively, the Borrower and the Subsidiary Guarantors.

“Margin Stock” means any “margin stock”, as said term is defined in Regulation U of the Board, as the same may be amended or supplemented from time to time.

“Material Adverse Effect” means a material adverse effect on (i) the financial condition, operations, business or assets of the Borrower and the Subsidiaries on a Consolidated basis, (ii) the ability of any Loan Party to perform its obligations under the Loan Documents, or (iii) the ability, due to circumstances not caused by the Administrative Agent or any Lender, of the Administrative Agent or any Lender to enforce the Loan Documents.

“Material Indebtedness” means Indebtedness (other than the Loans) of any one or more of the Borrower and its Subsidiaries in an aggregate principal amount exceeding \$100,000,000.

“Material Subsidiary” means each Domestic Subsidiary (i) which (on an unconsolidated basis and excluding intercompany income statement items of such Domestic Subsidiary), as of the most recent two consecutive fiscal quarters of the Borrower, in each case for the period of four consecutive fiscal quarters then ended, for which financial statements have been delivered pursuant to Section 5.07, contributed EBITDA in an amount greater than ten percent (10%) of the EBITDA of the Borrower and its Domestic Subsidiaries on a consolidated basis for the four consecutive fiscal quarter period most recently ended prior to the Effective Date or (ii) which (on an unconsolidated basis and excluding intercompany balance sheet items of such Domestic Subsidiary), as of the most recent two consecutive fiscal quarters of the Borrower, for which financial statements have been delivered pursuant to Section 5.07 contributed total assets in an amount greater than ten percent (10%) of the Total Assets of the Borrower and its Domestic Subsidiaries on a consolidated basis as of the Effective Date (or, upon the occurrence of the Funding Date, the Funding Date), in each case as calculated by the Borrower on a pro forma basis reasonably acceptable to the Administrative Agent giving positive effect to the CheckFree Acquisition and deducting for discontinued operations as a result of the Trust Business Disposition; provided, however, that no Trust Company Subsidiary and no SPE shall be deemed to constitute a “Material Subsidiary” hereunder.

“Maturity Date” means November 9, 2012.

“Moody’s” means Moody’s Investors Service, Inc.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Net Proceeds” means, with respect to any event, (a) the cash proceeds received in respect of such event including any cash received in respect of any non-cash proceeds (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but excluding any interest payments), but only as and when received, net of (b) the sum of (i) all fees and out-of-pocket expenses paid to third parties (other than Affiliates) in connection with such event (including, without limitation, underwriting discounts and commissions or placement fees, investment banking fees, legal and consulting fees and accounting fees), (ii) in the case of a sale, transfer or other disposition of an asset (including pursuant to a sale-leaseback transaction or a casualty or a condemnation or similar proceeding), the amount of all payments required to be made as a result of such event to repay Indebtedness (other than Loans) secured by such asset or otherwise subject to mandatory prepayment as a result of such event and (iii) the amount of all taxes paid (or reasonably estimated to be payable) and the amount of any reserves established to fund contingent liabilities reasonably estimated to be payable and that are directly attributable to such event (as determined reasonably and in good faith by a Financial Officer).

“Net Worth” means, at any date, the sum of all amounts which would be included under shareholders’ equity on a Consolidated balance sheet of the Borrower and the Subsidiaries determined in accordance with GAAP on such date or, in the event such date is not a fiscal quarter end, as of the immediately preceding fiscal quarter end.

“New Bond Indenture” means the Indenture, dated on or about November 20, 2007, between the Borrower, as Issuer, the Subsidiaries party thereto as guarantors and U.S. Bank National Association, as Trustee, as amended or supplemented.

“Obligations” means all indebtedness (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), obligations and liabilities of any of the Borrower and its Subsidiaries to any of the Lenders and the Administrative Agent, individually or collectively, under this Loan Agreement or any of the other Loan Documents or in respect of any of the Loans made or other instruments at any time evidencing any thereof.

“Operating Entity” means (a) any Person, (b) any business or operating unit of a Person (i) which is operated separate and apart from the other businesses and operations of such Person, or (ii) whose products and services are uniquely divisible from the products and services of such Person, or (c) any other line of business or business segment.

“Other Taxes” means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement, but excluding Excluded Taxes.

“Participant” has the meaning set forth in Section 9.04.

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Pension Plan” means at any time, any Employee Benefit Plan (including a Multiemployer Plan) subject to Section 302 of ERISA or Section 412 of the Code, the funding requirements of which are, or at any time within the six years immediately preceding the time in question, were in whole or in part, the responsibility of the Borrower, any Subsidiary or an ERISA Affiliate.

“Permitted Sale-Leaseback Transactions” means sales or transfers by the Borrower or any Subsidiary of any real property, improvements, fixtures, machinery and/or equipment with the intention of taking back a lease thereof; provided, however, that “Permitted Sale-Leaseback Transactions” shall not include such transactions involving machinery and/or equipment (excluding any lease for a temporary period of not more than thirty-six (36) months with the intent that the use of the subject machinery and/or equipment will be discontinued at or before the expiration of such period) relating to facilities (a) in full operation for more than 180 days as of the date hereof and (b) that are material to the business of the Borrower and its Subsidiaries taken as a whole, to the extent that the sum of the aggregate sale price of such machinery and/or equipment from time to time involved in such transactions (excluding the Applied Amounts, as defined in the following sentence), plus the amount of obligations and Indebtedness from time to

time secured by Liens permitted under Section 6.02(r), exceeds 10.0% of Net Worth. For purposes of this definition, "Applied Amounts" means an amount (which may be conclusively determined by the Board of Directors of the Borrower) equal to the greater of (i) capitalized rent with respect to the applicable machinery and/or equipment and (ii) the fair value of the applicable machinery and/or equipment, that is applied within 180 days of the applicable transaction or transactions to repayment of the Term Loan or to the repayment of any Indebtedness for borrowed money which, in accordance with GAAP, is classified as long-term debt and that is on parity with the Term Loan.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Prepayment Event" means:

(a) the issuance after the Effective Date of capital stock of the Borrower in a registered public offering in which an underwriter or an agent is involved or in a private placement (excluding, for the avoidance of doubt, issuances to employees or directors, issuances in connection with dividend reinvestment plans and issuances pursuant to employee or director stock plans or other employee benefit plans); or

(b) the issuance after the Effective Date by the Borrower or any of its Subsidiaries of any debt for borrowed money (excluding intercompany debt for borrowed money, any issuances of commercial paper and any Subsidiary's credit facility that is not guaranteed by the Borrower) in one or a series of related transactions not in the capital markets in a principal amount in excess of \$100,000,000 in the aggregate; or

(c) the incurrence or issuance after the Effective Date by the Borrower or any of its Subsidiaries in the capital markets of debt for borrowed money having a maturity of more than 270 days; or

(d) any sale or other disposition (including pursuant to a sale-leaseback transaction) of any property or asset (other than sales of inventory in the ordinary course of business consistent with past practice) of the Borrower or any Subsidiary resulting in aggregate Net Proceeds in excess of \$50,000,000 (for any one transaction) or \$100,000,000 (for all transactions during any fiscal year of the Borrower).

"Prime Rate" means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, National Association as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

“Property” means, with respect to any Person, all types of real, personal or mixed property and all types of tangible or intangible property owned or leased by such Person.

“Ratings Event” means that at any time, the Borrower’s Index Debt is rated (i) below BBB- by S&P and (ii) below Baa3 by Moody’s.

“Register” has the meaning set forth in Section 9.04.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Required Lenders” means, at any time, Lenders having Commitments representing more than 50% of the sum of the Commitments provided that, upon the funding of the Loans on the Funding Date, “Required Lenders” shall mean, at any time, Lenders having Loans representing more than 50% of the sum of the aggregate outstanding principal amount of all of the Loans at such time.

“Restricted Payment” means, with respect to any Person, any of the following, whether direct or indirect: (a) the payment by such Person of any dividend or distribution on any class of stock of such Person, except to the extent payable solely in shares of that class of stock to the holders of such class, (b) the payment by such Person of any distribution on any other type or class of equity interest or equity investment in such Person except to the extent payable in stock of such Person, and (c) any redemption, retirement, purchase or acquisition of, or sinking fund or other similar payment in respect of, any class of stock of, or other type or class of equity interest or equity investment in, such Person. For all purposes hereof, the amount of any Restricted Payment made through the transfer of property shall be deemed to be the greater of (x) the fair market value of such property (as determined in good faith by the Board of Directors of the Borrower) and (y) the net book value thereof on the books of the Borrower or any Subsidiary (as determined in accordance with GAAP), in each case as determined on the date such Restricted Payment is paid, distributed, made or set apart, as the case may be.

“Revolving Facility” means the revolving credit facility evidenced by the Revolving Facility Agreement.

“Revolving Facility Agreement” means that certain Credit Agreement dated as of March 24, 2006 by and among the Borrower, the foreign subsidiary borrowers party thereto and the lenders and agents from time to time party thereto, as amended, restated, supplemented, replaced or otherwise modified from time to time.

“S&P” means Standard & Poor’s.

“SEC” means the Securities and Exchange Commission of the United States or such other Governmental Authority succeeding to the functions thereof.

“Securitized Indebtedness” means, with respect to any Person as of any date, the reasonably expected liability of such Person for the repayment of, or otherwise relating to, all accounts receivable, general intangibles, chattel paper or other financial assets and related rights and assets sold or otherwise transferred by such Person, or any subsidiary or affiliate thereof, on or prior to such date.

“SPE” means any bankruptcy-remote, special-purpose entity created in connection with the financing of settlement float with respect to customer funds or otherwise.

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage, and the Administrative Agent shall notify the Borrower promptly of any such adjustment.

“Stock” means any and all shares, partnership interests, membership interests, warrants, options, rights of conversion, participations or other equivalents (however designated) of equity interests in a Person.

“subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP (excluding any FIN 46 Entity, but only to the extent that the owners of such FIN 46 Entity’s Indebtedness have no recourse, directly or indirectly, to the Borrower or any of its Subsidiaries for the principal, premium, if any, and interest on such Indebtedness) as of such date, as well as any other corporation, limited liability company, partnership, association or other entity of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held.

“Subsidiary” means any subsidiary of the Borrower, other than Bastogne, Inc. and any other SPE.

“Subsidiary Guarantor” means each Subsidiary (other than Foreign Subsidiaries) acting as such pursuant to Section 5.11 hereof from time to time (and giving effect to any releases in accordance with the terms hereof) or otherwise. The Subsidiary Guarantors on the Effective Date are identified as such in Schedule 3.13 hereto.

“Subsidiary Guaranty” means that certain Guaranty dated as of the Effective Date in the form of Exhibit E (including any and all supplements thereto) and executed by each Subsidiary Guarantor, as amended, restated, supplemented or otherwise modified from time to time.

“Syndication Agent” means SunTrust Bank in its capacity as syndication agent for the credit facility evidenced by this Agreement.

“Target” means CheckFree Corporation, a Delaware corporation.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

“Term Loan” means the Term Loan made pursuant to Section 2.01.

“Total Assets” means, as the date of any determination thereof, total assets of a Person calculated in accordance with GAAP on a consolidated basis as of such date.

“Transactions” means the execution, delivery and performance by the Loan Parties of this Agreement and the other Loan Documents, the borrowing of Loans, the use of the proceeds thereof and the consummation of the CheckFree Acquisition.

“Trust Business Disposition” is defined in Section 6.03.

“Trust Company Indebtedness” means, with respect to any Trust Company Subsidiary that either (i) is a Subsidiary Guarantor or (ii) does not Guarantee any Indebtedness of the Borrower or any other Subsidiary (other than another Trust Company Subsidiary), indebtedness of such Trust Company Subsidiary (a) incurred in the ordinary course of its business, (b) in respect of which neither the Borrower nor any other Subsidiary (other than another Trust Company Subsidiary) shall have any obligation or liability, contingent or otherwise, (c) to the extent such indebtedness is not past due in the payment of principal or interest thereon, and (d) to the extent such indebtedness is not in excess of 20% of the consolidated investments of such Trust Company Subsidiary as reflected on its most recent quarterly balance sheet.

“Trust Company Subsidiary” means each of Fiserv Trust Company (formerly known as First Trust Corporation and Lincoln Trust Company) and Trust Industrial Bank, in each case for so long as it retains its powers as a trust company or banking organization under the laws of the United States or any State thereof, together with each wholly-owned Subsidiary thereof.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type e.g., a “Eurodollar Loan”). Borrowings also may be classified and referred to by Type (e.g., a “Eurodollar Borrowing”).

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender agrees to make Loans to the Borrower in a single draw on the Funding Date in an aggregate principal amount that will not result in (a) the principal amount of such Lender’s Loans exceeding such Lender’s Commitment or (b) the aggregate principal amount of the Loans exceeding the Aggregate Commitment. Amounts repaid or prepaid in respect of the Loans may not be reborrowed.

SECTION 2.02. Loans and Borrowings. (a) Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender’s failure to make Loans as required.

(b) Subject to Section 2.14, each Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$100,000 and not less than \$1,000,000. Borrowings of more than one Type may be outstanding at the same time.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request any Loans other than the initial Loans on the Funding Date and shall not be entitled to elect to convert or continue any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Request for Initial Borrowing. To request the initial Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 12:00 noon, Chicago time, three Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 12:00 noon, Chicago time, on the Business Day of the proposed Borrowing. Such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower. Such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of the requested Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;

(iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.07.

If no election as to the Type of the initial Borrowing is specified, then the requested Borrowing shall be a Eurodollar Borrowing with an Interest Period ending, in the case of the initial Borrowing, on the last day of the calendar month of the date of such Borrowing. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. [Intentionally Omitted].

SECTION 2.05. [Intentionally Omitted].

SECTION 2.06. [Intentionally Omitted].

SECTION 2.07. Funding of Borrowings. (a) Each Lender shall make the Loan to be made by it hereunder on the Funding Date by wire transfer of immediately available funds by 1:00 p.m., Chicago time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent in New York City or Chicago and designated by the Borrower in the applicable Borrowing Request.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.08. Interest Elections. (a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request (or, in the case of the initial Borrowing, as provided in Section 2.03) and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request (or, in the case of the initial Borrowing, as provided in Section 2.03 if not so specified). Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or teletype to the Administrative Agent of a written Interest

Election Request in a form approved by the Administrative Agent and signed by the Borrower. Notwithstanding any contrary provision herein, this Section shall not be construed to permit the Borrower to elect an Interest Period for Eurodollar Loans that does not comply with Section 2.02(d).

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which Interest Period shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of three months' duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be automatically continued as a Eurodollar Borrowing with a three-month Interest Period. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued beyond its then current Interest Period as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.09. Termination of Commitments. The Commitments shall terminate on the earlier of (a) the Funding Date upon funding of the Term Loan in accordance with Section 4.02 or, if the Funding Date has not then occurred, December 31, 2007, (b) the date (if any) on which the Borrower redeems the notes issued under the New Bond Indenture as a result of its failure to consummate the CheckFree Acquisition and (c) the date (if any) on which the Borrower notifies the Administrative Agent of its election to terminate the Commitments (and, in the case of a termination pursuant to the foregoing clauses (b) or (c), the Subsidiary

Guarantors shall also be released from their obligations under the Subsidiary Guaranty). Any such notice under the foregoing clause (c) by the Borrower to the Administrative Agent to terminate the Commitments shall be made at least three Business Days prior to the specified effective date of such termination in such notice. Promptly following receipt of such notice, the Administrative Agent shall advise the Lenders of the contents thereof. Such notice by the Borrower shall be irrevocable. Any termination of the Commitments shall be permanent.

SECTION 2.10. Repayment and Amortization of Loans; Evidence of Debt (a) The Borrower shall repay Term Loans on (or before) each date set forth below in the aggregate principal amount set forth opposite such date (as adjusted from time to time pursuant to Section 2.11):

<u>Date</u>	<u>Amount</u>
December 31, 2008	\$ 250,000,000
December 31, 2009	\$ 250,000,000
December 31, 2010	\$ 375,000,000
December 31, 2011	\$ 375,000,000

To the extent not previously paid, all unpaid Term Loans shall be paid in full in cash by the Borrower on the Maturity Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it to the Borrower be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent and the Borrower. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.11. Prepayment of Loans.

(a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (c) of this Section.

(b) In the event and on each occasion that (i) the Ratings Event has occurred and is continuing and (ii) any Net Proceeds are received by or on behalf of the Borrower or any of its Domestic Subsidiaries (excluding amounts received from the Borrower or any of its Subsidiaries) in respect of any Prepayment Event, the Borrower shall, within four (4) Business Days after such Net Proceeds are received, prepay the Obligations as set forth in paragraph (c) below in an aggregate amount equal to 75% of such Net Proceeds; provided that, in the case of any event described in clause (d) of the definition of the term "Prepayment Event", if the Borrower shall deliver to the Administrative Agent a certificate of a Financial Officer to the effect that the Borrower or its relevant Subsidiaries intend to apply the Net Proceeds from such event (or a portion thereof specified in such certificate), within 180 days after receipt of such Net Proceeds (or, if the Borrower or such Subsidiary has entered into a contract within 180 days to reinvest such proceeds, within 210 days), to acquire real property, equipment or other tangible assets (excluding inventory) to be used in the business of the Borrower and/or its Subsidiaries, and certifying that no Default has occurred and is continuing, then no prepayment shall be required pursuant to this paragraph in respect of the Net Proceeds specified in such certificate; provided further that to the extent any such Net Proceeds therefrom that have not been so applied by the end of such 180 or 210 day period, as the case may be, a prepayment shall be required at such time in an amount equal to such Net Proceeds that have not been so applied.

(c) The Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 1:00 p.m., Chicago time, three Business Days before the date of prepayment or (ii) in the case of prepayment of an ABR Borrowing, not later than 1:00 p.m., Chicago time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each prepayment of a Borrowing pursuant to paragraphs (a) and (b) above shall be applied against the installment payments set forth in Section 2.10(a) (x) as the Borrower shall direct, so long as no Default or Event of Default has occurred and is continuing and (y) at all other times, in the inverse order of maturity. Prepayments shall be accompanied by (i) accrued interest to the extent required by Section 2.13 and (ii) break funding payments pursuant to Section 2.16.

SECTION 2.12. Fees.

(a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a ticking fee, which shall accrue at a rate per annum equal to 0.10% of the Commitment of such Lender during the period from and including the Effective Date to but excluding the earlier of the Funding Date and the date on which such Commitment terminates. Accrued ticking fees shall be

payable in arrears on December 31, 2007 and the earlier of the Funding Date and the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof. All ticking fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(c) All fees payable hereunder shall be paid on the dates due, in immediately available funds in Dollars to the Administrative Agent for distribution, in the case of ticking fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

SECTION 2.13. Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any fee, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.14. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective; provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then the other Type of Borrowings shall be permitted.

SECTION 2.15. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate); or

(ii) impose on any Lender or the London interbank market any other condition affecting this Agreement or Eurodollar Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Loan or of maintaining its obligation to make any such Loan or to reduce the amount of any sum received or receivable by such Lender hereunder, whether of principal, interest or otherwise, then the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender reasonably determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth in reasonable detail the computation of the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower contemporaneously with any demand for payment hereunder and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 30 days after receipt thereof.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs or reductions if such Lender fails to notify the Borrower within 90 days after it obtains actual knowledge (or, in the exercise of ordinary due diligence, should have obtained actual knowledge) and such Lender shall only be entitled to receive such compensation for any losses incurred by it or amounts to which it would otherwise be entitled from and after the date 90 days prior to the date such Lender provided notice thereof to the Borrower of the Change in Law and of such Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 90-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or as a result of any prepayment pursuant to Section 2.11), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(b) and is revoked in accordance therewith) or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. Such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits in the relevant currency of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth the computation in reasonable detail of any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower contemporaneously with the demand for payment and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 30 days after receipt thereof.

SECTION 2.17. Taxes. (a) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be

required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent or Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law. In the event that any such deduction or withholding can be reduced or nullified as a result of the application of any relevant double taxation convention, the Lenders and the Administrative Agent will, at the expense of the Borrower, cooperate with the Borrower in making application to the relevant taxing authorities seeking to obtain such reduction or nullification, provided, however, that the Lenders and the Administrative Agent shall have no obligation to (i) engage in litigation with respect thereto or (ii) disclose any tax return or other confidential information.

(b) In addition, the Borrower shall pay any Other Taxes related to the Borrower to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent and each Lender, within 30 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability together with a supporting document shall be delivered to the Borrower by a Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender contemporaneously with any demand for payment, and shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a copy of a receipt issued, if available, by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate.

(f) If the Administrative Agent or a Lender determines that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.17, it shall pay over such refund to the Borrower. This Section shall not be construed to require the Administrative Agent or

any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person. Notwithstanding any provision herein to the contrary, the Borrower shall have no obligation to pay to any Lender any amount which the Borrower is liable to withhold due to the failure of such Lender to file any statement of exemption required by the Code.

SECTION 2.18. Payments Generally; Pro Rata Treatment; Sharing of Set-offs

(a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to 1:00 p.m., Chicago time on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 131 South Dearborn Street, Chicago, Illinois 60603, except that payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments denominated in the same currency received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in Dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to

the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.07(b), 2.18(d) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.19. Mitigation Obligations: Replacement of Lenders. (a) If any Lender requests compensation under Section 2.15, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be materially disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.15, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, or if any Lender defaults in its obligation to fund Loans hereunder, or if any Lender shall determine that any law, regulation or treaty or directive, or any change therein or in the interpretation or application thereof, shall make it unlawful for such Lender to make or maintain any Eurodollar Loans as contemplated by this Agreement, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under the Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) such Lender is reasonably

acceptable to the Administrative Agent and (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts).

ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Lenders that:

SECTION 3.01. Existence and Power. Each of the Borrower and its Material Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, has all requisite power and authority to own its Property and to carry on its business as now conducted, and each of the Borrower and its Subsidiaries is in good standing and authorized to do business in each jurisdiction in which the failure so to qualify could reasonably be expected to have a Material Adverse Effect.

SECTION 3.02. Authority. Each Loan Party has full power and authority to enter into, execute, deliver and perform the terms of the Loan Documents to which it is a party, all of which have been duly authorized by all proper and necessary corporate or other entity action and are in full compliance with its certificate of incorporation, by-laws or other comparable documents. No consent or approval of, or other action by, shareholders or other equity owners of any Loan Party, any Governmental Authority or any other Person, which has not already been obtained, (a) is required to authorize the execution, delivery or performance by any Loan Party of the Loan Documents to which it is a party, (b) except for the filing of the Loan Documents with the SEC, is required of the Borrower or any Subsidiary in connection with the execution and delivery by the Borrower or such Subsidiary of the Loan Documents to which it is a party, or (c) is required as a condition to the enforceability against any Loan Party of the Loan Documents to which it is a party.

SECTION 3.03. Binding Agreements. The Loan Documents constitute the valid and legally binding obligations of the Loan Parties, enforceable in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by equitable principles relating to the availability of specific performance as a remedy.

SECTION 3.04. Litigation. (a) Except as set forth on Schedule 3.04 and in the Borrower's filings on Forms 10K, 10Q or 8K, there are no actions, suits or arbitration proceedings pending or, to the knowledge of the Borrower, threatened against the Borrower or any Subsidiary, at law or in equity, before any Governmental Authority which could reasonably be expected to have a Material Adverse Effect.

(b) There are no proceedings pending or, to the knowledge of the Borrower, threatened against the Borrower or any Subsidiary (i) which call into question the validity or enforceability of, or otherwise seek to invalidate, any Loan Document, or (ii) which would reasonably be expected to, individually or in the aggregate, materially and adversely affect any of the transactions contemplated by any Loan Document.

SECTION 3.05. No Conflicting Agreements. (a) Neither the Borrower nor any Subsidiary is in default under any existing mortgage, indenture, contract, or agreement to which it is a party or by which it or any of its Property is bound the effect of which could reasonably be expected to have a Material Adverse Effect. No notice to, or filing with, any Governmental Authority is required for the due execution or delivery (except for the filing of the Loan Documents with the SEC promptly thereafter) or performance by any Loan Party of the Loan Documents to which it is a party other than those notices or filings which have been given and filed, as the case may be.

(b) No provision of any existing mortgage, indenture, material contract, material agreement or material instrument evidencing Indebtedness, in each case binding on the Borrower or any Material Subsidiary or affecting the Property of the Borrower or any Material Subsidiary, and no provision of any statute, rule, regulation, judgment, decree or order binding on the Borrower or any Material Subsidiary or affecting the Property of the Borrower or any Material Subsidiary conflicts with, or requires any consent which has not already been obtained under, or would in any way prevent the execution, delivery or performance by any Loan Party of the terms of, any Loan Document. The execution, delivery or performance by each Loan Party of the terms of each Loan Document to which it is a party will not constitute a default under, or result in the creation or imposition of, or obligation to create, any Lien (other than any Lien permitted under Section 6.02) upon the Property of the Borrower or any Material Subsidiary pursuant to the terms of any mortgage, indenture, material contract, material agreement or material instrument evidencing Indebtedness binding on the Borrower or any Material Subsidiary or affecting the Property of the Borrower or any Material Subsidiary.

SECTION 3.06. Taxes. The Borrower and each Subsidiary has filed or caused to be filed all tax returns, and has paid, or has made adequate provision for the payment of, all taxes shown to be due and payable on said returns or in any assessments made against them, the failure of which to file or pay could reasonably be expected to have a Material Adverse Effect.

SECTION 3.07. Governmental Regulations. Neither the Borrower nor any Subsidiary nor any corporation controlling the Borrower or any Subsidiary or under common control with the Borrower or any Subsidiary is subject to regulation under the Investment Company Act of 1940.

SECTION 3.08. Federal Reserve Regulations: Use of Loan Proceeds. The Borrower is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. After giving effect to the making of each Loan, Margin Stock will constitute less than 25% of the assets (as determined by any reasonable method) of the Borrower and the Subsidiaries. The Borrower has not used nor will use the proceeds of the Loans for any purpose other than (i) to finance the CheckFree Acquisition and costs, fees and expenses incurred in connection therewith (ii) for its general corporate

purposes (including refinancing existing Indebtedness and repurchases of the Borrower's Stock, in each case to the extent not inconsistent with the terms hereof). Anything in this Agreement to the contrary notwithstanding, no Lender shall be obligated to extend credit to the Borrower (i) in violation of any limitation or prohibition provided by any applicable law, regulation or statute, including Regulations U or X of the Board or (ii) to fund any tender offer for, or other Acquisition of, Stock issued by any other Person with a view towards attaining Control of such other Person at a time when the board of directors or other similar managing body of such Person shall not have approved of such attainment of Control.

SECTION 3.09. Disclosure. None of the Information Memorandum, any Loan Document or any material information delivered hereunder or thereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

SECTION 3.10. Plans. Each Employee Benefit Plan of the Borrower, each Subsidiary and each ERISA Affiliate is in compliance with ERISA and the Code, where applicable, except to the extent that non-compliance would not reasonably be expected to have a Material Adverse Effect. The Borrower, each Subsidiary and each ERISA Affiliate have complied with the requirements of Section 515 of ERISA with respect to each Pension Plan which is a Multiemployer Plan, except to the extent that non-compliance would not reasonably be expected to have a Material Adverse Effect. The Borrower, each Subsidiary and each ERISA Affiliate has, as of the date hereof, made all contributions or payments to or under each such Pension Plan required by law or the terms of such Pension Plan or any contract or agreement, except to the extent that non-compliance would not reasonably be expected to have a Material Adverse Effect. No liability to the PBGC has been, or is expected by the Borrower, any Subsidiary or any ERISA Affiliate to be, incurred by the Borrower, any Subsidiary or any ERISA Affiliate, except to the extent that such liability, individually or in the aggregate, is not in excess of \$100,000,000. Liability, as referred to in this Section 3.10, includes any joint and several liability. Each Employee Benefit Plan which is a group health plan within the meaning of Section 5000(b)(1) of the Code is in material compliance with the continuation of health care coverage requirements of Section 4980B and 4980D of the Code, except to the extent that non-compliance would not reasonably be expected to have a Material Adverse Effect.

SECTION 3.11. Environmental Matters. Except as set forth in Schedule 3.11 and except as would not reasonably be expected to have a Material Adverse Effect, (a) the Borrower and each Subsidiary possess all Environmental Permits currently required under applicable Environmental Laws to conduct their respective businesses and are, and within applicable statutes of limitation, have been, in compliance with the terms and conditions of such Environmental Permits, nor has the Borrower or any Subsidiary received written notice that any Environmental Permits possessed by any of them will be revoked, suspended or will not be renewed; (b) the Borrower and each Subsidiary is currently, and within applicable statutes of limitation, have been, in compliance with all applicable Environmental Laws; (c)(i) the Borrower has not received notice of any civil, criminal or administrative action, suit, demand, claim, hearing, notice of violation, investigation, notice or demand letter or request for information pending or

threatened under any Environmental Law against the Borrower or any Subsidiary, and (ii) the Borrower has not received notice of actual or potential liability under any Environmental Law that has not been resolved, including, but not limited to, any liability that the Borrower or any Subsidiary may have retained or assumed either contractually or by operation of law; (d) as of the date hereof, no property or facility currently, or to the best of the Borrower's knowledge, formerly owned, operated or leased by the Borrower or any present or former Subsidiary, or by any respective predecessor in interest, is listed or proposed for listing on the National Priorities List or CERCLIS, both promulgated under the CERCLA, or on any comparable foreign or state list established under any Environmental Law; (e)(i) there has been no disposal, spill, discharge or release of any Hazardous Material generated, used, owned, stored or controlled by the Borrower, any Subsidiary or respective predecessors in interest, on, at or under any property presently or formerly owned, leased or operated by the Borrower, any Subsidiary or any predecessor in interest; and (ii) there are no Hazardous Materials located in, at, on or under such facility or property, or at any other location, in either case, that could reasonably be expected to require investigation, removal, remedial or corrective action by the Borrower or that would reasonably likely result in liabilities of, or losses, damages or costs to the Borrower under any Environmental Law; (f)(i) there has not been any underground or aboveground storage tank or other underground storage receptacle or related piping, or any impoundment or other disposal area in each case containing Hazardous Materials located on any facility or property owned, leased or operated by the Borrower, any Subsidiary or respective predecessors in interest except in compliance with Environmental Laws during the period of such ownership, lease or operation, and (ii) no asbestos or polychlorinated biphenyls have been used or disposed of, or have been located at, on or under any such facility or property during the period of such ownership, lease or operation, except in compliance with Environmental Laws; and (g) no lien has been recorded against any properties, assets or facilities currently owned, leased or operated by the Borrower or any Subsidiary under any Environmental Law.

SECTION 3.12. Financial Statements. (a) The Borrower has heretofore delivered to the Lenders copies of its audited Consolidated Balance Sheet as of December 31, 2006, and the related Consolidated Statement of Income and Retained Earnings, and Consolidated Statement of Cash Flows, for the fiscal year then ended (collectively, together with the related notes and schedules, the "Financial Statements"). The Financial Statements fairly present the Consolidated financial condition and results of the operations of the Borrower and the Subsidiaries as of the dates and for the periods indicated therein and have been prepared in conformity with GAAP as then in effect.

(b) Since December 31, 2006, there has been no material adverse change in the financial condition, operations, business or assets of the Borrower and its Subsidiaries on a Consolidated basis.

SECTION 3.13. Material Subsidiaries: Capital Stock. As of the date of this Agreement, each Material Subsidiary of the Borrower is set forth on Schedule 3.13. The shares of each Material Subsidiary are duly authorized, validly issued, fully paid and, except to the extent that the law of the State of Wisconsin may require assessment of each shareholder of a Material Subsidiary for an amount not exceeding the lesser of the par value of the shares held by such shareholder and the unpaid wages owed by such Material Subsidiary, nonassessable.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. This Agreement shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received from (i) each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement and (ii) each initial Subsidiary Guarantor either (A) a counterpart of the Subsidiary Guaranty signed on behalf of such Subsidiary Guarantor or (B) written evidence satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of the Subsidiary Guaranty) that such Subsidiary Guarantor has signed a counterpart of the Subsidiary Guaranty.

(b) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of (i) Foley & Lardner LLP, special counsel for the Loan Parties and (ii) Charles W. Sprague, General Counsel of the Loan Parties, substantially in the form of Exhibits B-1 and B-2, respectively, and covering such other matters relating to the Loan Parties, this Agreement or the Transactions as the Required Lenders shall reasonably request. The Borrower hereby requests such counsel to deliver such opinion.

(c) The Lenders shall have received (i) reasonably satisfactory audited consolidated financial statements of the Borrower and the Target for the two most recent fiscal years ended prior to the Effective Date as to which such financial statements are available and (ii) reasonably satisfactory unaudited interim consolidated financial statements of the Borrower and the Target for each quarterly period ended subsequent to the date of the latest financial statements delivered pursuant to clause (i) of this paragraph as to which such financial statements are available.

(d) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the initial Loan Parties, the authorization of the Transactions and any other legal matters relating to such Loan Parties, the Loan Documents or the Transactions, all in form and substance satisfactory to the Administrative Agent and its counsel and as further described in the list of closing documents attached as Exhibit D.

(e) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Borrower, confirming that (a) the representations and warranties of the Borrower set forth in this Agreement shall be true and correct on and as of the Effective Date and (b) no Default shall have occurred and be continuing.

(f) The Administrative Agent shall have received evidence satisfactory to it that the Revolving Facility Agreement shall have been amended to reflect certain modifications agreed upon by the Administrative Agent and the Borrower.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

SECTION 4.02. Funding Date. The obligations of the Lenders to make the Loans hereunder shall be subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrower set forth in this Agreement (other than the representations contained in Section 3.04(a) and 3.12(b)) shall be true and correct on and as of the date of the Loans (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date).

(b) At the time of and immediately after giving effect to the Loans, no Default shall have occurred and be continuing (it being understood that the representations contained in Section 3.04(a) and 3.12(b) are made only as of the Effective Date).

(c) All governmental and third party approvals necessary or, in the discretion of the Administrative Agent, advisable in connection with the consummation of the CheckFree Acquisition and the Transactions shall have been obtained and be in full force and effect.

(d) The CheckFree Acquisition shall be consummated substantially simultaneously with the funding of the Loans on the Funding Date in accordance with applicable law and the merger agreement related thereto.

(e) The Funding Date shall occur by no later than December 31, 2007 and, if the Funding Date does not occur by such date, the Commitments shall automatically terminate.

(f) The Borrower shall have delivered to the Administrative Agent (for distribution to the Lenders) updated Schedules hereto, giving effect to the CheckFree Acquisition, which Schedules modify the Sections to which they relate as of the Funding Date.

(g) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Funding Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.

The making of the Loans on the Funding Date shall be deemed to constitute a representation and warranty by the Borrower on such date as to the matters specified in paragraphs (a) and (b) of this Section.

The Administrative Agent shall notify the Borrower and the Lenders of the Funding Date, and such notice shall be conclusive and binding.

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full, the Borrower covenants and agrees with the Lenders that the Borrower will:

SECTION 5.01. Legal Existence. Except as may otherwise be permitted by Sections 6.03 and 6.04, maintain, and cause each Subsidiary to maintain, its corporate existence in good standing in the jurisdiction of its incorporation or formation and in each other jurisdiction in which the failure so to do could reasonably be expected to have a Material Adverse Effect.

SECTION 5.02. Taxes. Pay and discharge when due, and cause each Subsidiary so to do, all taxes, assessments, governmental charges, license fees and levies upon or with respect to the Borrower and such Subsidiary, and upon the income, profits and Property thereof unless, and only to the extent, that (a)(i) such taxes, assessments, governmental charges, license fees and levies shall be contested in good faith and by appropriate proceedings diligently conducted by the Borrower or such Subsidiary, and (ii) such reserve or other appropriate provision as shall be required by GAAP shall have been made therefor, or (b) the failure so to do would not have a Material Adverse Effect.

SECTION 5.03. Insurance. Maintain, and cause each Material Subsidiary to maintain, insurance with financially sound insurance carriers against at least such risks, and in at least such amounts, as are usually insured against by similar businesses, including business interruption, public liability (bodily injury and property damage), fidelity, workers' compensation and property insurance, except to the extent that the failure so to do could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.04. Performance of Obligations. Pay and discharge promptly when due, and cause each Subsidiary so to do, all lawful Indebtedness, obligations and claims for labor, materials and supplies or otherwise which, if unpaid, could reasonably be expected to have a Material Adverse Effect, provided that neither the Borrower nor such Subsidiary shall be required to pay or discharge or cause to be paid or discharged any such Indebtedness, obligation or claim so long as (i) the validity thereof shall be contested in good faith and by appropriate proceedings diligently conducted by the Borrower or such Subsidiary, and (ii) such reserve or other appropriate provision as shall be required by GAAP shall have been made therefor.

SECTION 5.05. Condition of Property. Except as permitted by Sections 6.03 and 6.04 and for ordinary wear and tear, at all times, maintain, protect and keep in good repair, working order and condition, all Property used or useful in the operation of its business (other than Property which is replaced with similar Property), and cause each Subsidiary so to do, except to the extent that the failure to do so would not have a Material Adverse Effect.

SECTION 5.06. Observance of Legal Requirements. Observe and comply in all material respects, and cause each Subsidiary so to do, with all laws, ordinances, orders, judgments, rules, regulations, certifications, franchises, permits, licenses, directions and requirements of all Governmental Authorities, which now or at any time hereafter may be applicable to it or to such Subsidiary, a violation of which would reasonably be expected to have a Material Adverse Effect.

SECTION 5.07. Financial Statements and Other Information. Furnish to the Administrative Agent:

(a) As soon as available and, in any event, within 90 days after the close of each fiscal year, a copy of (x) the Borrower's 10-K in respect of such fiscal year, and (y) (i) the Borrower's Consolidated Balance Sheet as of the end of such fiscal year, and (ii) the related Consolidated Statement of Income and Retained Earnings, and Consolidated Statement of Cash Flows, as of and through the end of such fiscal year, setting forth in each case in comparative form the corresponding figures in respect of the previous fiscal year, all in reasonable detail, and accompanied by a report of the Borrower's auditors, which report shall state that (A) such auditor has audited such financial statements, (B) such audit was made in accordance with generally accepted auditing standards in effect at the time and provides a reasonable basis for such opinion, and (C) said financial statements have been prepared in accordance with GAAP (provided that, notwithstanding the foregoing, such report may be with reference to such financial statements which have given effect to the consolidation of any FIN 46 Entities with the Borrower);

(b) Simultaneously with the delivery of the certified statements required by paragraph (a) of this Section, copies of a certificate of the Borrower's auditors (i) expressing their opinion that the computations by the Borrower (which computations shall accompany such certificate and shall be in reasonable detail) show compliance with Section 6.08 and are in accordance with such Section, and (ii) stating that, in making the examination necessary for their audit of the financial statements of the Borrower for such fiscal year, nothing came to their attention of a financial or accounting nature that caused them to believe that there shall have occurred any condition or event which would constitute a Default or an Event of Default, or, if so, specifying in such certificate all such Defaults or Events of Default and the nature and status thereof;

(c) As soon as available, and in any event within 45 days after the end of each of the first three fiscal quarters of each fiscal year, a copy of (x) the Borrower's 10-Q in respect of such fiscal quarter, and (y) (i) the Borrower's Consolidated Balance Sheet as of the end of such quarter, and (ii) the related Consolidated Statement of Income and Retained Earnings, and Consolidated Statement of Cash Flows for (A) such quarter, and (B) the period from the beginning of the then current fiscal year to the end of such quarter, in each case in comparable form with the prior fiscal year, all in reasonable detail and prepared in accordance with GAAP (without footnotes and subject to normal year-end and audit adjustments);

(d) (i) Simultaneously with the delivery of the financial statements required by Section 5.07(c), a certificate of a Financial Officer of the Borrower certifying that no Default or Event of Default shall have occurred and be continuing or, if so, specifying in such certificate all such Defaults and Events of Default, and setting forth computations in reasonable detail demonstrating compliance with Section 6.08, and (ii) simultaneously with the delivery of the financial statements required by Section 5.07(a) or 5.07(c), as the case may be, a Compliance Certificate, as of the fiscal period then ended, certified by a Financial Officer of the Borrower;

(e) Upon an executive officer of the Borrower becoming aware thereof, prompt written notice of: (i) any citation, summons, subpoena, order to show cause or other order naming the Borrower or any Subsidiary a party to any proceeding before any Governmental Authority which could reasonably be expected to have a Material Adverse Effect, and include with such notice a copy of such citation, summons, subpoena, order to show cause or other order, (ii) any lapse or other termination of any license, permit, franchise or other authorization issued to the Borrower or any Subsidiary by any Governmental Authority, (iii) any refusal by any Governmental Authority to renew or extend any license, permit, franchise or other authorization, and (iv) any dispute between the Borrower or any Subsidiary and any Governmental Authority, which lapse, termination, refusal or dispute, referred to in clause (ii), (iii) or (iv) above, could reasonably be expected to have a Material Adverse Effect;

(f) Upon an executive officer of the Borrower becoming aware thereof, prompt written notice of the occurrence of (i) each Default, and (ii) each Material Adverse Effect;

(g) Upon the forwarding thereof to the shareholders of the Borrower generally, copies of all financial statements, reports and proxy statements so furnished;

(h) Promptly after either rating agency providing a rating for the Index Debt pursuant to the definition of "Applicable Rate" shall have publicly announced a change in the rating established or deemed to have been established for the Index Debt, written notice of such rating change; and

(i) Promptly after request therefor, such other information relating to the financial condition or business of the Borrower, the Subsidiaries and the FIN 46 Entities, as the Administrative Agent or any Lender at any time or from time to time may reasonably request.

Each report and other document required to be delivered by the Borrower pursuant to subparagraphs (a), (b), (c), (d)(i), (d)(ii) and (g) of this Section 5.07 shall be deemed to have been delivered on the date upon which the Borrower notifies the Administrative Agent that such report or other document has been posted at a site (the address of which shall be contained in such notice) on the world wide web, which site is accessible by a widely held nationally recognized web browser, from which such report or document may be readily viewed and printed. The Administrative Agent shall promptly furnish to each Lender a copy (in the form received) of each notice or other information provided to the Administrative Agent under this Section 5.07.

SECTION 5.08. Records. At all reasonable times, upon reasonable prior notice and at the sole cost and expense of the Administrative Agent and the Lenders, permit representatives of the Administrative Agent and each Lender to discuss the affairs of the Borrower and each Subsidiary with the respective officers thereof, and to meet and discuss the affairs of the Borrower and each Subsidiary with the Borrower's auditors.

SECTION 5.09. Authorizations. Maintain and cause each Subsidiary to maintain, in full force and effect, all copyrights, patents, trademarks, trade names, franchises, licenses, permits, applications, reports, and other authorizations and rights, except where the failure so to do could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.10. Disaster Recovery Program. Maintain, and cause each Subsidiary to maintain, a "disaster recovery program" which conforms to and complies with all laws, rules and regulations, and all industry standards for businesses of the type engaged in by the Borrower and the Subsidiaries, and keep such disaster recovery program in a current status at all times, in each case except to the extent that the failure so to do could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.11. Subsidiary Guaranty.

(a) Guarantors. As promptly as possible but in any event within forty-five (45) days (or such later date as may be agreed upon by the Administrative Agent) (i) after any Person becomes a Domestic Subsidiary or (ii) after any Domestic Subsidiary becomes a Material Subsidiary, the Borrower shall provide the Administrative Agent with written notice thereof setting forth information in reasonable detail describing the material assets of such Person and shall cause each such Person that is a Material Subsidiary to deliver to the Administrative Agent the Subsidiary Guaranty pursuant to which such Material Subsidiary agrees to be bound by the terms and provisions thereof, such Subsidiary Guaranty to be accompanied by appropriate corporate or equivalent resolutions, other corporate or equivalent documentation and legal opinions (which may include inside counsel to such Material Subsidiary for certain matters) in form and substance reasonably satisfactory to the Administrative Agent and its counsel. Notwithstanding the foregoing, promptly after consummation of the CheckFree Acquisition, the Borrower shall cause CheckFree Services Corporation to become a Subsidiary Guarantor in the manner contemplated by the immediately preceding sentence.

(b) Release.

(i) If any Subsidiary Guarantor ceases to be a Material Subsidiary (excluding any Domestic Subsidiary that becomes a Subsidiary Guarantor pursuant to the proviso in subsection (ii) below or that is a Subsidiary Guarantor, but not a Material Subsidiary, on the Effective Date (or, upon the occurrence of the Funding Date, the Funding Date)), the Borrower may provide the Administrative Agent with written notice thereof, and, upon receipt by the Administrative Agent of such notice, such Domestic Subsidiary shall no longer be a Subsidiary Guarantor and shall be automatically released from the Subsidiary Guaranty and its obligations thereunder shall be terminated; provided that such Domestic Subsidiary shall remain subject to the Subsidiary Guarantor requirements of subsection (a) above, if applicable. The obligations of all Subsidiary Guarantors under the Subsidiary Guaranty shall be automatically

released and terminated when the Borrower achieves the Guaranty Ratings Threshold; provided that at any time the Borrower does not maintain the Guaranty Ratings Threshold, the obligations and requirements of any Subsidiary to be a Subsidiary Guarantor and to enter into the Subsidiary Guaranty, all pursuant to the terms and conditions of this Agreement, shall once again be fully effective upon the forty-fifth (45th) day after the date upon which the Borrower ceases to maintain the Guaranty Ratings Threshold.

(ii) Any Subsidiary Guarantor (including any Domestic Subsidiary that becomes a Subsidiary Guarantor pursuant to the proviso in this subsection (ii) or that is a Subsidiary Guarantor, but not a Material Subsidiary, on the Effective Date (or, upon the occurrence of the Funding Date, the Funding Date)) shall be released from the Subsidiary Guaranty upon the Borrower's written request to the Administrative Agent, provided, however, that, (x) any such release of a Material Subsidiary shall only be permitted hereunder if, and effective upon, all of the assets (or substantially all of the assets) of, or all of the equity interests (or substantially all of the equity interests) in, a Material Subsidiary are being sold, transferred or otherwise disposed of pursuant to a transaction permitted by the Loan Documents and (y) if at the time of any release of any Subsidiary Guarantor (based on the financial statements delivered pursuant to Section 5.07 for the most recently ended fiscal quarter prior to such release and calculated for the most recently ended four consecutive fiscal quarter period) the aggregate amount of the EBITDA of such Subsidiary Guarantor and all Domestic Subsidiaries that are not Subsidiary Guarantors (on a consolidated basis) at such time exceeds forty percent (40%) of the EBITDA of the Borrower and its Domestic Subsidiaries, on a consolidated basis, for the four consecutive fiscal quarter period most recently ended prior to the Effective Date (or, upon the occurrence of the Funding Date, the Funding Date) (as calculated by the Borrower on a pro forma basis reasonably acceptable to the Administrative Agent giving positive effect to the CheckFree Acquisition and deducting for discontinued operations as a result of the Trust Business Disposition), then the Borrower shall, contemporaneously with such release, cause sufficient Domestic Subsidiaries to become Subsidiary Guarantors to eliminate such excess.

(c) Other Requirements. Notwithstanding anything to the contrary in this Agreement (including, without limitation, Section 5.11(b)), the Borrower shall not permit any Subsidiary to guaranty the obligations under the New Bond Indenture or the Revolving Facility, regardless of whether such Subsidiary is a "Material Subsidiary", unless such Subsidiary shall become a Subsidiary Guarantor.

ARTICLE VI

Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full, the Borrower covenants and agrees with the Lenders that it will not:

SECTION 6.01. Subsidiary Indebtedness. Permit any Subsidiary that is not a Subsidiary Guarantor to create, incur, assume or suffer to exist any Indebtedness, except any one or more of the following types of Indebtedness:

- (a) (i) the Obligations and any other Indebtedness created under the Loan Documents, (ii) the obligations and any other Indebtedness under the Revolving Facility, and (iii) the obligations and any other Indebtedness under the New Bond Indenture;
- (b) Indebtedness existing on the Effective Date (or, upon the occurrence of the Funding Date, on the Funding Date) and set forth on Schedule 6.01 (including any extensions, renewals, refinancings, amendments, supplements, refundings, modifications or replacements of such Indebtedness, to the extent that the principal amount thereof shall not be increased);
- (c) Indebtedness in respect of capital and operating leases, and Permitted Sale-Leaseback Transactions;
- (d) purchase money Indebtedness in connection with the Acquisition of fixed or capital assets;
- (e) Indebtedness to the Borrower or any Subsidiary, and Guarantees by any Subsidiary of Indebtedness of another Subsidiary or the Borrower to the extent that such Indebtedness is not prohibited hereby; and
- (f) other Indebtedness, provided that, immediately after giving effect thereto, the aggregate sum of all Indebtedness (without duplication) under this Section 6.01(f) (i) would not exceed 15.0% of Net Worth and (ii) to the extent secured by Liens, would be permitted under Section 6.02(r).

SECTION 6.02. Liens. Create, incur, assume or suffer to exist any Lien against or on any Property now owned or hereafter acquired by the Borrower or any Subsidiary, or permit any Subsidiary so to do, except any one or more of the following types of Liens:

- (a) Liens in connection with workers' compensation, unemployment insurance or other social security obligations (which phrase shall not be construed to refer to ERISA or the minimum funding obligations under Section 412 of the Code);
- (b) Liens to secure the performance of bids, tenders, letters of credit, contracts (other than contracts for the payment of Indebtedness), leases, statutory obligations, surety, customs, appeal, performance and payment bonds and other obligations of like nature, in each such case arising in the ordinary course of business;
- (c) mechanics', workmen's, carriers', warehousemen's, materialmen's, landlords', or other like Liens arising in the ordinary course of business with respect to obligations which are not due or which are being contested in good faith and by appropriate proceedings diligently conducted;

(d) Liens for taxes, assessments, fees or governmental charges or levies which are not delinquent or are payable without penalty, or are being contested in good faith and by appropriate proceedings diligently conducted, and in respect of which adequate reserves shall have been established in accordance with GAAP on the books of the Borrower or any Subsidiary;

(e) Liens consisting of attachments, judgments or awards against the Borrower or any Subsidiary with respect to which an appeal or proceeding for review shall be pending or a stay of execution shall have been obtained, or which are otherwise being contested in good faith and by appropriate proceedings diligently conducted, and in respect of which adequate reserves shall have been established in accordance with GAAP on the books of the Borrower or any Subsidiary;

(f) easements, rights of way, restrictions, leases of Property to others, easements for installations of public utilities, title imperfections and restrictions, zoning ordinances and other similar encumbrances affecting Property which in the aggregate do not materially adversely affect the value of such Property or materially impair its use for the operation of the business of the Borrower or any Subsidiary;

(g) Liens existing on the Effective Date (or, upon the occurrence of the Funding Date, on the Funding Date) and securing Indebtedness or other obligations of the Borrower or, to the extent permitted by Section 6.01, of the Subsidiaries;

(h) statutory Liens in favor of lessors arising in connection with Property leased to the Borrower or any Subsidiary;

(i) Liens on Margin Stock to the extent that a prohibition on such Liens pursuant to this Section 6.02 would violate Regulation U of the Board, as amended;

(j) purchase money Liens on Property hereafter acquired by the Borrower or any Subsidiary created within 180 days of such acquisition (or in the case of real property, completion of construction including any improvements or the commencement of operation of the property, whichever occurs later) to secure or provide for the payment or financing of all or any part of the purchase price thereof, provided that the Lien secured thereby shall attach only to the Property so acquired and related assets (except that individual financings by one Person (or an Affiliate thereof) may be cross-collateralized to other financings provided by such Person and its Affiliates that are permitted by this clause (j));

(k) Liens in respect of capital leases permitted by Section 6.01 and Permitted Sale-Leaseback Transactions;

(l) Liens on the Property of a Person that becomes a Subsidiary after the date hereof, provided that (i) such Liens existed at the time such Person becomes a Subsidiary and were not created in anticipation thereof, (ii) any such Lien does not by its terms cover any Property after the time such Person becomes a Subsidiary that was not covered immediately prior thereto and (iii) any such Lien does not by its terms secure any Indebtedness other than Indebtedness existing immediately prior to the time such Person becomes a Subsidiary;

(m) Liens on Property and proceeds thereof existing at the time of acquisition thereof and not created in contemplation thereof;

(n) Liens (i) of a collection bank arising under Section 4-208 of the Uniform Commercial Code on the items in the course of collection, and (ii) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of set off) and which are within the general parameters customary in the banking industry.

(o) Liens securing Securitized Indebtedness in an aggregate principal amount not in excess of \$200,000,000 at any one time outstanding;

(p) any extension, renewal, refinancing, substitution or replacement (or successive extensions, renewals, refinancings, substitutions or replacements), as a whole or in part, of any of the Liens referred to in paragraphs (g), (j), (l) and (m) of this Section 6.02, provided that such extension, renewal, refinancing substitution or replacement Lien shall be limited to all or any part of substantially the same property or assets that secured the Lien extended, renewed, refinanced, substituted or replaced (plus improvements on such property) and the liability secured by such Lien at such time is not increased;

(q) Liens on proceeds of any of the assets permitted to be the subject of any Lien or assignment permitted by this Section 6.02, and

(r) other Liens, provided that, without duplication, the aggregate sum of all obligations and Indebtedness secured by Liens permitted under this Section 6.02(r) would not exceed 10.0% of Net Worth.

SECTION 6.03. Asset Sales. Other than in connection with the Trust Business Disposition, Permitted Sale-Leaseback Transactions or one or more transactions contemplated by Sections 6.04(a) or 6.04(b), sell, assign (other than a collateral assignment intended for security), transfer or otherwise dispose of, in one transaction or a series of related transactions, or permit any Material Subsidiary so to do, all or a substantial part of the consolidated assets of the Borrower and the Subsidiaries taken as a whole. As used herein the "Trust Business Disposition" means the consummation of the transactions contemplated by the following agreements and any related agreements, instruments or documents in connection with the sale of capital stock in each of Fiserv Trust Company, Fiserv Affinity, Inc., Trust Industrial Bank and Fiserv Brokerage Services, Inc.: (i) that certain Stock Purchase Agreement dated as of May 24, 2007 between the Borrower and TD Ameritrade Online Holdings Corp.; and (ii) that certain Stock Purchase Agreement dated as of May 24, 2007 between the Borrower and Robert Beriault Holdings, Inc.

SECTION 6.04. Mergers and Acquisitions. Consolidate or merge into or with any Person, or make any Acquisition, or enter into any binding agreement to do any of the foregoing which is not contingent on obtaining the consent of the Required Lenders, or permit any Subsidiary so to do, except as follows:

(a) any Subsidiary may merge into or be acquired by a Loan Party, provided that (i) such Loan Party is the survivor thereof (and in a transaction involving the Borrower, the Borrower is the survivor thereof), and (ii) immediately before and after giving effect thereto no Default or Event of Default shall or would exist;

(b) any Subsidiary may merge into or be acquired by another Subsidiary;

(c) the consummation of the CheckFree Acquisition; and

(d) Acquisitions of one or more Operating Entities or Properties, provided that immediately before and after giving effect to each such Acquisition under this Section 6.04(d), (1) no Default shall or would exist, and (2) all of the representations and warranties contained in Article III (other than Sections 3.04(a) and 3.12) shall be true and correct as if then made (except to the extent such representations and warranties refer to an earlier date, in which case they shall be true and correct as of such date).

SECTION 6.05. Pari Passu Obligations. The obligations of each Loan Party under the Loan Documents shall at all times rank not lower than pari passu as to priority of payment and in all other respects with all other unsecured and unsubordinated obligations of such Loan Party.

SECTION 6.06. Transactions with Affiliates. Become, or permit any Subsidiary to become, a party to any transaction with any Affiliate of the Borrower on a basis materially less favorable to the Borrower or such Subsidiary in any material respect than if such transaction were not with an Affiliate of the Borrower.

SECTION 6.07. Restricted Payments. Make any Restricted Payment, or permit any Subsidiary so to do, except any one or more of the following Restricted Payments:

(a) Restricted Payments made by the Borrower, provided that (i) immediately before and after giving effect thereto no Event of Default shall or would exist, and (ii) immediately after giving effect thereto, the Borrower would be in pro-forma compliance with Section 6.08; and

(b) Restricted Payments by any Subsidiary, provided that no Restricted Payment made to any holder of a minority interest in the Stock thereof shall be greater, on a pro rata basis, than the amount received by the Borrower and the other Subsidiaries in respect thereof.

SECTION 6.08. Financial Covenants.

(a) Maximum Leverage Ratio. Permit the Leverage Ratio at the end of any fiscal quarter to be greater than: (i) 3.5 to 1.0 at all times prior to the Funding Date, (ii) for the period beginning on the Funding Date and ending March 30, 2009, 4.5 to 1.0, (iii) for the period beginning on March 31, 2009 and ending March 30, 2010, 4.0 to 1.0, and (iv) from March 31, 2010 and thereafter, 3.5 to 1.0; or

(b) Minimum Interest Coverage Ratio. Permit the Interest Coverage Ratio at the end of any fiscal quarter to be less than 3.0 to 1.0.

ARTICLE VII

Events of Default

If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five (5) Business Days;

(c) any representation or warranty of any Loan Party in this Agreement or any other Loan Document or any amendment or modification thereof or waiver thereunder, or in any final version of any report, certificate or other document delivered on or after the date hereof, shall prove to have been incorrect in any material respect when made;

(d) (i) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.01 or in Article VI or (ii) except as permitted herein, any Loan Document shall for any reason not be or shall cease to be in full force and effect or is declared to be null and void by any Loan Party, or the Borrower or any Subsidiary takes any action for the purpose of terminating, repudiating or rescinding any Loan Document or any of its obligations thereunder;

(e) the Borrower or any Subsidiary Guarantor, as applicable, shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b) or (d) of this Article) or any other Loan Document, and such failure shall continue unremedied for a period of 30 days after an executive of such Loan Party being aware of such failure;

(f) the Borrower or any Subsidiary shall fail to make any payment (whether of principal, interest or otherwise and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable (after giving effect to any applicable grace period);

(g) any event or condition occurs that (i) results in any Material Indebtedness becoming or being declared due prior to its scheduled maturity or (ii) enables or permits the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due prior to its scheduled maturity; provided that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Material Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Borrower or any Material Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of \$50,000,000 shall be rendered against the Borrower or any Subsidiary and the same shall remain unpaid, unstayed on appeal, undischarged, unbonded or undismissed for a period of 60 consecutive days;

(l) an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, would have a Material Adverse Effect;

(m) a Change in Control shall occur; or

(n) the occurrence of an Event of Default under and as defined in (i) the Indenture, dated as of April 11, 2003, between the Borrower, as Issuer, and BNY Midwest Trust Company, as Trustee, as amended or supplemented, (ii) the Indenture, dated as of June 27, 2003, between the Borrower, as Issuer, and BNY Midwest Trust Company, as Trustee, as amended or supplemented; or (iii) the New Bond Indenture;

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder and under the other Loan Documents, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other Obligations accrued hereunder and under the other Loan Documents, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE VIII

The Administrative Agent

Each of the Lenders hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and (c) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent

or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent; provided, no such delegation shall serve as a release of the Administrative Agent or waiver by the Borrower of any rights hereunder. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right, in consultation with (and, so long as no Default shall then exist, the consent of) the Borrower, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the

retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

None of the Lenders, if any, identified in this Agreement as a Syndication Agent or Documentation Agent shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of such Lenders shall have or be deemed to have a fiduciary relationship with any Lender. Each Lender hereby makes the same acknowledgments with respect to the relevant Lenders in their respective capacities as Syndication Agent or Documentation Agents, as applicable, as it makes with respect to the Administrative Agent in the preceding paragraph.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone or other means permitted hereunder (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to the Borrower, to Fiserv, Inc., 255 Fiserv Drive, Brookfield, Wisconsin 53045, Attention of Thomas Hirsch, Executive Vice President and Chief Financial Officer and Erich Janzen, Vice President of Treasury (Telecopy No. (262) 879-5318), with a copy to, in the case of any notice of Default or Event of Default, Charles W. Sprague, Executive Vice President and General Counsel (Telecopy No. (414) 879-5425);

(ii) if to the Administrative Agent, to JPMorgan Chase Bank, National Association, Loan and Agency Services Group, Chase Tower IL 1-0010, Chicago, Illinois 60670, Attention of Teresita Siao (Telecopy No. (312) 385-7096); and

(iii) if to any other Lender, to it at its address (or teletype number) set forth in its Administrative Questionnaire.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or teletype number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 9.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.18(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender or (vi) release, unless required

by the terms of this Agreement, all or substantially all of the Subsidiary Guarantors from, its obligations under the Subsidiary Guaranty, as applicable, without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent.

SECTION 9.03. Expenses; Indemnity; Damage Waiver. (a) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent, the Arrangers and their respective Affiliates, including the reasonable fees, charges and disbursements of one primary counsel (and one local counsel in each applicable jurisdiction) for the Administrative Agent and the Arrangers, in connection with the syndication of the credit facilities provided for herein, the preparation and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated); provided that, in advance of contacting outside counsel of the Administrative Agent regarding matters concerning the administration of this Agreement in respect of which the Administrative Agent will expect to be reimbursed by the Borrower, the Administrative Agent will notify the Borrower of its intent to contact such outside counsel and (ii) all reasonable out-of-pocket expenses incurred by the Administrative Agent or any Lender, including the reasonable fees, charges and disbursements of one primary counsel (and one local counsel in each applicable jurisdiction) for the Administrative Agent and one additional counsel for all of the Lenders and additional counsel as the Administrative Agent or any Lender or group of Lenders determines are necessary in light of actual or potential conflicts of interest or the availability of different claims or defenses, in connection with the enforcement or protection of its rights in connection with the Loan Documents at any time during a Default, including its rights under this Section, or in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations during an Event of Default in respect of such Loans.

(b) The Borrower shall indemnify the Administrative Agent, the Arrangers and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, penalties and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, as and when incurred by any Indemnitee arising out of, in connection with, or as a result of (i) the enforcement and performance of this Agreement or any agreement or instrument contemplated hereby or the performance by the parties hereto of their respective obligations hereunder or the consummation of the transactions contemplated hereby (including the syndication of the Term Loans), (ii) any Loan or the use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (a) the gross negligence or willful misconduct of such Indemnitee (b) a dispute among the Lenders not arising from a Default or (c) such Indemnitee's breach of the Loan Documents.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent or any Arranger under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent or such Arranger such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent or such Arranger in its capacity as such.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, the Term Loan or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable not later than 30 days after written demand therefor.

SECTION 9.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Borrower, provided that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee; and

(B) the Administrative Agent, provided that no consent of the Administrative Agent shall be required for an assignment to a Lender, an Affiliate of a Lender or an Approved Fund.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$1,000,000 unless each of the Borrower and the Administrative Agent otherwise consent, provided that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

For the purposes of this Section 9.04(b), the term "Approved Fund" has the following meaning:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders,

and the Commitment of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the Register). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.07(b), 2.18(d) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of the Borrower and the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) or in clause (i) of Section 9.04(a) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(c) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.15 or 2.17 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender

shall not be entitled to the benefits of Section 2.17 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.17(e) as though it were a Lender.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect in accordance with their terms as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid. The provisions of Sections 2.15, 2.16, 2.17, 9.03 and 9.12 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 9.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or electronically shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final and in whatever currency denominated) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower against any of and all the obligations of the Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured; provided that, promptly after any such set off and application, such Lender or Affiliate shall give notice thereof to the Borrower. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.

(c) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER

LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential to the same extent as if they were parties hereto), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than the Borrower or any of its Subsidiaries. For the purposes of this Section, "Information" means all information which is received from the Borrower relating to the Borrower, the Target, their respective Subsidiaries or Affiliates, their respective business or the CheckFree Acquisition, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 9.13. USA PATRIOT Act. Each Lender that is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act") hereby notifies the Borrower that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

FISERV, INC.,
as the Borrower

By: /s/ Thomas J. Hirsch
Name: Thomas J. Hirsch
Title: Executive Vice President, Chief Financial
Officer, Treasurer and Assistant Secretary

Signature Page to Loan Agreement
Fiserv, Inc.

JPMORGAN CHASE BANK,
NATIONAL ASSOCIATION,
individually and as Administrative Agent

By: /s/ Sabir A. Hashmy
Name: Sabir A. Hashmy
Title: Vice President

Signature Page to Loan Agreement
Fiserv, Inc.

SUNTRUST BANK,
individually and as Syndication Agent

By: /s/ Robert S. Ashcom

Name: Robert S. Ashcom

Title: Director

Signature Page to Loan Agreement
Fiserv, Inc.

CREDIT SUISSE SECURITIES (USA) LLC,
as a Documentation Agent

By: /s/ Christopher G. Cunningham

Name: Christopher G. Cunningham

Title: Managing Director

CREDIT SUISSE, CAYMAN ISLANDS BRANCH,
as a Lender

By: /s/ John Toronto

Name: John Toronto

Title: Director

By: /s/ James Neira

Name: James Neira

Title: Associate

Signature Page to Loan Agreement
Fiserv, Inc.

WACHOVIA BANK, N.A.,
individually and as a Documentation Agent

By: /s/ Russ Lyons

Name: Russ Lyons

Title: Director

Signature Page to Loan Agreement
Fiserv, Inc.

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.,
individually and as a Documentation Agent

By: /s/ Victor Pierzchalski
Name: Victor Pierzchalski
Title: Vice President & Manager

Signature Page to Loan Agreement
Fiserv, Inc.

BANK OF AMERICA, N.A.,
individually and as a Documentation Agent

By: /s/ Debra E. DelVecchio

Name: Debra DelVecchio

Title: Managing Director

Signature Page to Loan Agreement
Fiserv, Inc.

SUMITOMO MITSUI BANKING CORPORATION,
individually and as a Documentation Agent

By: /s/ Leo Pagarigan
Name: Leo E. Pagarigan
Title: General Manager

Signature Page to Loan Agreement
Fiserv, Inc.

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Mark Halldorson
Name: Mark H. Halldorson
Title: Vice President

Signature Page to Loan Agreement
Fiserv, Inc.

FIFTH THIRD BANK,
as a Lender

By: /s/ Michael R. Zaksheske
Name: Michael R. Zaksheske
Title: Vice President

Signature Page to Loan Agreement
Fiserv, Inc.

U.S. BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Caroline V. Krider
Name: Caroline V. Krider
Title: Vice President & Senior Lender

Signature Page to Loan Agreement
Fiserv, Inc.

MIZUHO CORPORATE BANK,
as a Lender

By: /s/ Makoto Murata
Name: Makoto Murata
Title: Deputy General Manager

Signature Page to Loan Agreement
Fiserv, Inc.

THE NORTHERN TRUST COMPANY,
as a Lender

By: /s/ Dave Graham
Name: Dave Graham
Title: Second Vice President

Signature Page to Loan Agreement
Fiserv, Inc.

PNC BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ W. J. Bowne
Name: W. J. Bowne
Title: Managing Director

Signature Page to Loan Agreement
Fiserv, Inc.

SOVEREIGN BANK,
as a Lender

By: /s/ Judith C.E. Kelly
Name: Judith C.E. Kelly
Title: Senior Vice President

Signature Page to Loan Agreement
Fiserv, Inc.

TORONTO DOMINION (TEXAS) LLC,
as a Lender

By: /s/ Debbi Brito
Name: Debbi L. Brito
Title: Authorized Signatory

Signature Page to Loan Agreement
Fiserv, Inc.

KEYBANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ David A. Wild

Name: David A. Wild

Title: Vice President

Signature Page to Loan Agreement
Fiserv, Inc.

BANK OF CHINA, NEW YORK BRANCH,
as a Lender

By: /s/ Xiaojing Li
Name: Xiaojing Li
Title: General Manager

Signature Page to Loan Agreement
Fiserv, Inc.

REGIONS BANK,
as a Lender

By: /s/ Sam Prudhomme
Name: Sam Prudhomme
Title: Vice President

Signature Page to Loan Agreement
Fiserv, Inc.

CITIBANK, N.A.,
as a Lender

By: /s/ Thomas Faherty
Name: Thomas Faherty
Title: Vice President

Signature Page to Loan Agreement
Fiserv, Inc.

BANK OF TAIWAN, NEW YORK AGENCY,
as a Lender

By: /s/ Eunice Shiou-Jsu Yeh
Name: Eunice Shiou-Jsu Yeh
Title: SVP & General Manager

Signature Page to Loan Agreement
Fiserv, Inc.

COMERICA BANK,
as a Lender

By: /s/ Heather A. Whiting
Name: Heather Whiting
Title: Vice President

Signature Page to Loan Agreement
Fiserv, Inc.

E. SUN COMMERCIAL BANK, LTD. LOS ANGELES BANK,
as a Lender

By: /s/ Benjamin Lin
Name: Benjamin Lin
Title: EVP & General Manager

Signature Page to Loan Agreement
Fiserv, Inc.

FIRST COMMERCIAL BANK NEW YORK AGENCY,
as a Lender

By: /s/ Helen Tong
Name: Helen Tong
Title: FVP & Manager

Signature Page to Loan Agreement
Fiserv, Inc.

FIRST TENNESSEE BANK, N.A.,
as a Lender

By: /s/ Bob Nieman
Name: Bob Nieman
Title: Senior Vice President

Signature Page to Loan Agreement
Fiserv, Inc.

MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD.,
as a Lender

By: /s/ Tsang – Pei Hsu
Name: Tsang – Pei Hsu
Title: VP & DGM

Signature Page to Loan Agreement
Fiserv, Inc.

CHANG HWA COMMERCIAL BANK, LTD.,
NEW YORK BRANCH,
as a Lender

By: /s/ Jim C.Y. Chen
Name: Jim C.Y. Chen
Title: VP & General Manager

Signature Page to Loan Agreement
Fiserv, Inc.

TAIPEI FUBON COMMERCIAL BANK,
NEW YORK AGENCY,
as a Lender

By: /s/ J.H. Sophia Jing
Name: J.H. Sophia Jing
Title: F.V.P & General Manager

Signature Page to Loan Agreement
Fiserv, Inc.

THE CHIBA BANK, LTD.,
NEW YORK BRANCH,
as a Lender

By: /s/ Morio Tsumita
Name: Morio Tsumita
Title: General Manager

Signature Page to Loan Agreement
Fiserv, Inc.

HUA NAN COMMERCIAL BANK, LTD.
LOS ANGELES BRANCH,
as a Lender

By: /s/ Samson Mao
Name: Samson Mao
Title: Deputy General Manager

Signature Page to Loan Agreement
Fiserv, Inc.

STOCK PURCHASE AGREEMENT

by and among

FISERV, INC.,

FISERV HEALTH, INC.

and

UNITED HEALTHCARE SERVICES, INC.

Dated as of November 1, 2007

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EXHIBITS

- Exhibit A – Target Group Executives
- Exhibit B – Form of Transitional Trademark License Agreement
- Exhibit C – Form of Transition Services Agreement
- Exhibit D – Example of Estimated Balance Sheet and Working Capital Calculation
- Exhibit E – Form of FIRPTA Certificate
- Exhibit F – Required Consents
- Exhibit G – Indemnification Matters

STOCK PURCHASE AGREEMENT

This STOCK PURCHASE AGREEMENT, dated as of November 1, 2007 (this "Agreement"), is made and entered into by and among FISERV, INC., a Wisconsin corporation ("Seller"), FISERV HEALTH, INC., a Delaware corporation ("Target"), and UNITED HEALTHCARE SERVICES, INC., a Minnesota corporation ("Buyer").

WITNESSETH:

WHEREAS, Seller owns all of the outstanding capital stock of Target (the "Target Shares");

WHEREAS, Buyer desires to purchase, and Seller desires to sell, all of the Target Shares upon the terms and subject to the conditions described in this Agreement;

WHEREAS, simultaneously with the execution and delivery of this Agreement, certain key employees of the Target Group set forth in Exhibit A (the "Target Group Executives") have entered into employment agreements with an Affiliate of Buyer, each to take effect as of the Closing;

WHEREAS, simultaneously with the execution and delivery of this Agreement, Seller and Buyer have entered into a trademark license agreement in the form of Exhibit B hereto (the "Transitional Trademark License Agreement") and a transition services agreement in the form of Exhibit C hereto (the "Transition Services Agreement") and, together with the Transitional Trademark License Agreement, the "Ancillary Agreements"), each to take effect as of the Closing; and

WHEREAS, Buyer, Seller and Target desire to make certain representations, warranties, covenants and agreements in connection with the purchase and sale of the Target Shares and also to prescribe various conditions to the transaction.

NOW, THEREFORE, in consideration of the mutual promises, covenants, representations and warranties made herein and intending to be bound hereby, the parties hereto agree as follows:

ARTICLE I. SALE AND PURCHASE OF TARGET SHARES

1.1. Purchase and Sale of Shares

1.1.1. Purchase Price.

(a) Upon the terms and subject to the conditions of this Agreement, at the Closing, Seller shall sell to Buyer the Target Shares, and Buyer shall purchase from Seller the Target Shares, in each case free and clear of all Liens, for an aggregate purchase price equal to \$775,000,000, as adjusted as set forth in Section 1.1.1(b) and in accordance with Section 1.4 (such purchase price, as so adjusted, the "Purchase Price").

(b) The purchase price specified in Section 1.1.1(a) shall be adjusted as follows:

- (i) if the Estimated Working Capital is greater than \$0, such purchase price shall be increased by the dollar amount by which the Estimated Working Capital is greater than \$0;
- (ii) if the Estimated Working Capital is less than \$0, such purchase price shall be reduced by the dollar amount by which the Estimated Working Capital is less than \$0; and
- (iii) in all cases, such purchase price shall be reduced by an amount equal to the Target Group Debt.

1.1.2. Preparation of Estimated Balance Sheet. Not fewer than three Business Days prior to the Closing Date, Seller shall prepare and deliver to Buyer in writing (a) an estimated consolidated balance sheet for the Target Group as of immediately prior to the Closing (the "Estimated Balance Sheet"), (b) a good faith estimate of the Purchase Price payable at Closing after giving effect to the adjustments described in Section 1.1.1(b) (the "Estimated Purchase Price"), and (c) a good faith calculation, as of immediately prior to the Closing, of (i) Estimated Working Capital and (ii) Target Group Debt. The Estimated Balance Sheet shall be prepared in accordance with GAAP, except as set forth on Section 2.2.3(a)-2 of the Seller Disclosure Schedule, and on a basis consistent with the accounting methods, practices and procedures used to prepare the Annual Financial Statements for Target's fiscal year ending December 31, 2006 and the Latest Financial Statements, insofar as such methods, practices and procedures are consistent with GAAP (including appropriate closing adjustments, as if the Closing were at a fiscal year end) except as set forth on Section 2.2.3(a)-2 of the Seller Disclosure Schedule. For illustrative purposes only, Exhibit D sets forth an example of the Estimated Balance Sheet, as of July 31, 2007, and an example calculation of Working Capital derived therefrom. Working Capital shall be calculated by applying the terms and conditions of this Agreement on a basis consistent with the sample calculation and methodology set forth on Exhibit D.

1.2. The Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Sullivan & Cromwell LLP in New York, New York, commencing at 9:00 a.m. local time on the second Business Day following the satisfaction or waiver of all conditions to the obligations of the parties to consummate the transactions contemplated hereby (other than conditions with respect to actions the respective parties will take at the Closing itself) or such other time and place as Buyer and Seller may mutually determine (the "Closing Date"), and shall be effective for financial accounting and tax purposes as of 11:59 p.m. on the Closing Date.

1.3. Deliveries at the Closing. At the Closing:

- (a) Buyer will deliver to Seller, by wire transfer of immediately available funds to one or more accounts designated in writing by Seller (such designation to be made at least two (2) Business Days prior to the Closing Date), an amount in cash equal to the Estimated Purchase Price;
- (b) Seller will deliver to Buyer the certificates referred to in Sections 4.2.1(c) below and 4.2.2 below;
- (c) Buyer will deliver to Seller the certificates referred to in Sections 4.3.1(c) below and 4.3.2 below;
- (d) Seller will deliver to Buyer stock certificates representing the Target Shares, endorsed in blank or accompanied by duly executed stock powers;
- (e) Seller shall deliver to Buyer the minute books, stock ledgers and transfer records and the corporate seal for each entity that is a member of the Target Group (including, without limitation, to the extent certificated, certificates representing all outstanding shares of capital stock or other equity interests of each entity that is a member of the Target Group), except to the extent Applicable Law requires that such instruments be maintained at the offices of such member of the Target Group;
- (f) Seller shall deliver to Buyer an executed resignation, in a form reasonably acceptable to Buyer, effective as of the Closing Date, from each of the directors of each member of the Target Group, except for resignations of any such directors in respect of whom Buyer notifies Seller, at least ten (10) days prior to Closing, that no such resignation is required;
- (g) Seller shall deliver to Buyer a copy of a Certificate of Good Standing from the Secretary of State of the State of Delaware, as of date within three (3) Business Days of the Closing Date, evidencing the good standing of Target in such state;
- (h) Seller shall deliver to Buyer an update to Section 2.2.3(g) of the Seller Disclosure Schedule, setting forth a list, as of a date within five (5) Business Days prior to the Closing Date, which is correct and complete as of such date, of all bank accounts and safe deposit boxes of the Target Group, the number of each such account or box and such information as Seller can reasonably locate regarding the Persons authorized to draw on such accounts or to access such boxes; and
- (i) Seller shall deliver to Buyer a duly executed certification, substantially in the form of Exhibit E hereto, that Seller is not a foreign person within the meaning set forth in Treasury Regulation Section 1.1445-2(b)(2)(iv).

1.4. Post-Closing Purchase Price Adjustment

(a) Calculation of Final Purchase Price. As soon as reasonably practicable, but in no event later than ninety (90) days after the Closing Date, Buyer shall prepare and cause to be delivered to Seller (i) a consolidated balance sheet for the Target Group as of immediately prior to Closing (the "Final Balance Sheet"), (ii) a good faith calculation of the Purchase Price payable at Closing after giving effect to the adjustments described in Section 1.1.1(b) (the "Final Purchase Price"), and (iii) a good faith calculation, as of immediately prior to the Closing, of (A) Working Capital and (B) Target Group Debt. The Final Balance Sheet shall be prepared in accordance with GAAP, except as set forth on Section 2.2.3(a)-2 of the Seller Disclosure Schedule, and on a basis consistent with the accounting methods, practices and procedures used to prepare the Annual Financial Statements for Target's fiscal year ending December 31, 2006 and the Latest Financial Statements, insofar as such methods, practices and procedures are consistent with GAAP (including appropriate closing adjustments, as if the Closing were at a fiscal year end) except as set forth on Section 2.2.3(a)-2 of the Seller Disclosure Schedule. Working Capital shall be calculated by applying the terms and conditions of this Agreement on a basis consistent with the sample calculation and methodology set forth in Exhibit D. Buyer's Representatives shall be permitted reasonable access at all reasonable times to the books and records of Seller and the personnel of Seller and/or Seller's Representatives (in the case of Representatives, to the extent permitted by such Representatives and, in each case, subject to Buyer's execution and delivery of customary agreements with such Representatives) to the extent that they relate to the Target Group and to such historical financial information relating to the Target Group as Buyer may reasonably request for the purpose of reviewing the Estimated Balance Sheet or preparing the Final Balance Sheet and the calculation of the Final Purchase Price and preparing materials for any presentation to the Accounting Expert.

(b) Examination by Seller. Upon receipt of the Final Balance Sheet and calculation of the Final Purchase Price, Seller and Seller's Representatives shall be permitted during the succeeding sixty (60) day period (the "Review Period") reasonable access at all reasonable times to the books and records of the Target Group and the personnel of Buyer, the members of the Target Group and/or Buyer's Representatives (in the case of Representatives, to the extent permitted by such Representatives and, in each case, subject to Seller's execution and delivery of customary agreements with such Representatives) to the extent that they relate to the Target Group and to such historical financial information relating to the Target Group as Seller may reasonably request for the purpose of reviewing the Final Balance Sheet and the calculation of the Final Purchase Price and preparing materials for any presentation to the Accounting Expert.

(c) Objection by Seller. On or prior to the last day of the Review Period, Seller may object to the calculation of the Final Purchase Price by delivering to Buyer a written statement setting forth Seller's objections to the calculation of the Final Purchase Price and a reasonable basis for such objections, including, in reasonable detail, the specific items of the calculation of the Final Purchase Price to which such objections relate (the "Statement of Objections"). If Seller fails to deliver the Statement of Objections within the Review Period, Buyer's calculation of the Final Purchase Price shall be deemed to have been accepted by

Seller and shall be final and binding and shall be used in computing the Adjustment Amount. If Seller delivers the Statement of Objections within the Review Period, subject to Section 1.4(d) below, Seller and Buyer shall negotiate in good faith to resolve such objections, and, if the same are so resolved, the calculation of the Final Purchase Price with such changes as may have been previously agreed in writing by Seller and Buyer shall be final and binding and shall be used in computing the Adjustment Amount. To the extent a matter is not set forth in the Statement of Objections, such matter shall be deemed to have been accepted and agreed to by Seller and all such matters and any amounts related thereto shall be final and binding and shall be used in computing the Adjustment Amount.

(d) Resolution of Disputes. If Seller and Buyer shall fail to reach an agreement with respect to all of the matters set forth in the Statement of Objections within thirty (30) days after the date of delivery of the Statement of Objections (or such longer period as the parties hereto shall agree in writing), then such unresolved matters shall, not later than ten (10) days after the expiration of such thirty day period (or such longer period as the parties hereto shall agree in writing), be jointly submitted by the parties hereto for resolution to the Chicago, Illinois office of Ernst & Young LLP or, if Ernst & Young LLP is not independent of Seller and Buyer at such time, such other nationally recognized accounting firm to be mutually agreed upon by Seller and Buyer (the "Accounting Expert") who shall, acting as experts and not as arbitrators, resolve such matters and make any resulting adjustments to the calculation of the Final Purchase Price. The Accounting Expert shall be bound by a mutually agreeable confidentiality agreement.

(e) Fees of the Accounting Expert. The fees and expenses of the Accounting Expert shall be borne by Seller and Buyer in such proportion as is appropriate to reflect the relative percentages of the aggregate dollar amount of all matters submitted to the Accounting Expert that were resolved against Seller or Buyer, respectively. For example, if Seller objects to the calculation of the Final Purchase Price by an amount of \$100,000, and the Accounting Expert resolves such matters submitted to it in a manner that results in an upward adjustment to the calculation of the Final Purchase Price of \$40,000, Buyer shall bear 40% of the fees and expenses of the Accounting Expert and Seller shall bear the other 60% of such fees and expenses.

(f) Access to Supporting Documentation. Subject to, and to the extent permitted by, any Applicable Laws, Seller and Buyer and their respective Representatives (in the case of Representatives, to the extent permitted by such Representatives and, in each case, subject to the execution and delivery of customary agreements with such Representatives) shall each make reasonably available to the Accounting Expert all relevant work papers and books and records relating to the Target Group, and copies of all such materials and information provided by a party to the Accounting Expert shall be concurrently delivered to the other party to the proceeding. The Accounting Expert's determination shall be based solely on its review of such work papers and books and records relating to the Target Group and the written information and presentations provided by Buyer and Seller (or their Representatives), which are in accordance with the terms and procedures set forth in this Agreement, and not on the basis of an independent review.

(g) Determination by Accounting Expert. The parties shall jointly instruct the Accounting Expert to make a determination as soon as practicable within thirty (30) days (or such other time as the parties hereto shall agree in writing) after its engagement only with respect to the disputed items submitted to the Accounting Expert, whether and to what extent (if any) the Final Purchase Price requires adjustment and a written explanation in reasonable detail of each such required adjustment, including the basis therefor. The procedures of this Section 1.4 are exclusive and the determination of the Accounting Expert shall, absent manifest error, be conclusive, final and binding upon the parties hereto and shall be used in computing the Adjustment Amount.

(h) Payment of Adjustment Amount. Within two (2) Business Days of the later of (i) acceptance of the calculation of the Final Purchase Price or (ii) the resolution of Seller's objections in connection therewith in accordance with this Section 1.4, the Purchase Price shall be recalculated by giving effect to such final and binding amounts and, to the extent that the Final Purchase Price is less than or more than the Estimated Purchase Price, (x) the Purchase Price shall be adjusted downward (if the Final Purchase Price is less than the Estimated Purchase Price) or upward (if the Final Purchase Price is greater than the Estimated Purchase Price) respectively, on a dollar-for-dollar basis by the amount of the difference between the Final Purchase Price and the Estimated Purchase Price (such dollar amount, the "Adjustment Amount"), and (y) Seller shall pay to Buyer, or Buyer shall pay to Seller, as the case may be, the Adjustment Amount together with interest thereon accrued at a rate per annum equal to the Prime Rate as published in the The Wall Street Journal, Eastern Edition, in effect for the period from the Closing Date to the date on which the Adjustment Amount is paid. Any such payment shall be made by wire transfer of immediately available funds as directed by Buyer or Seller, as the case may be.

ARTICLE II. REPRESENTATIONS AND WARRANTIES OF SELLER AND TARGET

2.1. Disclosure Schedules. On or prior to the date hereof, Seller has delivered to Buyer (the "Seller Disclosure Schedule"), and Buyer has delivered to Seller (the "Buyer Disclosure Schedule") and, together with the Seller Disclosure Schedule, the "Disclosure Schedules"), a schedule each setting forth, among other things, items the disclosure of which is necessary or appropriate either in response to an express disclosure requirement contained in a provision hereof or as an exception to one or more representations and warranties contained in Article II or to one or more of the covenants contained in Article III; *provided*, that the mere inclusion of an item in the Seller Disclosure Schedule or Buyer Disclosure Schedule as an exception to a representation, warranty or covenant shall not be deemed an admission by a party that such item represents a material exception or fact, event or circumstance or that such item has had or is reasonably likely to result in a Material Adverse Effect with respect to the disclosing party. Notwithstanding that the

Disclosure Schedules are organized such that the responses or exceptions set forth thereon are set forth under captions referencing the Sections and subsections, if any, of this Agreement to which such responses or exceptions apply, a disclosure in any section of the Seller Disclosure Schedule or Buyer Disclosure Schedule shall be deemed to be a disclosure for all other sections of the Seller Disclosure Schedule or Buyer Disclosure Schedule in respect of which it is reasonably apparent on its face that such disclosure is applicable.

2.2. Representations and Warranties of Seller and Target. Seller and Target jointly and severally represent and warrant to Buyer, as of the date hereof and as of the Closing Date, as follows:

2.2.1. Authorization; No Conflicts; Status of the Target Group, etc.

(a) Due Organization, etc. Section 2.2.1(a) of the Seller Disclosure Schedule sets forth a correct and complete list of Target and each of its Subsidiaries (collectively, the "Target Group"), their respective forms and jurisdictions of incorporation or organization and each jurisdiction in which a member of the Target Group is qualified to do business. Seller and each member of the Target Group is a corporation, limited liability company or limited liability limited partnership, as applicable, duly incorporated or organized, validly existing and in good standing under the laws of its respective jurisdiction of incorporation or organization, with the requisite power and authority, as applicable, to carry on its business as now conducted and presently proposed by Seller to be conducted and to own or lease and to operate its properties as and in the places where such business is now conducted and such properties are now owned, leased or operated. Each member of the Target Group is duly qualified to do business and is in good standing as a foreign corporation, limited liability company or limited liability limited partnership, as applicable, in all jurisdictions in which the nature of its business or its ownership of property requires it to be so qualified, except for those failures to be so qualified that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Target Group.

(b) Authorization, etc. Each of Seller and Target has all requisite corporate power and authority to enter into the Transaction Documents to which it is a party, to perform its obligations thereunder and to consummate the transactions contemplated thereby. The execution, delivery and performance of the Transaction Documents, and the consummation of the transactions contemplated thereby, by each of Seller and Target, as applicable, have been duly authorized by all requisite corporate action of Seller and Target, as applicable, and no other corporate proceedings on the part of Seller or Target, as applicable, are necessary to authorize the execution, delivery or performance of the Transaction Documents by it. Each of the Transaction Documents has been duly executed and delivered by each of Seller and Target, as applicable, and constitutes the valid and legally binding obligations of it enforceable against it in accordance with its terms, except to the extent that enforceability thereof may be limited by bankruptcy, insolvency, reorganization and other similar Applicable Laws affecting the enforcement of creditors' rights generally and by general principles of equity.

(c) No Conflicts. Except as set forth on Section 2.2.1(c) of the Seller Disclosure Schedule, the execution and delivery of the Transaction Documents to which Seller or Target is a party, by Seller and Target, as applicable, and the consummation by Seller and Target, as applicable, of the transactions contemplated thereby do not and will not conflict with or result in a breach of any of the provisions of, result in any loss of rights or default under, constitute an event creating rights of, or result in, acceleration, termination, repayment or cancellation of or under, entitle any party to receive any payment or benefit pursuant to, or result in the creation of any Lien upon any of the properties or assets of Seller or any member of the Target Group under, (i) any provision of the Organizational Documents of Seller or any member of the Target Group, (ii) any Applicable Law applicable to Seller or any member of the Target Group or any of their respective properties or (iii) any Target Contract, except in the case of clauses (ii) or (iii) for any such conflicts, breaches, losses, defaults, accelerations, terminations, repayments, cancellations or Liens that, individually or in the aggregate, are not reasonably expected to have a Material Adverse Effect on Seller or on the Target Group. Except as set forth on Section 2.2.1(c) of the Seller Disclosure Schedule, no Governmental Approval (other than pursuant to the HSR Act) or other Consent is required to be obtained or made by Seller or any member of the Target Group in connection with the execution and delivery of the Transaction Documents to which Seller or Target is a party or the consummation by Seller and Target of the transactions contemplated thereby.

(d) Organizational Documents, etc. Seller has made available to Buyer complete and correct copies of the Organizational Documents, as in effect on the date hereof, of each member of the Target Group. No member of the Target Group is in violation of any of the provisions of its Organizational Documents.

(e) Transferred Entities. Each of the entities set forth on Section 2.2.1(e) of the Seller Disclosure Schedule (the "Transferred Entities") was formerly a direct or indirect wholly owned Subsidiary of Target and has been validly transferred to Seller or a Subsidiary of Seller (other than a member of the Target Group) so as to no longer be owned by Target or any other member of the Target Group. No member of the Target Group incurred any liabilities or other obligations as a result of such transfers or in connection with the operations of the Transferred Entities.

2.2.2. Capitalization.

(a) Target. The authorized capital stock of Target consists of 1,000 shares of common stock, \$.01 par value, of which 100 shares are issued and outstanding as of the date hereof. All of the Target Shares have been duly authorized and validly issued and are fully paid and non-assessable, and are owned beneficially and of record by Seller, free and clear of all Liens. All of the issued and outstanding shares of the capital stock of Target (i) were offered, sold, issued and delivered in compliance with Applicable Law and (ii) are not subject to, and were not issued in violation of, any preemptive rights or any other third party rights created by the Organizational Documents or any agreement to which Target is a party or by which Target is bound. No shares of authorized capital stock or other equity ownership interests of Target are held in treasury or reserved for any purpose.

(b) Target Group. The authorized capital stock or other equity ownership interests of each other member of the Target Group, and the number of issued and outstanding shares of capital stock or other equity ownership interests of each other member of the Target Group, is set forth on Section 2.2.2(b) of the Seller Disclosure Schedule. All of the issued and outstanding shares of capital stock or other equity ownership interests of each other member of the Target Group are owned by Target, directly or indirectly, free and clear of all Liens and all of such shares or equity ownership interests have been duly authorized and validly issued and are fully paid and nonassessable. All of the issued and outstanding shares of the capital stock or other equity ownership interests of each other member of the Target Group (i) were offered, sold, issued and delivered in compliance with Applicable Law and (ii) are not subject to, and were not issued in violation of, any preemptive rights or any other third party rights created by the Organizational Documents or any agreement to which any member of the Target Group is a party or by which any member of the Target Group is bound. No shares of authorized capital stock or other equity ownership interests of any of the other members of the Target Group are held in treasury or reserved for any purpose.

(c) Other Agreements with Respect to Common Stock. There are no preemptive or similar rights on the part of any Person with respect to the issuance of any shares of capital stock or any other equity interests of any member of the Target Group. There are no subscriptions, options, warrants, conversion rights, stock appreciation rights, phantom stock rights or other similar rights, agreements or commitments of any kind with respect to any shares of capital stock or any other equity interests of any member of the Target Group. There are no rights, agreements or commitments obligating any member of the Target Group to issue or sell, or to cause to be issued or sold, or to repurchase, redeem, exchange, transfer, register or otherwise acquire or dispose of, any shares of its capital stock or any other equity interests or any securities convertible into or exchangeable for, or any options, warrants, conversion rights, stock appreciation rights, phantom stock rights or other similar rights relating to, any shares of capital stock or any other equity interests of any member of the Target Group other than the Transaction Documents.

(d) Securities Laws. No member of the Target Group has registered shares of its capital stock or any other equity interests or debt securities under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (collectively, the "Securities Act"), or the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (collectively, the "Exchange Act").

2.2.3. Financial Information.

(a) Financial Statements. Set forth on Section 2.2.3(a)-1 of the Seller Disclosure Schedule are true, correct and complete copies of (i) the unaudited consolidated balance sheet, as of July 31, 2007, of the Target Group (the "Latest Balance Sheet") and the unaudited consolidated statement of operations and cash flows of the Target Group for the seven-month period then ended

(such statement of income and cash flows and the Latest Balance Sheet being hereinafter referred to as the "Latest Financial Statements") and (ii) the unaudited consolidated balance sheets, as of December 31 of each of 2006 and 2005, of the Target Group and the unaudited consolidated statements of operations and cash flows of the Target Group for each of the years then ended (collectively, the "Annual Financial Statements"). The Latest Financial Statements and the Annual Financial Statements fairly present in all material respects the financial position and results of operations of the Target Group as of the dates thereof and for the periods referred to therein. Except as set forth on Section 2.2.3(a)-2 of the Seller Disclosure Schedule, the Annual Financial Statements have been prepared in accordance with GAAP, consistently applied in accordance with the Target Group's historical practices, insofar as such practices are consistent with GAAP, except as set forth on Section 2.2.3(a)-2 of the Seller Disclosure Schedule. Except as set forth on Section 2.2.3(a)-2 of the Seller Disclosure Schedule, the Latest Financial Statements have been prepared in accordance with GAAP applicable to unaudited interim financial statements and on a basis consistent with the Annual Financial Statements.

(b) Financial Books and Records. All financial and accounting books and records related to the business of the Target Group are accurate and complete in all material respects.

(c) Receivables. The accounts receivable and other receivables reflected on the Latest Balance Sheet, and those arising in the Ordinary Course of Business after the date thereof, are (i) valid receivables that have arisen from bona fide transactions in the Ordinary Course of Business, (ii) not subject to valid counterclaims or setoffs and (iii) except as and to the extent of the bad debt reserve reflected on the Latest Balance Sheet, collectible in accordance with their terms.

(d) Disclosure Controls and Procedures. Seller maintains disclosure controls and procedures designed to ensure that information required to be publicly disclosed by Seller with respect to the Target Group is recorded and reported on a timely basis to the individuals responsible for the preparation of Seller's filings and submissions with the Commission.

(e) Internal Control Over Financial Reporting. Seller has disclosed to Buyer any significant deficiencies or material weaknesses in the design or operation of its internal control over financial reporting that are reasonably likely to adversely affect the Target Group's ability to record, process, summarize and report financial information.

(f) Up the Ladder Reporting. Since December 31, 2005, no unresolved complaints from any source regarding improper accounting, internal accounting controls or auditing matters relating to the Target Group, have been received by Seller or the Target Group. No attorney representing the Target Group, whether or not employed by the Target Group, has reported evidence of a violation of securities laws, breach of fiduciary duty or similar violation relating to the Target Group by the Target Group or any of

its officers, directors, employees or agents to Seller's chief legal officer, audit committee (or other committee designated for the purpose) of the board of directors of Seller or the board of directors of Seller pursuant to the rules adopted pursuant to Section 307 of the Sarbanes-Oxley Act of 2002 or any Seller policy contemplating such reporting, in instances required by those rules.

(g) Bank Accounts. Section 2.2.3(g) of the Seller Disclosure Schedule sets forth a list of all bank accounts and safe deposit boxes of the Target Group, which is correct and complete as of the date hereof.

(h) Restricted Cash Accounts; Client Cash Accounts. Section 2.2.3(h) of the Seller Disclosure Schedule sets forth a full and complete list, as of a date within three (3) Business Days prior to the date hereof, of all Restricted Cash Accounts on a customer-by-customer basis. The balance of each Restricted Cash Account is equal to or exceeds the amount that any member of the Target Group owes to such customer, and the aggregate balance of all Restricted Cash Accounts is equal to or exceeds the aggregate amount that the members of the Target Group owe to such customers. All Client Cash Accounts are currently and have been administered in a manner that is consistent with the contractual obligations of the Target Group related thereto.

(i) Insurance Subsidiary Required Capital. As of the date hereof, the Insurance Subsidiary's capital and surplus as reflected on its statutory balance sheet exceeds the minimum capital requirement imposed by Arizona law for insurers of its type.

2.2.4. Undisclosed Liabilities. Except as set forth on Section 2.2.4 of the Seller Disclosure Schedule, the Target Group does not have any obligations or liabilities of any nature, whether absolute, accrued, contingent, unliquidated or otherwise, whether known or unknown, whether due or to become due, and regardless of when asserted, and, there is no existing condition, situation or set of circumstances which is reasonably expected to result in such an obligation or liability, other than obligations and liabilities (i) contemplated by or in connection with this Agreement or the transactions contemplated hereby, (ii) as and to the extent disclosed, reserved against or reflected in the consolidated balance sheets included in the Latest Financial Statements and the Annual Financial Statements, (iii) that have been incurred in the Ordinary Course of Business which, individually or in the aggregate, are not reasonably likely to result in Losses in excess of \$1,000,000, (iv) arising under executory Contracts, or (v) that are not, individually or in the aggregate, reasonably expected to have a Material Adverse Effect on the Target Group. Except as set forth on Section 2.2.4 of the Seller Disclosure Schedule, no member of the Target Group has any outstanding Indebtedness and there exists no indebtedness owed by Seller to Target or any other member of the Target Group.

2.2.5. Absence of Changes. Except as set forth on Section 2.2.5 of the Seller Disclosure Schedule, (A) since December 31, 2006, (i) the Target Group has conducted its business in the Ordinary Course of Business and (ii) no event has occurred or fact or circumstance has arisen that, individually or taken together with all other events, facts, and circumstances has had, or is reasonably

expected to have, a Material Adverse Effect on the Target Group and (B) since July 31, 2007, none of the actions or events prohibited by Section 3.1.1 have been taken or have occurred except as contemplated or permitted by this Agreement.

2.2.6. *Taxes.*

(a) Filing of Target Tax Returns and Payment of Taxes Except as set forth on Section 2.2.6(a) of the Seller Disclosure Schedule, all material Seller Group Tax Returns and all material Target Tax Returns required to be filed on or before the Closing Date have been or will be timely filed with the proper Governmental Authorities and are or will be true, correct and complete in all material respects. Except as set forth on Section 2.2.6(a) of the Seller Disclosure Schedule, all material Taxes of or allocable to any member of the Target Group ("Target Taxes"), whether or not shown on a Target Tax Return or a Seller Group Tax Return, due and payable on or before the Closing Date have been or will be timely paid in full. Except as disclosed on Section 2.2.6(a) of the Seller Disclosure Schedule, all material Target Employment and Withholding Taxes required to be withheld and paid on or before the date hereof, and all Target Employment and Withholding Taxes required to be withheld and paid on or before the Closing Date, have (or, in the case of such Target Employment and Withholding Taxes that are required to be withheld and paid after the date hereof and on or before the Closing Date, by the Closing Date will have) been duly paid or accrued.

(b) Tax Reserve. Except as set forth on Section 2.2.6(b) of the Seller Disclosure Schedule, the Target Group maintains no reserves for Tax liability (rather than any reserve for deferred Taxes, established to reflect timing differences between book and Tax income) for financial reporting purposes.

(c) Liens. There are no Liens for Taxes (other than for current Taxes not yet due and payable or which are being contested in good faith by appropriate proceedings and for which adequate reserves have been established) on any of the assets of the Target Group. Section 2.2.6(c) of the Seller Disclosure Schedule sets forth, to the Knowledge of Seller or of which Seller has received written notice, all Liens for Taxes that exist on any of the assets of the Target Group.

(d) Extensions, etc. Except as set forth on Section 2.2.6(d) of the Seller Disclosure Schedule, with respect to open Tax periods, (i) neither a member of the Target Group nor the common parent of the Seller Group has entered into (or prior to close of business on the Closing Date will enter into) (A) a written agreement extending or waiving the period of assessment or collection of any Target Taxes, which extension or waiver is currently in force or (B) any closing agreement pursuant to Section 7121 of the Code, or any predecessor provision thereof or any similar provision of state, local or foreign Tax law that relates to the assets or operations of the Target Group; (ii) there are no pending requests by Seller for any extension of time within which to file any Seller Group Tax Return that has not been filed; (iii) there are no pending requests by any member of the Target Group for any extension of time within which to file any Target Tax Return that has not been filed; and (iv) there are no requests for rulings, closing agreements, or similar agreements, in respect of any Target Taxes filed by a member of the Target Group or the common parent of the Seller Group that are pending with any Governmental Authority.

(e) Tax Filing Groups. Except as set forth on Section 2.2.6(e) of the Seller Disclosure Schedule, since December 31, 2003, no member of the Target Group (i) is or has been at any time a member of any affiliated, consolidated, combined or unitary group for Income Tax purposes other than the Seller Group or (ii) has any liability for the Income Taxes of any Person (other than another member of the Seller Group) under Section 1.1502-6 of the Treasury Regulations, or any similar provision of state or local law.

(f) Copies of Target Tax Returns; Audits; etc. Seller has (or by the Closing Date will have) made available to Buyer complete and accurate copies of (i) all material Target Tax Returns as filed that have been filed or will be filed (after giving effect to all valid extensions of time for filing) after December 31, 2003 and on or before the Closing Date and (ii) all examination reports and statements of deficiencies assessed against or agreed to by any member of the Target Group received since December 31, 2003. Except as set forth on Section 2.2.6(f) of the Seller Disclosure Schedule, to the Knowledge of Seller, to the extent it would exceed the estimated reserves therefor established on the books and records of the relevant member of the Seller Group or the Target Group, (i) no Target Taxes have been asserted in writing by any Governmental Authority to be due in respect of any open Tax period that have not been settled and fully paid as settled, (ii) no revenue agent's report or assessment for Target Taxes has been received in writing by any member of the Target Group or the common parent of the Seller Group from any Governmental Authority for any open Tax period, and (iii) no unresolved question or claim has been raised by any Governmental Authority in writing received by any member of the Target Group or the common parent of the Seller Group in the course of any audit that has not been completed with respect to Target Taxes. Neither Seller nor any member of the Target Group has received from any foreign, federal, state, or local taxing authority (including jurisdictions where the Target Group has not filed Tax Returns) any (i) written notice indicating an intent to open an audit or other review or (ii) request for information related to Tax matters. No foreign, federal, state, or local tax audits or administrative or judicial Tax proceedings are pending or being conducted with respect to any member of the Target Group.

(g) Tax Claims in Other Jurisdictions. To the Knowledge of Seller, no written claim has ever been made by a Governmental Authority in a jurisdiction where any member of the Target Group has not filed Tax Returns that such member of the Target Group is or may be subject to taxation by that jurisdiction.

(h) Tax Sharing Agreements. Except as disclosed on Section 2.2.6(h) of the Seller Disclosure Schedule, no member of the Target Group is a party to or bound by or has any contractual obligation under any Income Tax sharing agreement or arrangement.

(i) Tax-Exempt Property. No property of the Target Group is property that the Target Group is or will be required to treat as being owned by another Person under the provisions of Section 168(f)(8) of the Code (as in effect prior to amendment by the Tax Reform Act of 1986) or is “tax-exempt use property” within the meaning of Section 168 of the Code.

(j) Reporting Corporation. No member of the Target Group is, nor has been, a “reporting corporation” subject to the information reporting and record maintenance requirements of Section 6038A of the Code.

(k) 280G Payments. No member of the Target Group has made any payment, is obligated to make any payment or is a party to any agreement that under any circumstance could obligate it to make any payments that would not be fully deductible under Section 280G or as a result of Section 162(m) (or any corresponding provision of state, local or foreign Tax law).

(l) Foreign Person. No member of the Target Group is a foreign person within the meaning of Section 1445 of the Code.

(m) Substantial Understatement. Each member of the Target Group has disclosed in its federal income Tax Returns transactions that would reasonably be expected to give rise to a substantial understatement of federal income Tax (within the meaning of Section 6661 of the Code as it applied prior to repeal) or a substantial underpayment of Tax (within the meaning of Section 6662 of the Code).

(n) Reportable Transactions. No member of the Target Group has participated in any “reportable transaction” or any “listed transaction” within the meaning of Treasury Regulation Section 1.6011-4. Each member of the Target Group has complied with all obligations applicable to the Target Group under Sections 6111 and 6112 of the Code.

(o) United States Real Property Holding Corporation. No member of the Target Group has been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code.

(p) Income Inclusions; Deduction Exclusions. No member of the Target Group will be required to include any material item of income in, or exclude any material item of deduction from, taxable income for any tax period that ends after the Closing Date as a result of any (i) change in accounting method for any tax period that ends before the Closing Date (a “Pre-Closing Tax Period”) under Section 481 of the Code (or any analogous or comparable provision of United States state or local or non-United States Tax law), (ii) written agreement with a Tax authority with regard to the Tax liability of the Target Group for any Pre-Closing Tax Period, (iii) deferred intercompany gain described in United States Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of state, local or non-United States Income Tax law) arising from any transaction that occurred prior to the Closing Date or prior to the Closing on the Closing Date, or (iv) installment sale or open transaction disposition made prior to the Closing Date or prior to the Closing on the Closing Date.

(q) Joint Venture, Partnership or Other Written Arrangement. No member of the Target Group is a party to any joint venture, partnership or other written arrangement or contract which could be treated as a partnership for United States federal income tax purposes for any period for which the statute of limitations for any Tax on the income therefrom has not expired.

(r) Distributing Corporation. Neither Seller nor any member of the Target Group has constituted either a “distributing corporation” or a “controlled corporation” in a distribution of stock qualifying or intended to qualify for tax-free treatment under Section 355 of the Code in the two years prior to the date of this Agreement.

(s) 338(h)(10) Election. To the Knowledge of Seller, an election under Section 338(h)(10) of the Code may be made jointly by Seller and Buyer in respect of the Target Shares and the outstanding equity ownership interests of each other member of the Target Group.

2.2.7. Properties and Assets.

(a) Leased Real Property. Section 2.2.7(a) of the Seller Disclosure Schedule sets forth a complete and correct list, as of the date hereof, of all real property (other than parking spaces or storage units) leased by any member of the Target Group, including the names of each of the parties to such lease and the address of the applicable property (collectively, the “Leased Real Property”).

(i) All documents purporting to convey an interest in real property to any member of the Target Group, including leases, agreements, subleases, amendments and any guaranties, modifications and addendums thereto (each a “Lease” and collectively, the “Leases”) have been made available to Buyer.

(ii) Each Lease is in full force and effect, and is valid and enforceable against the member of the Target Group that is a party thereto in accordance with its terms. None of the Leases have been modified in any material respect, except to the extent that the copies made available to Buyer disclose such modifications.

(iii) No member of the Target Group that is a party to any Lease is in default thereunder, and to the Knowledge of Seller, there has not occurred any event which (whether with or without notice, lapse of time or the happening or occurrence of any other event) would constitute such a default.

(b) Owned Real Property. Section 2.2.7(b) of the Seller Disclosure Schedule sets forth all parcels of land (other than parking spaces or storage units) owned by a member of the Target Group and is referred to as the “Owned Real Property.” Target,

or a member of the Target Group, has purchased an ALTA owner's policy of title insurance (a "Title Policy") for the Owned Real Property, which is in full force and effect as of the date hereof. To the Knowledge of Seller and except for any Target Permitted Encumbrances or as otherwise set forth in the Title Policy, no other Person has any ownership right in the Owned Real Property, or the right to purchase any portion of the Owned Real Property. Seller has delivered or made available to Buyer copies of (i) the Title Policy and (ii) any surveys, plans, environmental reports and zoning information in Seller's or Target Group's possession with respect to the Owned Real Property.

(c) Additional Property Representations and Warranties.

(i) All of the buildings, fixtures, leasehold improvements, computers, equipment and other tangible and intangible assets necessary for the conduct of the businesses of the members of Target Group as now conducted and presently proposed to be conducted are usable in the Ordinary Course of Business, except for such failures that would not reasonably be expected to materially and adversely affect the operation or value of such assets. Each member of the Target Group has valid title to all material personal property owned by it for its own benefit, and valid leasehold interests in all real and material personal property leased by it, in each case free and clear of all Liens, except (i) Liens set forth on Section 2.2.7(c)(i) of the Seller Disclosure Schedule or reflected in the Annual Financial Statements or the Latest Financial Statements, (ii) Liens for Taxes not yet delinquent or which are being contested in good faith by appropriate proceedings if adequate reserves with respect thereto are maintained on its books in accordance with GAAP, (iii) statutory Liens incurred in the Ordinary Course of Business that have not had and are not reasonably expected to have a Material Adverse Effect on the Target Group and (iv) Liens which do not materially interfere with the use of the properties affected thereby (the exceptions described in the foregoing clauses (i), (ii), (iii) and (iv) being referred to collectively as "Target Permitted Encumbrances").

(ii) Except as set forth on Section 2.2.7(c)(ii) of the Seller Disclosure Schedule, as of the date hereof, neither Target nor any other member of the Target Group leases or sublets, as lessor or sublessor, any of the Owned Real Property or Leased Real Property.

(iii) As of the date hereof, except as set forth on Section 2.2.7(c)(iii) of the Seller Disclosure Schedule, there does not exist any pending or, to the Knowledge of Seller, threatened condemnation or eminent domain proceedings, lawsuits or administrative actions that affect the Owned Real Property or the Leased Real Property, and no members of the Target Group have received any written notice of the intention of any Governmental Authority or other Person to take or use any Owned Real Property or Leased Real Property.

(iv) As of the date hereof, to the Knowledge of Seller, neither a member of the Target Group nor Seller has received written notice of any improvements made or contemplated to be made to the Owned Real Property by any public or private authority, the costs of which are to be assessed as special taxes or charges against the Owned Real Property. As of the date hereof, to the Knowledge of Seller, there are no such assessments presently against the Owned Real Property.

(v) As of the date hereof, the Owned Real Property and Leased Real Property constitute all of the material real property necessary for the conduct of the business of the members of the Target Group as now conducted.

2.2.8. Contracts.

(a) Schedule of Contracts, etc. Section 2.2.8 of the Seller Disclosure Schedule sets forth, by applicable subsection, a correct and complete list, as of the date hereof, of all Target Contracts. The term "Target Contracts" means all Contracts of the following types to which any member of the Target Group is a party or by which any member of the Target Group or its respective properties (excluding any properties held by a member of the Target Group for the benefit of a customer) is bound, or to which Seller is a party but which is for the benefit of any member of the Target Group, which is currently in effect, as amended, supplemented, waived or otherwise modified as of the date hereof (other than Excluded Contracts):

(i) any agreement (other than pharmacy network contracts), if (x) the performance remaining thereunder involves aggregate consideration to or by any member of the Target Group in excess of \$1,000,000 per annum, and (y) such agreement is not cancelable, without material penalty, premium, fee or other liability, by the member of the Target Group on 90 days' or less notice;

(ii) any agreement that will continue after the Closing with Seller or its Affiliates, including any intercompany Indebtedness, guarantee, receivable, payable or other account maintained between any member of the Target Group, on the one hand, and Seller and any of its Affiliates, on the other hand;

(iii) any employment, severance, termination, employee-like consulting or retirement agreement binding on any member of the Target Group;

(iv) any agreement that relates to Indebtedness owed by any member of the Target Group or the guarantee thereof, other than Indebtedness incurred in the Ordinary Course of Business, including accounts payable, withholding liabilities and accrued expenses and Indebtedness constituting deposits and deferred revenue;

(v) any mortgage, pledge, indenture or security agreement or similar arrangement constituting a Lien upon the assets or properties of any member of the Target Group;

(vi) agreements of the Target Group with customers that, in the aggregate, represent at least 40% of the total 2007 revenue of the Target Group (in each case measured in terms of total revenues to the Target Group during the year ended December 31, 2007 extrapolated from year-to-date revenues from January 1, 2007 through July 31, 2007) (the "Largest Customer Contracts");

(vii) agreements of the Target Group under which any Agent received payment from a member of the Target Group during the nine (9) months ended September 30, 2007 (the "Largest Broker Contracts");

(viii) agreements of the Target Group with a Health Care Provider network that, in the aggregate, represent at least 75% of the total 2007 payments by the Target Group to the Health Care Provider networks (measured in terms of total projected payments by the Target Group during the year ended December 31, 2007) (the "Largest Network Contracts");

(ix) any agreement for the sale or purchase of personal property having a value individually, with respect to outstanding sales or purchases thereunder, in excess of \$250,000 or to purchase the equity interests or a material portion of the assets of any Person;

(x) any agreement for (A) the sale or purchase of fixed assets or real estate having a value individually, with respect to outstanding sales or purchases thereunder, in excess of \$250,000 or (B) capital expenditures in excess of \$250,000 under which any member of the Target Group will have any obligations after the date hereof;

(xi) any of the Largest Customer Contracts that provides for a fixed fee guarantee or other form of fee rate cap by a member of the Target Group;

(xii) any agreements (A) relating to the licensing or maintenance of the three core claims processing systems (CPS, FACTS and ClaimFacts) utilized by the members of the Target Group or (B) concerning Intellectual Property to which a member of the Target Group is a party and in respect of which such member the Target Group makes annual payments in excess of \$250,000, including agreements pursuant to which a member of the Target Group licensed by Seller or other Persons to use Intellectual Property, and excluding licenses for commercial "off-the-shelf" or "shrink-wrap" software that (1) has not been modified or customized for a member of the Target Group or (2) is licensed to a member of the Target Group for a one-time fee or an annual fee of \$250,000 or less;

(xiii) any agreement of a member of the Target Group with a retail pharmacy, mail pharmacy or specialty pharmacy under which the pharmacy processed more than 10,000 claims per month in 2007;

(xiv) any agreement pursuant to which a member of the Target Group or a customer of a member of the Target Group receives annual rebates in excess of \$500,000 with respect to pharmacy products or services;

(xv) any reinsurance, coinsurance or retrocession treaties, agreements, slips, binders, cover notes or other arrangements of any kind to which a member of the Target Group is a party as a cedent and any terminated or expired treaty or agreement under which there remains any outstanding liability;

(xvi) any joint venture or partnership agreement;

(xvii) any agreement relating to the voting or the control of the Target Shares or the election of directors of any member of the Target Group;

(xviii) any agreement not otherwise disclosed in Section 2.2.8 of the Seller Disclosure Schedule which (A) is not entered into in the Ordinary Course of Business and (B) imposes a significant performance obligation on any member of the Target Group or significantly impairs the business of the members of the Target Group;

(xix) any Contract that restricts in any respect or contains limitations on the ability of any member of the Target Group to compete in any line of business; and

(xx) any (A) Health Care Provider network Contract, or (B) any Contract of a type described in one or more of clauses (i) through (xviii) of this Section 2.2.8(a) that contains any exclusivity provision binding on any member of the Target Group.

(b) No Defaults, etc. Except as set forth on Section 2.2.8(b) of the Seller Disclosure Schedule, excluding any failure to obtain Consent with respect to any Target Contract and except for those matters that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Target Group, (i) each Target Contract is valid and enforceable against each member of the Target Group that is a party thereto and, to the Knowledge of Seller, against each other Person that is a party thereto, in accordance with its terms and is in full force and effect and (ii) each member of the Target Group has performed all obligations required to be performed by it in connection with the Target Contracts to which it is a party and is not in receipt of any claim of default under any Target Contract. As of the date hereof, to the Knowledge of Seller, no member of the Target Group has any present expectation or intention of not fully performing any material obligation pursuant to any Target Contract. As of the date hereof, to the Knowledge of Seller, there is no current material breach or anticipated material breach by any other party to any Target Contract other than in the Ordinary Course of Business. Prior to the date of this Agreement, subject to Applicable Law, Buyer has been supplied with a true and correct copy of each written Target Contract, and a written description of each oral Target Contract, together with all amendments, waivers or other changes thereto. Section 2.2.8(b) of the Seller Disclosure Schedule lists each oral Target Contract and sets forth a description of the material terms thereof.

(c) Performance Guarantees. Section 2.2.8(c) of the Seller Disclosure Schedule sets forth the aggregate amount of any expense that the members of the Target Group have had for each of 2005, 2006 and the portion of 2007 prior to July 31, 2007, pursuant to any performance guarantees.

(d) Largest Customer Contracts. With respect to each Largest Customer Contract, Section 2.2.8(d) of the Seller Disclosure Schedule sets forth opposite the name of each such customer, the approximate percentage and dollar amount of net sales by the Target Group attributable to such customer during the nine months ended September 30, 2007. Since December 31, 2006 and prior to September 30, 2007, no party to any of the Largest Customer Contracts has indicated in writing that it will stop or materially decrease the rate of business done with the Target Group, except for changes in the Ordinary Course of Business.

(e) Largest Broker Contracts. With respect to each Largest Broker Contract, Section 2.2.8(e) of the Seller Disclosure Schedule sets forth opposite the name of each Agent party thereto, the approximate dollar amount of net commissions or other amounts paid to such Agent during the nine months ended September 30, 2007. Since December 31, 2006 and prior to September 30, 2007, no party to any of the Largest Broker Contracts has indicated in writing that it will stop or materially decrease the rate of business done with the Target Group, except for changes in the Ordinary Course of Business.

(f) Largest Network Contracts. With respect to each Largest Network Contract, Section 2.2.8(f) of the Seller Disclosure Schedule sets forth opposite the name of each Health Care Provider network party thereto, the approximate dollar amount of access fees or other amounts paid by the Target Group to such Health Care Provider network during the nine months ended September 30, 2007. Since December 31, 2006 and prior to September 30, 2007, no party to any of the Largest Network Contracts has indicated in writing that it will stop or materially decrease the rate of business done with the Target Group, except for changes in the Ordinary Course of Business.

(g) Continuation of Access. As of the date hereof, no Health Care Provider network has notified Seller that it will terminate any Contract with any customer of the Target Group as a result of the execution and delivery of the Transaction Documents or the consummation of the transactions contemplated thereby.

2.2.9. Intellectual Property.

(a) Section 2.2.9(a)-1 of the Seller Disclosure Schedule is a correct and complete list, as of the date hereof, of all Intellectual Property owned by the Target Group that is registered with, or the subject of a pending application before, any Governmental Authority (the "Registered Intellectual Property"), indicating for each such item the registration number, the applicable filing jurisdiction and the member of the Target Group that is the owner thereof. Except as set forth on Section 2.2.9(a)-2 of the

Seller Disclosure Schedule, the Target Group exclusively owns or has sufficient and, to the Knowledge of the Seller, enforceable rights to use all Intellectual Property owned or used in connection with the operation of the business as currently conducted by the Target Group (the "Target Intellectual Property"), all of which rights, to the extent material to the business of the Target Group, shall survive unchanged and be available for use on identical terms following the consummation of the transactions contemplated hereby, except as set forth in the Transition Services Agreement, and except as would not reasonably be expected to have a Material Adverse Effect on the Target Group. The Target Intellectual Property constitutes all the Intellectual Property that is necessary for the conduct of the business as currently conducted by the Target Group.

(b) Either Target or a member of the Target Group exclusively owns (beneficially, and of record where applicable) all right, title and interest in and to the Registered Intellectual Property, free and clear of all Liens, other than Target Permitted Encumbrances. The Registered Intellectual Property and, to the Knowledge of Seller, all other Intellectual Property owned or used by any member of the Target Group, is subsisting and enforceable, and is not subject to any outstanding order, judgment, decree, contract or other legal or governmental proceeding adversely affecting the Target Group's use thereof or rights thereto. Except as set forth on Section 2.2.9(b) of the Seller Disclosure Schedule, there are no material royalties, fees, honoraria or other payments payable by any member of the Target Group to any Person by reason of the ownership, development, modification, use, license, sublicense, sale, distribution or other disposition of the Owned Intellectual Property, other than salaries and sales commissions paid to employees and sales agents in the Ordinary Course of Business.

(c) Each member of the Target Group has (i) complied with all material Internet domain name registration and other requirements of Internet domain administration authorities concerning all Internet domain names that are registered by any member of the Target Group, and (ii) to the Knowledge of Seller, operated all websites associated with such Internet domain names in accordance with Applicable Law in the jurisdictions in which the member of the Target Company conducts business.

(d) To the Knowledge of the Seller, the Target Group, and the conduct of their respective businesses, does not infringe, misappropriate or otherwise violate the Intellectual Property rights of any third party. There is no litigation, opposition, cancellation, proceeding, objection or claim pending, asserted or threatened in writing (or, to the Knowledge of Seller, otherwise threatened) against any member of the Target Group concerning the ownership, validity, registerability, enforceability, infringement, misappropriation, violation or use of, or licensed right to use, any Target Intellectual Property. To the Knowledge of Seller, no valid basis exists for any such litigation, opposition, cancellation, proceeding, objection or claim. To the Knowledge of Seller, no Person is infringing, misappropriating or otherwise violating (i) any Registered Intellectual Property right, (ii) any other Intellectual Property that is owned or purported to be owned by any member of the Target Group (the "Owned Intellectual Property"), or (iii) any other Target Intellectual Property except as would not reasonably be expected to have a Material Adverse Effect on the Target Group.

(e) Section 2.2.9(e)-1 of the Seller Disclosure Schedule sets forth a complete and accurate list of all computer software that is Owned Intellectual Property and material to the business of any member of the Target Group, which disclosure specifically identifies the owner of all such software ("Target Group Proprietary Software"). Except as set forth on Section 2.2.9(e)-2 of the Seller Disclosure Schedule, the Target Group owns all right, title and interest in and to the Target Group Proprietary Software, and no Target Group Proprietary Software contains any programming code, documentation or other materials for which the Target Group does not have sufficient rights to use in the conduct of the business as currently used in the conduct of the business by the Target Group. No Target Group Proprietary Software contains any code that is licensed pursuant to the provisions of any "open source" license agreement, such as any version of any software licensed pursuant to any GNU, General Public License (GPL), GNU Lesser/Library Public License (LGPL), Mozilla Public License (MPL), or any similar public license agreement, that, based on the Target Group's use of such code in the Target Group Proprietary Software, would require the source code for the Target Group Proprietary Software to be distributed or made available in connection with the distribution of the licensed software in object code form or that limits the amount of fees that may be charged in connection with sublicensing or distributing such licensed software.

(f) Each member of the Target Group has sufficient rights to use all computer software, middleware and systems, information technology equipment, and associated documentation used in connection with the operation of their respective businesses as presently conducted (the "IT Assets"), except where a failure of the foregoing, individually or in the aggregate, would not have a Material Adverse Effect on the Target Group, all of which rights, to the extent material to the business of the Target Group, shall survive unchanged the consummation of the transactions contemplated hereby, except as set forth in the Transition Services Agreement, and except as would not reasonably be expected to have a Material Adverse Effect on the Target Group. To the Knowledge of Seller, the IT Assets operate and perform in all material respects in accordance with their documentation and functional specifications. The IT Assets have not materially malfunctioned or failed within the past three years and do not contain any viruses, bugs, faults or other devices or effects that (i) enable or assist any Person to access without authorization the IT Assets, or (ii) otherwise significantly adversely affect the functionality of the IT Assets, except as disclosed in its documentation, except where the foregoing, individually or in the aggregate, or would not have a Material Adverse Effect on the Target Group. To the Knowledge of Seller, no Person has gained unauthorized access to any IT Assets, except as would not have a Material Adverse Effect on the Target Group. Each member of the Target Group has implemented reasonable backup, security and disaster recover technology consistent with industry practices. Except as set forth on Section 2.2.9(f) of the Seller Disclosure Schedule, none of the IT Assets is the subject of a pending or, to Seller's Knowledge, threatened, audit, demand letter, "request to license", or other claim relating to use thereof by the Target Group.

(g) Each member of the Target Group has established and maintains at least industry standard safeguards against the destruction, loss, or alteration of customer data or information in the possession or control of such member of the Target Group which are designed to comply with any applicable contractual and legal requirements. Each member of the Target Group has implemented

and maintains at least industry standard systems, security measures and procedures which are designed to guard against the unauthorized access, alteration, or destruction of customer data or information (including any personally identifiable information).

(h) No trade secret or confidential know-how either of which is material to the business of any member of the Target Group as currently operated has been disclosed or authorized to be disclosed to any third party, other than pursuant to a non-disclosure agreement or other obligation of confidentiality that reasonably protects the member of the Target Group's proprietary interests in and to such trade secrets and confidential know-how.

(i) Each member of the Target Group has a policy of requiring all employees, consultants and contractors with responsibility for the development of Intellectual Property that is material to the conduct of the business of the Target Group or who may be exposed to any trade secret or confidential information to execute a confidentiality agreement, substantially in the Target's standard forms, that reasonably protects the confidentiality of such member of the Target Group. No source code of any software both owned by and proprietary to any member of the Target Group has been provided to any third party except under license (a list of which licenses made effective on or after November 1, 1997 appears as Section 2.2.9(i) of the Seller Disclosure Schedule), and all such source code has been reasonably safeguarded and protected by the applicable member of the Target Group.

2.2.10. Insurance. Section 2.2.10 of the Seller Disclosure Schedule contains a correct and complete list of all material insurance policies and fidelity bonds maintained on the date hereof by or for the benefit of any of the members of the Target Group ("Material Insurance Policies"). Seller has made available to Buyer complete and correct copies of those policies and bonds that are specifically related to the Target Group, together with all riders and amendments thereto as of the date hereof. As of the date hereof, such policies and bonds are in full force and effect, and all premiums due thereon have been paid. All of such policies and bonds are in amounts and had coverages that are and were reasonable and customary for Persons engaged in businesses similar to that engaged in by the Target Group. The members of the Target Group have complied in all material respects with the terms and provisions of such policies and bonds and none of Seller (to the extent related to the Target Group), Target or any other member of the Target Group is in default with respect to its obligations under such policies or bonds. None of Seller (to the extent related to the Target Group), Target or any other member of the Target Group has failed to give any notice of any material claim under any such policy in a due and timely fashion where such failure has or would reasonably be expected to adversely impact the Target Group's ability to recover in respect of such claim. Except as set forth on Section 2.2.10 of the Seller Disclosure Schedule, there is no claim in excess of \$1,000,000 by any member of the Target Group pending as of the date hereof under any of such policies or bonds as to which coverage has been questioned, denied or disputed by the underwriters of such policies or bonds. Such policies and bonds (or other policies and bonds providing substantially similar insurance coverage) have been in effect since December 31, 2004. All insurance policies maintained on the date hereof by Seller for the benefit of any of the members of the Target Group will terminate

with respect to each member of the Target Group upon the Closing. None of Seller nor its Affiliates have made any claims for the benefit of the Target Group under any Material Insurance Policies maintained by Seller or its Affiliates (other than insurance policies maintained directly by members of the Target Group) in respect of the Legal Proceedings set forth on Section 2.2.16 of the Seller Disclosure Schedule, other than the Trewit Litigation.

2.2.11. Compliance with Laws and Other Instruments; Governmental Approvals.

(a) Compliance with Laws, etc. Except as set forth on Section 2.2.11(a) of the Seller Disclosure Schedule, all activities of each member of the Target Group have been since December 31, 2004, and are currently being, conducted in compliance in all respects with all Applicable Laws, permits, licenses (including requirements contained in market conduct examination reports), orders and certificates of any Governmental Authority including, without limitation, all Health Benefit Laws and all Laws pertaining to confidentiality and privacy of patient information, all corrective action plans required by Governmental Authorities, all rules and regulations of the United States Office of Inspector General of the Social Security Administration and the Department of Health and Human Services (including compliance program guidance for pharmaceutical manufacturers), all Laws pertaining to billing, kickbacks, false claims, claims processing, marketing, HIPAA security standards for the storage, maintenance, transmission, utilization and access to and privacy of patient information, and HIPAA and state standards for electronic transactions and data code sets, equal employment opportunity, employee retirement, applicable requirements of the Gramm-Leach-Bliley Act of 1999, building and zoning codes, which affect the businesses of the members of the Target Group or the Owned Real Property or Leased Real Property and to which the members of the Target Group may be subject, except for any failures that, individually or in the aggregate, are not reasonably expected to have a Material Adverse Effect on the Target Group. Neither Target nor any other member of the Target Group has received any written notice alleging a violation of any such Laws. Each member of the Target Group has made all material filings, submissions, notices and registrations required to be made with or to insurance regulators under insurance holding company statutes and regulations. Section 2.2.11(a) of the Seller Disclosure Schedule sets forth a correct and complete list of all consent decrees or other similar agreements entered into by any member of the Target Group with any Governmental Authority currently in effect. No Governmental Authority has instituted, implemented, taken or to the Knowledge of Seller, threatened to take, any other action the effect of which, individually or in the aggregate, is reasonably expected to have a Material Adverse Effect on the Target Group.

(b) Governmental Approvals. Except as set forth on Section 2.2.11(b) of the Seller Disclosure Schedule, all material Governmental Approvals necessary for the conduct of the business and operations of each member of the Target Group, or necessary to own, lease and operate their respective properties, have been duly obtained and are in full force and effect. A true, correct and complete list of all material Governmental Approvals is set forth on Section 2.2.11(b) of the Seller Disclosure Schedule. Since July 31, 2007, each member of the Target Group has conducted its business in material compliance with all terms and conditions of

the Governmental Approvals. There are no proceedings pending or, to the Knowledge of Seller, threatened that are reasonably expected to result in the revocation, cancellation or suspension, or any materially adverse modification, of any such Governmental Approval, and except as set forth on Section 2.2.11(b) of the Seller Disclosure Schedule, the execution and delivery of the Transaction Documents and the consummation of the transactions contemplated thereby will not result in any such revocation, cancellation, suspension or modification.

2.2.12. Affiliate Transactions. Section 2.2.12 of the Seller Disclosure Schedule sets forth a correct and complete list of all agreements, arrangements or other commitments (including any intercompany loans or financial arrangements), other than brokerage accounts, in effect as of December 31, 2006, between Seller or any member of the Target Group, on the one hand, and any employee, officer, director or shareholder of any member of the Target Group on the other hand, other than compensation or benefit agreements, arrangements and commitments. Since December 31, 2006, except as set forth on Section 2.2.12 of the Seller Disclosure Schedule, no member of the Target Group has entered into any agreement, arrangement or other commitment or transaction with any employee, officer, director or shareholder of Seller or any member of the Target Group.

2.2.13. Labor Matters, etc.

(a) Employees. Section 2.2.13(a) of the Seller Disclosure Schedule sets forth a true, correct and complete listing of all employees of each member of the Target Group, as well as any employee of Seller who devotes at least 50% of his/her working time in direct support of the Target Group's operations ("Target Group Employees"), and all independent contractors and leased employees of the Target Group (as defined in Section 414(n) of the Code), as of the date hereof, including each such Person's name, job title or function, and job location, as well as a true, correct and complete listing of his or her current salary or wage payable by any member of the Target Group, and for each Target Group Employee, the amount of all incentive compensation paid to such Person for the current calendar year, the amount of accrued but unused vacation time, each as of the date hereof, and each Target Group Employee's current status (as to leave or disability status and full time or part time, exempt or nonexempt and temporary or permanent status). Other than as fully reflected or specifically reserved against in accordance with GAAP in the Annual Financial Statements (or as otherwise expressly permitted pursuant to this Agreement), neither Target nor any other member of the Target Group has paid or promised to pay any bonuses, commissions or incentives to any Target Group Employee, including any officer or director. To the Knowledge of Seller, each Person who provides services to any member of the Target Group is properly classified by such member of the Target Group, as applicable, with respect to employment status for all purposes, including, without limitation, employment, labor, wage and hour compliance and Tax purposes. Seller has delivered to Buyer a true and complete copy of the employee handbook, if any, and all other material employment policies, if any, applicable to any Target Group Employee. No Target Group Employee is on long-term disability and the policy of each member of the Target Group is to terminate any employee who begins receiving long-term disability benefits under Seller's Long-Term Disability Plan.

(b) As of the date hereof, to the Knowledge of Seller, no officer or Target Group Employee at the level of manager or higher, no independent contractor or leased employee whose departure would materially disrupt the operations of the Target Group and no group of three (3) or more Target Group Employees in a single department of the Target Group has, as of the date hereof, disclosed in writing any plans to terminate his, her or their employment or relationship with Target Group.

(c) Except as disclosed in Section 2.2.13(c) of the Seller Disclosure Schedule:

(i) to the Knowledge of Seller, each member of the Target Group has paid or made provision for payment of all salaries and wages, which are payable by such member of the Target Group to any Target Group Employees, independent contractors and leased employees, accrued through the Closing Date; and are in compliance in all material respects with all Applicable Laws respecting employment and employment practices, terms and conditions of employment, collective bargaining, immigration, wages, hours and benefits, non-discrimination in employment, workers compensation, the collection and payment of withholding and/or payroll taxes and similar Taxes (except for non-compliance which, individually or in the aggregate, is not reasonably likely to have a Material Adverse Effect on the Target Group), including but not limited to the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Equal Employment Opportunity Act of 1972, the Employee Retirement Income Security Act of 1974, the Equal Pay Act, the National Labor Relations Act, the Fair Labor Standards Act, the Americans with Disabilities Act of 1990, the Vietnam Era Veterans Reemployment Act, and any and all similar applicable state and local laws; and, to the Knowledge of Seller, the members of the Target Group are not engaged in any unfair employment practice;

(ii) none of the Target Group Employees is represented by a labor union with respect to his or her employment with the members of the Target Group, there are no collective bargaining agreements binding on the members of the Target Group with respect to any of the Target Group Employees and, to the Knowledge of Seller, no petition has been filed, nor has any proceeding been instituted by any Target Group Employee or group of Target Group Employees with the National Labor Relations Board or similar Governmental Authority seeking recognition of a collective bargaining representative;

(iii) to the Knowledge of Seller, (A) there is no organizational effort currently being made or threatened by or on behalf of any labor organization or trade union to organize any Target Group Employees, and (B) no demand for recognition of any Target Group Employees has been made by or on behalf of any labor organization or trade union;

(iv) there is no pending nor, to the Knowledge of Seller, threatened Target Group Employee strike, work stoppage, slowdown, lockout, picketing or material labor dispute with respect to any Target Group Employees against or affecting any member of the Target Group; and

(v) each member of the Target Group is, and during the ninety (90) day period prior to the date hereof has been, in compliance with all notice and other requirements under the Workers' Adjustment and Retraining Notification Act (the "WARN Act") and any similar Applicable Law relating to plant closings and mass layoffs.

2.2.14. ERISA.

(a) Schedule of Plans, etc. Section 2.2.14(a)-1 of the Seller Disclosure Schedule sets forth a true and complete list of each Employee Benefit Plan and each material bonus, incentive or deferred compensation, stock option or other equity-based award, retention, change in control, severance, employment or other employee or retiree compensation, fringe benefit or benefit plan, program, agreement, policy or arrangement that is maintained or participated in by any member of the Target Group or to which any member of the Target Group contributes or is obligated to contribute, excluding those that are maintained or administered by any member of the Target Group as part of its business of providing third-party administrative services (collectively, the "Target Plans"). Seller has made available to Buyer true and complete copies of all written Target Plans in which one or more current or former employees or directors of the Target Group is eligible to participate or entitled to benefits and, as applicable, all related trusts or other funding agreements, all amendments to such Target Plans, the three most recent IRS Form 5500 filed in respect of any such Target Plan, the most recent summary plan description and summaries of material modifications of any such Target Plan, the most recent actuarial valuation prepared for any such Target Plan and all material correspondence with the IRS, Department of Labor and the Pension Benefit Guaranty Corporation for any such Target Plan. Except as set forth on Section 2.2.14(a)-2 of the Seller Disclosure Schedule, each Target Plan intended to be qualified under Section 401(a) of the Code has either (i) received a favorable determination letter from the IRS as to its qualification under the Code covering all Tax law changes prior to the Economic Growth and Tax Relief Reconciliation Act of 2001 or (ii) been submitted to the IRS for such determination letter within the applicable remedial amendment period under Section 401(b) of the Code and such determination letter application is still pending. To the Knowledge of Seller, (x) no amendment has been made to any such Target Plan since the date of its most recent determination letter that is reasonably expected to result in the disqualification of such Target Plan and (y) no other event has occurred with respect to any such Target Plan which is reasonably expected to adversely affect the qualification of such Target Plan.

(b) No Minimum Target Funding Standards, etc. Except as set forth on Section 2.2.14(b) of the Seller Disclosure Schedule, no Target Plan or Employee Benefit Plan sponsored, contributed to or participated in by an ERISA Affiliate of any member of the Target Group is subject to the minimum funding standards of Section 302 of ERISA or Section 412 of the Code, no Target Plan or Employee Benefit Plan sponsored, contributed to or participated in by an ERISA Affiliate of any member of the Target Group is a multi-employer plan (as defined in Section 3(37) of ERISA) or a multiple employer plan and no Target Plan is maintained in connection with any trust described in Section 501(c)(9) of the Code. No member of the Target Group or an ERISA Affiliate of any member of the Target Group has ever fully or partially withdrawn from a multi-employer plan. No material liability has been incurred pursuant to the provisions of Title IV of ERISA by any member of the Target Group or any ERISA Affiliate thereof and no condition or event exists or has occurred which is reasonably expected to result in any such material liability to any such Person.

(c) Operation of the Target Plans, etc. Each of the Target Plans has been operated and administered in substantial compliance with its terms and all Applicable Law, including but not limited to ERISA and the Code. There are no material claims pending or, to the Knowledge of Seller, threatened by or on behalf of any employee of any member of the Target Group involving any Target Plan or its assets (other than routine claims for benefits under the terms of any such Target Plan). Each Target Plan that is intended to be a “qualified plan” within the meaning of Section 401(a) of the Code (“Qualified Plans”) has been issued a favorable determination letter by the IRS that has not been revoked, and, to the Knowledge of Seller, there are no circumstances and no events that have occurred that could reasonably be expected to adversely affect the qualified status of any Qualified Plan or the related trust. Each Target Plan that is a “nonqualified deferred compensation plan” (within the meaning of Section 409A(d)(1) of the Code) subject to Section 409A of the Code has been operated in good faith compliance with Section 409A of the Code since January 1, 2005, based upon a good faith, reasonable interpretation of Section 409A of the Code and guidance promulgated thereunder (together, the “409A Authorities”). No Target Plan that would be a nonqualified deferred compensation plan subject to Section 409A of the Code but for the effective date provisions that are applicable to Section 409A of the Code, as set forth in Section 885(d) of the American Jobs Creation Act of 2004, as amended (the “AJCA”), has been “materially modified” within the meaning of Section 885(d)(2)(B) of the AJCA after October 3, 2004, based upon a good faith reasonable interpretation of the AJCA and the 409A Authorities.

(d) Welfare Plans. The Target Plans and Employee Benefit Plan sponsored, contributed to or participated in by an ERISA Affiliate of any member of the Target Group that are group health plans (as defined for the purposes of Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA and all regulations thereunder (“COBRA”)) have complied with the requirements of COBRA to provide healthcare continuation coverage to qualified beneficiaries who have elected, or may elect to have, such coverage, except for any violation that, individually or in the aggregate, is not reasonably expected to have a Material Adverse Effect on the Target Group.

(e) Retiree Health. Except as set forth on Section 2.2.14(e) of the Seller Disclosure Schedule, neither Target nor any other member of the Target Group has any liability for life, health, medical or other welfare benefits to former employees or beneficiaries or dependents thereof, except for health continuation coverage as required by Section 4980B of the Code or Part 6 of Title I of ERISA.

(f) Accelerated Payments. Except as expressly contemplated in Section 3.2.3 of this Agreement, no provision of any Target Plan upon the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby could (either alone or in conjunction with any other event) result in, cause the accelerated vesting, funding or delivery of, or increase the amount or value of, any payment (including, without limitation, severance, unemployment compensation, "excess parachute payment" (within the meaning of Section 280G of the Code)) or benefit to any employee, officer, consultant or director of any member of the Target Group, or result in the forgiveness of Indebtedness, or could limit the right of Target or any other member of the Target Group to amend, merge, terminate or receive a reversion of assets from any Target Plan.

2.2.15. Environmental Matters. Except as set forth on Section 2.2.15 of the Seller Disclosure Schedule:

(a) The Target Group is in material compliance with all Environmental Laws, and the Target Facilities are, and during the Target Group's operation, have been, in material compliance with all Environmental Laws. The Target Group has no material liability under any Environmental Law and, to the Knowledge of Seller, is not responsible for any material liability of any other Person under any Environmental Law.

(b) The Target Group possesses all material permits, licenses, registrations, identification numbers, authorizations and approvals required under applicable Environmental Laws for the operation of its business as presently conducted.

(c) The Target Group has not received any material written claim, notice or citation concerning any violation or liability or alleged violation or liability with respect to any Environmental Law which has not been fully and finally resolved.

(d) There are no material writs, injunctions, decrees, liens, orders or judgments outstanding, or any actions, suits, proceedings or governmental investigations pending or, to the Knowledge of Seller, threatened, with respect to the Target Group's liability under, or compliance by the Target Group or the Target Facilities with, any Environmental Law.

(e) Seller has furnished to Buyer copies of all material environmental reports, audits, assessments and other documents in its possession or control that relate to the Target Group's compliance with Environmental Laws or the environmental condition of the Target Facilities.

(f) Notwithstanding any other representation in Article II, the representations and warranties contained in this Section 2.2.15 constitute the sole representations and warranties of Seller and Target relating to Environmental Laws.

2.2.16. Litigation. Section 2.2.16 of the Seller Disclosure Schedule contains a list, which is true and complete, of all judicial or administrative actions, suits, investigations, mediations, arbitrations, orders, inquiries or proceedings (collectively, “Legal Proceedings”) pending or, to the Knowledge of Seller, threatened in writing against any member of the Target Group. No other Legal Proceeding is pending against any member of the Target Group and, to the Knowledge of Seller, no other such Legal Proceeding has been threatened in writing. For purposes of this Section 2.2.16, judicial or administrative actions, suits, investigations, inquiries or proceedings pending or threatened against customers of a member of the Target Group, or in respect of real or personal property held in the name of a member of the Target Group for the benefit of a customer or customers, are expressly excluded unless a member of the Target Group is named as a party to such judicial or administrative action, suit, investigation, inquiry or proceeding. As of the date hereof, there is no Legal Proceeding pending or, to the Knowledge of Seller, threatened, that questions the validity of this Agreement or of any action taken or to be taken by Seller or any member of the Target Group in connection with the Transaction Documents or the transactions contemplated thereby. Except as set forth on Section 2.2.16 of the Seller Disclosure Schedule, as of the date hereof, no member of the Target Group is subject to any order, consent decree, judgment, writ, injunction, decree, award, conciliation agreement, settlement agreement, market conduct or financial examination report, corrective action plan or other similar agreement with any Governmental Authority (including, without limitation, cease-and-desist or other orders).

2.2.17. Prior Acquisitions. Section 2.2.17 of the Seller Disclosure Schedule sets forth a list, which is true and complete, of all pending and, to the Knowledge of Seller, threatened indemnification claims by or against Seller or any member of the Target Group under any agreement for the acquisition of any assets, business or Person by, or for the benefit of, Target or any other member of the Target Group.

2.2.18. Agents and Brokers. Each agent or broker (each, an “Agent”) conducting business for the stop-loss business of the Target Group, at the time such agent or broker received commissions from the Insurance Subsidiary for the placement of stop loss insurance, was duly licensed as an insurance agent or broker (for the types of business placed in force by such insurance agent or broker) in the particular jurisdiction in which such agent or broker placed in force such business if such licensure was required by such jurisdiction and, to the Knowledge of Seller, no such Agent violated, in any material respect, any Applicable Law relating to the placement of business in force for such member of the Target Group.

2.2.19. Brokers, Finders, etc. All negotiations relating to this Agreement and the transactions contemplated hereby have been carried on without the participation of any Person acting on behalf of Seller, Target or any other member of the Target Group in such manner as to give rise to any valid claim against Seller, Target or any other member of the Target Group for any brokerage or finder’s commission, fee or similar compensation, except for Credit Suisse Securities (USA), LLC.

2.3. Representations and Warranties of Buyer. Buyer represents and warrants to Seller and Target, as of the date hereof and as of the Closing Date, as follows:

2.3.1. Authorization; No Conflicts; Status of Buyer, etc.

(a) Due Organization, etc. Buyer is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation. Buyer is duly qualified to do business and is in good standing as a foreign corporation in those jurisdictions in which it is required to be so qualified in order for it to be able to perform its obligations under the Transaction Documents.

(b) Authorization, etc. Buyer has all requisite corporate power and authority to enter into the Transaction Documents, to perform its obligations thereunder and to consummate the transactions contemplated thereby. The execution, delivery and performance of each Transaction Document, and the consummation of the transactions contemplated thereby, by Buyer have been duly authorized by all requisite corporate action of Buyer, and no other corporate proceedings on the part of Buyer are necessary to authorize the execution, delivery or performance of the Transaction Documents by Buyer. Each of the Transaction Documents has been duly executed and delivered by Buyer and constitutes the valid and legally binding obligation of Buyer, enforceable against it in accordance with its respective terms, except to the extent that enforceability thereof may be limited by bankruptcy, insolvency, reorganization and other similar Applicable Laws affecting the enforcement of creditors' rights generally and by general principles of equity.

(c) No Conflicts. The execution and delivery by Buyer of the Transaction Documents, and the consummation by Buyer of the transactions contemplated thereby, do not and will not conflict with or result in a breach of any of the provisions of, loss of rights or default under, constitute an event creating rights of, or result in, acceleration, termination, repayment or cancellation of or under, entitle any party to receive any payment or benefit pursuant to, or result in the creation of any Lien upon any of the properties or assets of Buyer under, (i) any provision of the Organizational Documents of Buyer or any Affiliate of Buyer, (ii) any Applicable Law applicable to Buyer or any of its properties or any Affiliate of Buyer or any properties of any Affiliate of Buyer or (iii) any Contract to which Buyer or any Affiliate of Buyer is a party, except in the case of clauses (ii) or (iii) for any such conflicts, breaches, losses, defaults, accelerations, terminations, repayments, cancellations or Liens that, individually or in the aggregate, is not reasonably expected to have a Material Adverse Effect on Buyer. No Governmental Approval (other than (i) pursuant to the HSR Act, (ii) as required by any applicable state health or pharmacy third party benefits administration licensing laws or regulations or (iii) as required by the Arizona Department of Insurance) or other Consent is required to be obtained or made by Buyer or any Affiliate of Buyer in connection with the execution and delivery by Buyer of the Transaction Documents to which Buyer is a party or the consummation by Buyer of the transactions contemplated thereby.

2.3.2. *Litigation.* As of the date hereof, there is no Legal Proceeding against Buyer or any Affiliate of Buyer pending or, to the Knowledge of Buyer, threatened, that questions the validity of this Agreement or of any action taken or to be taken by Buyer in connection with Transaction Documents or the transactions contemplated thereby.

2.3.3. *Compliance with Laws, etc.* As of the date hereof, none of Buyer or its Affiliates is in material violation of or material default under, or has at any time since December 31, 2004 materially violated or been in material default under, (i) any Applicable Law applicable to it or any of its properties or businesses, except for any such violation or default that would not reasonably be expected to result in a material impairment of Buyer's ability to perform its material obligations under this Agreement, or (ii) any provision of its Organizational Documents. There are no consent decrees or other similar agreements entered into by Buyer or its Affiliates with any Governmental Authority currently in effect that would reasonably be expected to result in a material impairment of Buyer's ability to perform its material obligations under this Agreement. As of the date hereof, no Governmental Authority has instituted, implemented, taken or threatened to take any other action the effect of which, individually or in the aggregate, is reasonably expected to result in a material impairment of Buyer's ability to perform its material obligations under this Agreement.

2.3.4. *Financing.* Buyer has available, and as of the Closing will have available, sufficient cash, available lines of credit or other sources of immediately available funds to enable it to pay the Purchase Price and pay any other amounts to be paid by it under this Agreement. Buyer's obligations hereunder are not subject to any condition regarding Buyer's ability to obtain financing for the consummation of the transactions contemplated hereby.

2.3.5. *Brokers, Finders, etc.* All negotiations relating to this Agreement and the transactions contemplated hereby have been carried on without the participation of any Person acting on behalf of Buyer in such manner as to give rise to any valid claim against Buyer for any brokerage or finder's commission, fee or similar compensation.

2.3.6. *Investment.* The Target Shares will be acquired by Buyer for its own account for the purpose of investment and not with a view to their distribution within the meaning of Section 2(11) of the Securities Act. Buyer has not, directly or indirectly, offered the Target Shares to anyone or solicited any offer to buy the Target Shares from anyone, so as to bring such offer and sale of the Target Shares by Buyer within the registration requirements of the Securities Act. Buyer will not sell, convey, transfer or offer for sale any of the Target Shares except in compliance with the Securities Act and any applicable state securities laws or pursuant to an exemption therefrom.

**ARTICLE III.
COVENANTS**

3.1. Covenants of Seller and Target.

3.1.1. Conduct of Business. From the date hereof to the Closing Date, except (i) as contemplated by or in connection with this Agreement or the transactions contemplated hereby, (ii) as set forth on Section 3.1.1 of the Seller Disclosure Schedule, (iii) as required by Applicable Law, or (iv) as consented to by Buyer (such consent not to be unreasonably withheld or delayed), Target will, and Seller and Target will cause each member of the Target Group to:

(a) carry on its business in the ordinary course consistent with past practices, and use commercially reasonable efforts to maintain and to preserve intact the present business organization of Target and each member of the Target Group, to conduct their operations in compliance with Applicable Laws, to preserve their assets and properties in good repair and condition, to retain the services of its executive officers and key employees, including but not limited to each of the Target Group Executives, and preserve its relationships with customers, clients, employees, providers, members and suppliers of Target and each member of the Target Group and others having material business dealings with it;

(b) not amend the Organizational Documents of Target and each member of the Target Group;

(c) not merge or consolidate with, or agree to merge or consolidate with, or purchase substantially all of the assets or any equity interests of, any corporation, partnership, limited liability company, association or other business organization or division thereof or otherwise acquire any business;

(d) not repurchase, redeem or otherwise acquire any Target Shares or any shares of capital stock or other equity ownership interests of any member of the Target Group;

(e) not issue, sell, pledge, dispose of or subject to any Lien any Target Shares, any shares of capital stock or other equity ownership interests of any member of the Target Group, or any options, warrants or other similar rights, agreements or commitments of any kind to purchase any such shares or any securities convertible into or exchangeable for any such shares;

(f) not split, combine or reclassify any Target Shares or any shares of capital stock or other securities of any member of the Target Group, or declare, set aside or pay any dividend or other distribution payable in cash, stock, property or otherwise with respect to Target Shares or any shares of capital stock or other equity ownership interests of any member of the Target Group;

(g) not incur, assume, guarantee (including by way of any agreement to “keep well” or of any similar arrangement) or prepay any Indebtedness or amend the terms relating to any Indebtedness (including, without limitation, capital leases, payments in respect of the deferred purchase price of property, letters of credit, loan agreements and other agreements relating to the borrowing of money or extension of credit) or issue or sell any debt securities, except for any such incurrence, assumption, guarantee or prepayment of such Indebtedness or amendments of the terms of such Indebtedness in the Ordinary Course of Business in an aggregate amount not exceeding \$100,000;

(h) not sell, transfer, assign, license, convey, mortgage, pledge or otherwise subject to any Lien any of its properties or assets, tangible or intangible, except for Target Permitted Encumbrances or in the Ordinary Course of Business;

(i) not acquire (by merger, exchange, consolidation, acquisition of stock or assets or otherwise) any material assets, other than in the Ordinary Course of Business;

(j) other than in the Ordinary Course of Business, not enter into any transaction with Seller or any Affiliate of Seller (other than any member of the Target Group), on the one hand, and any other member of the Target Group, on the other hand;

(k) not waive any material rights of material value or take any material actions with respect to collection practices that would result in any material Losses or material adverse changes in collection loss experience;

(l) not make charitable contributions or pledges which in the aggregate exceed \$100,000;

(m) not make, accelerate or defer any capital expenditures other than (i) in accordance with Target’s and the Target Group’s budget which has been provided to Buyer prior to the date hereof, and (ii) any such other expenditures as are necessary to prevent the destruction, removal, wasting, deterioration or impairment of the assets of Target and each member of the Target Group;

(n) not conclude or agree to any corrective action plan, consent decree, action or order;

(o) not settle, compromise or waive any material rights relating to any litigation or arbitration matters of Target or the Target Group, other than (i) in the Ordinary Course of Business or (ii) with respect to the Trewit Litigation in compliance with the provisions of Sections 6.3(b) and 6.4 as if such provisions had been in effect as of the date hereof;

(p) not pay (or commit to pay) any bonus or other incentive compensation to any director, officer or any Target Group Employee (other than a new position hire whose compensation is less than \$75,000 in any fiscal year) or grant (or commit to grant) to any director, officer or Target Group Employee any other increase in compensation (except for bonuses payable pursuant to

any Target Plans), base salary or wage increases, except as are made in the Ordinary Course of Business, increases in severance or termination pay by an amount of more than \$10,000, or material increases in benefits, in each case except as set forth in any written agreement or commitment existing as of the date hereof;

(q) not enter into, adopt or amend (other than any amendment necessary to comply with any Applicable Law) any employment, retention, change in control, collective bargaining, deferred compensation, retirement, bonus, profit-sharing, stock option or other equity, pension or welfare plan, contract or other arrangement with an independent contractor or agreement maintained for the benefit of any director, partner, officer, or other employee, or take any action to accelerate the vesting or payment, or fund or in any other way secure the payment, of compensation or benefits under any employee benefit plan or other arrangement, to the extent not already provided in any such plan or arrangement and except as contemplated by Section 3.2.3(d), or change any actuarial or other assumptions used to calculate funding obligations with respect to any employee benefit plan or other arrangement or to change the manner in which contributions to such plans are made or the basis on which such contributions are determined, except as may be required by GAAP, or forgive any loans to directors, officers or any Target Group Employee;

(r) not cancel or terminate any insurance policies maintained by any member of the Target Group or cause any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies providing, to the extent reasonably available, coverage equal to or greater than the coverage under the canceled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

(s) not terminate, cancel, enter into or propose to enter into, or modify or propose to modify, (i) any Target Contracts or (ii) any agreements, contracts, licenses or commitments that if entered into prior to the date of this Agreement, would have been required to be listed on Section 2.2.8(a) of the Seller Disclosure Schedule as a Target Contract, other than in the Ordinary Course of Business;

(t) not agree or commit to do any of the foregoing referred to in clauses (a) – (s); and

(u) promptly advise Buyer of any fact, condition, occurrence or change known to Seller or any member of the Target Group that is reasonably expected to have a Material Adverse Effect on any material member of the Target Group or the Target Group in the aggregate or cause a breach of this Section 3.1.1.

3.1.2. Access and Information.

(a) **Books and Records.** From the date hereof to the Closing Date, upon reasonable notice from Buyer, Seller and Target will and will cause each member of the Target Group to, give to Buyer and Buyer's accountants, counsel and other Representatives reasonable access during normal business hours to each such member of the Target Group and its respective

officers, employees, offices, properties, books, contracts, commitments, reports and records relating to each member of the Target Group, and to furnish them or provide them access to all such documents, financial data, records and information with respect to the properties and businesses of each member of the Target Group as Buyer shall from time to time reasonably request; *provided* that the foregoing shall be under the general coordination of Seller, shall not be disruptive to the Ordinary Course of Business and shall be subject to the confidentiality provisions set forth in Section 7.6.10. In addition, subject to Applicable Law, Buyer and Seller shall consult and cooperate, each with the other, in matters involving third parties, including customers, prospective customers, specifying agencies, vendors and suppliers, in matters involving transition and integration planning.

(b) Monthly Reports. From and after the date hereof until the Closing Date, Target shall furnish to Buyer, within fifteen (15) Business Days after the end of each calendar month, the monthly reporting package described in Section 3.1.2(b) of the Seller Disclosure Schedule.

3.1.3. Tax Matters.

(a) Tax Returns. Seller shall duly and timely file all Seller Group Tax Returns, and shall cause each member of the Target Group to duly and timely file all Target Tax Returns, required to be filed on or before the Closing Date (including such Tax Returns filed pursuant to any valid extension of time to file), and Seller shall pay all Taxes with respect to such periods. Seller shall prepare and duly and timely file all Seller Group Tax Returns that are due after the Closing Date with respect to periods ending on or before the Closing Date, and Seller shall pay all Taxes with respect to such periods. Seller shall prepare and Buyer shall cause each member of the Target Group to duly and timely file all Target Tax Returns that are due after the Closing Date with respect to periods ending on or before the Closing Date, and Seller shall pay all Taxes with respect to such periods. Such Seller Group Tax Returns and Target Tax Returns shall be prepared on a basis consistent with the prior Tax Returns for the same Person. The members of the Target Group shall furnish information to Seller for inclusion in the Seller Group Tax Returns for the periods ending on or before the Closing Date in accordance with the past customs and practices of such members and shall file Target Tax Returns for periods beginning after the Closing Date in accordance with such customs and practices. No election under Section 336(e) of the Code shall be made with respect to any member of the Target Group in connection with any transaction contemplated by this Agreement.

(b) Straddle Tax Returns. Except as otherwise provided herein, Buyer shall prepare or cause to be prepared and file or cause to be filed any Tax Returns of the Target Group for Tax periods which end after the Closing Date, and Buyer shall cause the Target Group, at the Target Group's expense, to pay all Taxes with respect to such periods, subject to Seller's responsibility for Pre-Closing Taxes. Buyer shall permit Seller to review and comment, prior to filing, on each Tax Return for Tax periods which begin before the Closing Date and end after the Closing Date ("Straddle Tax Returns"). To the extent not reflected as a liability on the Estimated Balance Sheet, Seller shall pay to Buyer an amount equal to the Pre-Closing Taxes due with any Straddle Tax Returns and payable by Seller pursuant to this Section 3.1.3(b) at least ten (10) days before Buyer is required to cause to be paid the related Tax liability.

(c) Calculation of Taxes for Straddle Tax Returns Where the Pre-Closing Taxes involve a period which begins before and ends after the Closing Date, such Pre-Closing Taxes shall be calculated as though the taxable year of the Target Group terminated as of the close of business on the Closing Date; *provided, however*, that in the case of a Tax not based on income, receipts, proceeds, profits or similar items, Pre-Closing Taxes shall be equal to the amount of Tax for the taxable period multiplied by a fraction, the numerator of which shall be the number of days from the beginning of the taxable period through the Closing Date and the denominator of which shall be the number of days in the taxable period. All Straddle Tax Returns shall be prepared, and all determinations necessary to give effect to the foregoing allocations shall be made, in a manner consistent with prior practice of the Target Group.

(d) Documentation. Buyer and Seller further agree, upon request from the other party, to use their commercially reasonable efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including, but not limited to, with respect to the transactions contemplated hereby).

(e) Actions with respect to Taxes. Without the prior written consent of Buyer, neither Seller nor the Target Group shall, with respect to the Target Group, make or change any election, change an annual accounting period, adopt or change any accounting method, file any amended Tax Return, enter into any closing agreement, settle any Tax claim or assessment relating to the Target Group, surrender any right to claim a refund of Taxes, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment relating to the Target Group, or take any other similar action relating to the filing of any Tax Return or the payment of any Tax, if such election, adoption, change, amendment, agreement, settlement, surrender, consent or other action would have the effect of increasing the Tax liability of the Target Group for any period ending after the Closing Date or decreasing any Tax attribute of the Target Group existing on the Closing Date. Seller shall notify Buyer of any consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment relating to the Target Group within fifteen (15) days of making such consent or waiver.

(f) Tax Sharing Agreements. All tax sharing agreements or similar agreements with respect to or involving the Target Group shall be terminated as of the Closing Date and, after the Closing Date, no such party shall be bound thereby or have any liability thereunder.

3.1.4. Public Announcements. From the date hereof to the Closing Date, except as required by Applicable Law, Seller shall not, and Target shall not and shall not permit any member of the Target Group to, make any public announcement in respect of this Agreement or the transactions contemplated hereby without the prior consent of Buyer, which will not be unreasonably withheld or

delayed; provided that the foregoing shall not apply to any public announcement in respect of litigation relating to this Agreement or the transactions contemplated hereby, or the filing of any document in connection with any such litigation. Subject to the exceptions set forth in the immediately preceding sentence, Seller and Target will, and will cause the other members of the Target Group to, cooperate with Buyer to develop all public communications and make appropriate members of management available at presentations related to the transactions contemplated hereby as reasonably requested by Buyer.

3.1.5. Further Actions.

(a) Generally. From the date hereof to the Closing Date, Seller and Target will, and will cause each member of the Target Group to, use their reasonable best efforts to (i) take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective the transactions contemplated hereby and (ii) cause the conditions set forth in Sections 4.1 and 4.2 to be satisfied as promptly as practicable.

(b) Filings, etc. From the date hereof to the Closing Date, Seller and/or Target will (i) as promptly as practicable, but in no event later than fifteen (15) days following the date of this Agreement, file or supply, or cause to be filed or supplied, all applications, notifications and information required to be filed or supplied by or on behalf of Seller or any member of the Target Group pursuant to Applicable Law in connection with this Agreement or the consummation of the transactions contemplated hereby, and (ii) use their reasonable best efforts to obtain from any Governmental Authority or pursuant to Applicable Law any Consents required to be obtained or made by the Seller or any member of the Target Group in connection with this Agreement or the consummation of the transactions contemplated hereby (collectively, the "Seller Requisite Regulatory Approvals"), including but not limited to (in the case of the foregoing clauses (i) and (ii)) filings and Consents pursuant to the HSR Act and any other Requisite Regulatory Approval. Subject to the rules, regulations and instructions of any relevant Governmental Authority, Buyer will have the right to review in advance, and to the extent practicable Seller and/or Target will consult with Buyer, in each case subject to Applicable Laws relating to the exchange of information, with respect to all material written information submitted to any third party or any Governmental Authority in connection with the Requisite Regulatory Approvals. In exercising the foregoing right, each of the parties will act reasonably and as promptly as practicable.

(c) Consents. Seller will use commercially reasonable efforts to obtain, or cause to be obtained, the Required Consents as promptly as practicable.

(d) Other Actions. Subject to Applicable Laws and the rules, regulations and instructions of any relevant Governmental Authority, Seller and Target will and will cause each member of the Target Group to, coordinate and cooperate with Buyer in exchanging such information and supplying such reasonable assistance as may be reasonably requested by Buyer in connection with the filings and other actions contemplated by Section 3.2.2, including information regarding operational matters of Target and the other members of the Target Group.

(c) Notice of Certain Events. From the date hereof to the Closing Date, Seller shall promptly notify Buyer of:

- (i) any fact, condition, event or occurrence known to Seller that will or reasonably may be expected to result in the failure of any of the conditions contained in Sections 4.1 and 4.2 to be satisfied;
- (ii) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;
- (iii) subject to Applicable Laws and the rules, regulations and instructions of any relevant Governmental Authority, any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement;
- (iv) any member of the Target Group developing any present expectation or intention of not fully performing any material obligation pursuant to any Target Contract; and
- (v) any current material breach or anticipated material breach known to Seller by any other party to any Target Contract other than in the Ordinary Course of Business.

3.1.6. *No Solicitation, etc.* Seller shall not, nor shall Target or any other member of the Target Group, directly or indirectly, through any employee, officer, director, agent or otherwise, solicit, initiate or conduct any discussions or negotiations with, or provide any information to or otherwise cooperate in any other way with, or facilitate or encourage any effort to attempt to, or enter into any agreement or understanding with, any Person or group of Persons regarding any Competing Transaction. Seller or Target shall promptly (and in any event within two (2) Business Days) notify Buyer of the receipt by Seller or Target or any of its officers or directors of any inquiries, proposals or requests for information concerning a Competing Transaction. A "Competing Transaction" means any of the following (other than any transaction contemplated by this Agreement): (w) any direct sale of stock or other equity ownership interests in Target and/or any one or more members of the Target Group, including without limitation in any initial public offering of any such securities, (x) a merger, consolidation, share exchange, business combination, or other similar transaction directly involving Target and/or any one or more members of the Target Group, or (y) any direct transfer or other disposition of 10% or more of the total assets of Target and/or any one or more members of the Target Group in a single transaction or a series of related transactions. For the avoidance of doubt, nothing in this Section 3.1.6 shall restrict Seller's activities in any manner with respect to any of the Transferred Entities or any assets and business of the Seller other than Target, the members of the Target Group and their respective assets.

3.1.7. *Resignation of Directors.* Target and Seller shall cause each of the directors of Target and the other members of the Target Group, other than those whose names are set forth on a notice to be delivered to Seller by Buyer not less than five (5) days prior to the Closing that indicates such persons are not required to resign, to resign from all director positions with Target and the other members of the Target Group effective at the Closing.

3.1.8. *Agreement Not to Compete.*

(a) Seller agrees that for the five (5) year period from and after the Closing (the Restricted Period), Seller shall not, and shall cause its Subsidiaries not to, directly or indirectly, in any capacity, engage in or have any direct or indirect ownership interest in, or permit its name to be used in connection with (other than those name permissions that are granted in the ordinary course of business), any business anywhere in the United States that is engaged, either directly or indirectly, in the business of (w) the sale, underwriting or reinsurance of stop loss insurance policies issued to employer sponsored ERISA health plans, which policies are intended to manage such employer sponsors' funding exposure to such plans, (x) third party administration of healthcare benefits for group health plans, including subrogation, bill review and claim repricing in connection therewith, (y) pharmacy benefit management and administration for group health plans, including subrogation, bill review and claim repricing in connection therewith or (z) disease management or care management programs for group health plans (each, a "Competing Business"); *provided, however*, that the following shall not be deemed a violation of this Section 3.1.8(a):

(i) ownership of stock of any corporation listed on a national securities exchange or publicly traded on any nationally recognized over-the-counter market so long as Seller and its Subsidiaries collectively do not own more than an aggregate of five percent (5%) of the capital stock of such corporation;

(ii) making or maintaining any investment (or engaging in any activity related thereto) in a fiduciary or agency capacity of any type and carried out on behalf of clients or other beneficiaries;

(iii) ownership of, an affiliation with, or the conduct of any other prohibited activity with respect to, a Person that conducts, either directly or indirectly, a Competing Business (any such Person, together with all of its Affiliates, a "Competing Person") that is the direct or indirect result of (A) the merger, consolidation, share exchange, sale or purchase of assets or similar business combination involving Seller or any of its Affiliates and any Competing Person or (B) the acquisition of any Competing Person by Seller or any of its Affiliates; *provided* if more than 15% of the total revenue, assets or cash flows of the Competing Person in the calendar year prior to such ownership or affiliation is attributable to any Competing Business, Seller shall, prior to the first anniversary of the consummation of such transaction, divest or discontinue the operations of the

acquired business that constitute Competing Businesses; *provided, however*, that prior to any such divestiture, Seller shall provide reasonable notice thereof to Buyer such that Buyer has a reasonable opportunity to make an offer to purchase such business should it desire to do so; or

(iv) ownership and operation of the Continued Retained Business.

(b) For purposes of clarity, the parties hereby acknowledge that, for all purposes of this Agreement, the term “Competing Business” shall not include the business of (i) workers’ compensation pharmacy benefits and administration, (ii) consumer-directed health plan administration, or (iii) health care banking and payments, except, in the case of payments, to the extent acting as a third party administrator of healthcare benefits.

(c) Section 3.1.8 shall terminate immediately upon a Change in Control of Seller; *provided, however*, that for the balance of the Restricted Period following any such Change in Control, Seller shall (i) cause any employees of Seller or any Affiliate thereof who, at any time prior to Closing, had been employed by any member of the Target Group or otherwise had been in receipt of confidential information with respect to the Target Group, to continue to abide by the provisions of this Section 3.1.8 including, without limitation, by causing any such employees not to assist or participate in any Competing Business engaged in by any other party who became an Affiliate of Seller in connection with such Change in Control (a “COC Party”) and (ii) keep confidential, and not disclose to any COC Party, any confidential information related to the Target Group (including, without limitation, customer or price information).

(d) Seller hereby acknowledges that the geographic boundaries, scope of prohibited activities and the time duration of the provisions of this Section 3.1.8 are reasonable and are no broader than are necessary to protect the legitimate business interests of Buyer including, without limitation, the ability of Buyer to realize the benefit of its bargain and enjoy the goodwill of Target and the other members of the Target Group.

3.1.9. Agreement Not to Hire. During the Restricted Period, Seller shall not, without the prior written consent of Buyer, hire, or directly or indirectly attempt to hire away, any then-current employee of Buyer or any of its Affiliates who is a Transferred Employee, or persuade any such employee to leave employment with Buyer or any of its Affiliates; *provided*, that a general solicitation for employment through advertisements not specifically directed at any Transferred Employees shall not be prohibited under this Section 3.1.9 and the hiring of any Transferred Employees who are non-exempt for purposes of the Fair Labor Standards Act and who are solicited through such a general solicitation shall not be prohibited under this Section 3.1.9.

3.1.10. *Available Remedies.* Seller acknowledges that it would be difficult to fully compensate Buyer or any of its Affiliates for damages resulting from any breach by them of the provisions of Sections 3.1.8 or 3.1.9. Accordingly, notwithstanding anything to the contrary in this Agreement, in the event of any actual or threatened breach of such provisions, Buyer and its Affiliates shall (in addition to any other remedies which it may have) be entitled to seek from any court of competent jurisdiction temporary and/or permanent injunctive relief to enforce such provisions and recover attorneys' fees and costs for same, and such relief may be granted without the necessity of proving actual damages or the inadequacy of money damages, or posting bond. Seller further acknowledges that Sections 3.1.8 and 3.1.9 constitute a material inducement to Buyer to complete the transactions contemplated by this Agreement and Buyer will be relying on the enforceability of Sections 3.1.8 and 3.1.9 in completing such transactions contemplated by this Agreement.

3.1.11. *Insurance Subsidiary Transactions.* Prior to Closing, Seller shall (i) contribute \$5,000,000 to the Insurance Subsidiary (so as to cause the cash on hand thereof to be equal to at least such amount) and (ii) cause all intercompany loans between the Insurance Subsidiary and Seller or any Affiliate of Seller (other than members of the Target Group) to be cancelled, without any cost or other liabilities to any member of the Target Group resulting therefrom.

3.2. *Covenants of Buyer.*

3.2.1. *Public Announcements.* From the date hereof to the Closing Date, except as required by Applicable Law, Buyer shall not, and shall cause its Affiliates not to, make any public announcement in respect of this Agreement or the transactions contemplated hereby without the prior consent of Seller, which will not be unreasonably withheld or delayed. Buyer will cooperate with Seller and the Target Group to develop all public communications and make appropriate members of management available at presentations related to the transactions contemplated hereby as reasonably requested by Seller.

3.2.2. *Further Actions.*

(a) Generally. From the date hereof to the Closing Date, Buyer will use its reasonable best efforts to (i) take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective the transactions contemplated hereby and (ii) cause the conditions set forth in Sections 4.1 and 4.3 to be satisfied as promptly as practicable.

(b) Filings, etc. From the date hereof to the Closing Date, Buyer will (i) as promptly as practicable, but in no event later than fifteen (15) days following the date of this Agreement, file or supply, or cause to be filed or supplied, all applications, notifications and information required to be filed or supplied by or on behalf of Buyer or its Affiliates pursuant to Applicable Law in connection with this Agreement or the consummation of the transactions contemplated hereby and (ii) use its reasonable best efforts to obtain from any Governmental Authority or pursuant to Applicable Law any Consents required to be obtained or made by Buyer

or its Affiliates in connection with this Agreement or the consummation of the transactions contemplated hereby (collectively, the "Buyer Requisite Regulatory Approvals" and, together with the Seller Requisite Regulatory Approvals, the "Requisite Regulatory Approvals"), including but not limited to (in the case of the foregoing clauses (i) and (ii)) filings and Consents (i) pursuant to the HSR Act, (ii) under any applicable state health or pharmacy third party benefits administration licensing laws or regulations or (iii) with the Arizona Department of Insurance. Subject to the rules, regulations and instructions of any relevant Governmental Authority, Seller will have the right to review in advance, and to the extent practicable Buyer will consult with Seller, in each case subject to Applicable Laws relating to the exchange of information, with respect to all material written information submitted to any third party or any Governmental Authority in connection with the Requisite Regulatory Approvals. In exercising the foregoing right, each of the parties will act reasonably and as promptly as practicable.

(c) Other Actions. Subject to Applicable Laws and the rules, regulations and instructions of any relevant Governmental Authority, Buyer will, and will cause its Affiliates to, coordinate and cooperate with Seller in exchanging such information and supplying such reasonable assistance as may be reasonably requested by Seller in connection with the filings and other actions contemplated by Section 3.1.5(b).

(d) Notice of Certain Events. From the date hereof to the Closing Date, Buyer shall promptly notify Seller of:

(i) any fact, condition, event or occurrence known to Buyer that will or reasonably may be expected to result in the failure of any of the conditions contained in Sections 4.1 and 4.3 to be satisfied;

(ii) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement; and

(iii) subject to Applicable Laws and the rules, regulations and instructions of any relevant Governmental Authority, any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement.

3.2.3. Employee Benefit Matters.

(a) Transferred Employee Benefits. Buyer agrees: (i) to waive any limitations regarding pre-existing conditions, waiting periods and actively at work requirements under any new health benefit plan maintained by Buyer (and/or any of its Affiliates) for the benefit of Transferred Employees to the extent such condition, period or requirement was satisfied under any existing health benefit plans in which Transferred Employees participate; and (ii) for all purposes (other than benefit accrual under a defined benefit pension plan) under all benefit plans and policies, to treat all service by Transferred Employees with any member of the Target Group before the Closing Date as service with Buyer and its Subsidiaries; and (iii) to recognize, for each Transferred

Employee, any unused vacation days set forth on Section 3.2.3(a)(iii) of the Seller Disclosure Schedule that the Transferred Employee has accrued as of the Closing Date for purposes of Buyer's vacation plan or policies. Buyer and Seller agree that (i) the Transferred Employees shall continue to participate in Seller's medical and dental plans for the period beginning on the Closing Date and ending on (x) December 31, 2007, if the Closing occurs prior to January 1, 2008, and (y) the last day of the month in which the Closing occurs, if the Closing occurs on or after January 1, 2008, and (ii) Buyer shall reimburse Seller for the cost of providing the benefits described in clause (i) of this sentence in the amount equal to the difference between the COBRA rate for such benefits and the applicable employee premiums for such benefits. Commencing on the later of January 1, 2008, and the first day of the month following the month in which the Closing occurs, the Transferred Employees shall be eligible to participate in the medical and dental plans of Buyer on terms that are substantially comparable to the terms applicable to similarly situated employees of Buyer. With respect to the Transferred Employees, Seller agrees to amend its 401(k) plan to eliminate its last day of employment requirement with respect to the Transferred Employees for purposes of eligibility to receive any employer contributions from Seller under Seller's 401(k) plan and Seller shall make post-Closing employer contributions to its 401(k) plan for the benefit of the Transferred Employees on a pro rata basis based on the Transferred Employees' length of employment by Seller or its Affiliates in 2007 and in accordance with its customary process. Buyer agrees to accept rollovers from Seller's 401(k) plan for Target Employees. Seller further agrees to 100% vest all Transferred Employees in its retirement plans including its 401(k) plan. Other than the obligations specifically set forth in this Section 3.2.3, Buyer shall have no liability with respect to payment of benefits under any benefit plans of Seller in which any Transferred Employee has or currently participates.

(b) Continuation of Employment.

(i) Except as provided in this Section 3.2.3(b), immediately after the Closing, Buyer shall continue the employment of all of the Target Group Employees by transferring their employment to an Affiliate of Buyer, and any Target Group Employee whose employment thus continues after the Closing Date shall be a "Transferred Employee." Notwithstanding the foregoing, no Transferred Employee shall have any continuing rights to employment, and each such employee shall be considered an "at will" employee, unless he/she has or enters into a written employment agreement binding on Buyer or one of its Affiliates. Buyer, in its sole discretion, and subject only to an obligation to interview each person in good faith, may determine whether or not to continue the employment of any Target Group Employee listed on Section 3.2.3(b)(i) of the Buyer Disclosure Schedule. No later than fifteen (15) days prior to the Closing Date, Buyer shall provide Seller with a written list of any Target Group Employee listed on Section 3.2.3(b)(i) of the Buyer Disclosure Schedule whose employment will not continue after the Closing Date (each a "Non-Transferred Employee"). Seller will, or will cause each member of the Target Group to, terminate the employment of, or transfer to Seller or one of its Affiliates (other any member of the Target Group), any Non-Transferred Employee, with such termination or transfer to take effect no later than the Closing Date.

(ii) Seller shall be fully liable for all employment-related costs or liabilities in respect of any Non-Transferred Employee, including but not limited to any termination-related costs such as severance benefits, and Seller shall fully indemnify Buyer and each member of the Target Group from any such liability or cost.

(iii) The rest of this Section 3.2.3(b) notwithstanding, in the event that any Target Group Employee is not actively at work on the Closing Date due to any leave of absence, including but not limited to a short-term disability leave (each an “Inactive Employee”), such employee shall become a Non-Transferred Employee and Seller shall assume the employment relationship for that person and all costs and liabilities incurred as a result of that employment relationship as described in Section 3.2.3(b)(ii). With respect to any Inactive Employee who becomes a Non-Transferred Employee pursuant to this Section 3.2.3(b)(iii), Buyer’s sole obligation shall be to pay, or cause a member of the Target Group to pay, to Seller an amount for each such Inactive Employee that is equal to the sum of (x) the short-term disability payroll continuation payment made to such person, if any, (y) the Human Resources and Payroll fees set forth on Exhibit 1 of the Transition Services Agreement, and (z) the Health, Dental, Flexible Spending, HSA, HRA and COBRA Plan Benefits fees set forth on Exhibit 1 of the Transition Services Agreement; *provided, however*, that for purposes of health insurance reimbursement for each of the Inactive Employees, instead of the reimbursement rate being the COBRA rate, such reimbursement rate shall equal \$1,500 per month for each such Inactive Employee; *provided, further*, that with respect to any Inactive Employee, Buyer’s payment obligation hereunder shall end on the earliest of: (A) the date on which the Inactive Employee becomes a Transferred Employee pursuant to this Section 3.2.3(b)(iii), (B) the date on which Seller terminates the Inactive Employee for any reason, or (C) the sixth-month anniversary of the Closing Date. If any Inactive Employee is able to return to work on or before the six-month anniversary of the Closing Date, Buyer shall hire such person and such person shall become a Transferred Employee as of the date that Buyer receives written notice from Seller that the employee is able to return to work. For purposes of this Section 3.2.3(b)(iii) “able to return to work” means that Seller provides Buyer with adequate documentation that the person is able to perform the essential functions of his/her Target Group Employee position, with or without reasonable accommodation.

(iv) The rest of this Section 3.2.3(b) notwithstanding, each Target Group Employee listed on Section 3.2.3(b)(iv) of the Seller Disclosure Schedule is performing duties directed to performance by Harrington Benefit Services, Inc. (which is a member of the Target Group) pursuant to a Services Agreement dated October 25, 2007, between it and Kaiser Permanente Insurance Company (“Kaiser”). The parties acknowledge that the business transaction contemplated by this Agreement will give Kaiser a contractual right to terminate the afore-described Services Agreement. If Kaiser exercises its contractual termination

right prior to the Closing Date, then each such person will become a Non-Transferred Employee for purposes of Sections 3.2.3(b)(i) and (ii). If Kaiser exercises its contractual termination right after the Closing Date then Seller shall be fully liable for and shall indemnify Buyer against any and all liabilities arising out of Buyer's decision to terminate the employment of any person listed on Section 3.2.3(b)(iv) of the Seller Disclosure Schedule as a direct result of Kaiser exercising that contractual right.

(v) Section 3.2.3(b)(v) of the Seller Disclosure Schedule sets forth a list of certain Target Group Employees who are performing duties directed to the Retained Business (the "Retained Business Employees"). Accordingly, and notwithstanding anything to the contrary in this Section 3.2.3(b), (A) no Retained Business Employee will become a Transferred Employee, (B) each Retained Business Employee will become a Non-Transferred Employee and (C) Seller shall transfer each such Retained Business Employee to a Retained Business Transferee, with such transfer to take effect no later than the Closing Date.

(c) Severance. Except as otherwise required by any Applicable Law, for a 12-month period beginning on the Closing Date, Buyer shall provide, or cause each member of the Target Group to provide, to any Transferred Employee whose employment is terminated other than for cause (within the meaning of the severance payment schedule set forth on Section 3.2.3(c) of the Seller Disclosure Schedule), severance benefits that are no less favorable than as would be determined in accordance with Target's existing severance payment schedule (which is set forth on such severance payment schedule). To the extent that any Transferred Employee who is a party to an agreement providing for the payment of severance under certain circumstances, as set forth on Section 2.2.8(a)(iii) of the Seller Disclosure Schedule, is terminated by Buyer or any of its Affiliates or terminates or resigns his or her employment, in each case within the first ninety (90) days immediately following the Closing Date, Seller shall pay to Buyer for each such terminated Transferred Employee the difference between the amount of severance paid to the Terminated Employee under such employee's severance agreement and the amount of severance that such employee would have otherwise been eligible to receive under the severance payment schedule set forth on Section 3.2.3(c) of the Seller Disclosure Schedule.

(d) Vesting. Prior to the Closing Date, Seller shall take all actions necessary to provide that all options to purchase the common stock of Seller, restricted stock units of Seller or unvested shares of restricted stock of Seller that are held by any Target Group Employee as of the Closing Date, whether vested or unvested, shall be cancelled in exchange for the payment by Seller to such Target Group Employee of the cash equivalent thereof; *provided*, that the foregoing shall not apply to restricted stock units awarded to certain Target Group sales executives listed on Section 3.2.3(d) of the Seller Disclosure Schedule, who were awarded such restricted stock units pursuant to an incentive compensation plan or scheme, the unvested value of which is set forth on Section 3.2.3(d) of the Seller Disclosure Schedule. Buyer will establish an incentive compensation arrangement to provide such sales executives with an opportunity to earn such unvested value.

(e) Deferred Compensation Plan. On the Closing Date, Buyer shall cause a member of the Target Group to continue to maintain sponsorship of the Deferred Compensation Plan maintained by a member of the Target Group along with any assets and liabilities associated therewith, including but not limited to any assets or liabilities of the Rabbi Trust.

(f) Incentive Compensation.

(i) Seller shall, or shall cause each member of the Target Group to, fully reflect or specifically reserve against in accordance with GAAP in the Estimated Balance Sheet (and there shall be included in the Final Balance Sheet), amounts adequate to pay all incentive compensation earned by any Target Group Employee through the Closing Date. Buyer shall ensure that each such employee is paid that amount no later than the customary payment date the Target Group has used for such incentive compensation payments.

(ii) Set forth on Section 3.2.3(f)(ii) of the Seller Disclosure Schedule is a listing of each Target Group Employee, including estimated incentive pay and/or bonus accruals for each such employee for the remainder of calendar year 2007. At least three (3) Business Days prior to the Closing Date, Seller shall deliver to Buyer an updated Section 3.2.3(f)(ii) of the Seller Disclosure Schedule that sets forth the estimated incentive pay and bonus accruals for each Target Group Employee as of the Closing Date. Buyer shall pay, or cause to be paid, to any Transferred Employee the amount of incentive compensation such employee earns, pursuant to the terms of any incentive compensation plan that is in effect as of the Closing Date, during the period beginning on the day after the Closing Date and ending on December 31, 2007. Any such earned compensation shall be paid no later than the customary payment date the Target Group has used for such incentive compensation payments.

(iii) Seller agrees to pay or cause to be paid to selected Target Group Employees incentive compensation described in Section 3.2.3(f)(iii) of the Seller Disclosure Schedule. Buyer agrees to pay or cause to be paid to select Transferred Employees incentive compensation as described in Section 3.2.3(f)(iii) of the Buyer Disclosure Schedule.

3.3. Change of Name.

(a) Except for the limited license expressly provided in the Transitional Trademark License Agreement, all right, title and interest in and to (i) the name "Fiserv" or any derivative thereof or any logo, trademark, service mark, domain name, or trade name including such name, and (ii) any other trademark, service mark, logo, domain name or other indicia or origin of the Seller and its Affiliates (other than any member of the Target Group) ((i) and (ii) collectively, the "Seller Marks"), shall be retained by Seller or its applicable Affiliates and none of Buyer or the Target Group shall have any rights therein or thereto following the Closing.

(b) Except as expressly provided in the Transitional Trademark License Agreement, immediately following Closing, Buyer will, and will cause each member of the Target Group to, cease use of the Seller Marks and any other designation of affiliation with Seller or its Affiliates (including the removal of any Seller Marks from the name of any member of the Target Group and the filing of all appropriate documentation with state authorities relating thereto).

3.4. *Cooperation.*

(a) Seller and Buyer will, and Buyer will cause each member of the Target Group to, provide the other party with such cooperation and information as the other party may request in filing any Tax Return, in determining a liability for any Tax or a right to a refund or credit of any Tax, in defending an audit or in conducting any other proceeding in respect of any Tax, in each case in connection with a Tax of a member of the Target Group (including as a result of being included in a Seller Group) for a Tax period that ends on or before the Closing Date or, in the case of a Tax period that begins on or before the Closing Date and ends after the Closing Date, the portion of the period through and including the Closing Date (such full or partial period is a "Pre-Closing Period"). Such cooperation shall include, but not be limited to, providing access to the books and records of each member of the Target Group, making employees of Buyer and of each member of the Target Group available on a mutually convenient basis to provide explanation of any documents or information provided hereunder or as otherwise may be necessary or appropriate for any of the foregoing. Seller and Buyer shall, and Buyer shall cause each member of the Target Group to, retain all Tax Returns of a member of the Target Group, schedules and work papers and all other material records or documents relating thereto or to a member of the Target Group's inclusion in Seller Group Tax Returns for all Pre-Closing Periods until 60 days after the expiration of the applicable statute of limitations (including any extensions and waivers thereof), and at the expiration of such period each party shall have the right to dispose of any such Tax Returns or other documents or records after providing thirty (30) days' written notice to the other party, unless the other party requests that such Tax Returns or other documents or records be delivered to it or be retained.

(b) Buyer shall promptly notify Seller in writing within thirty (30) days after receipt by Buyer, any of its Affiliates or any member of the Target Group of notice of any pending or threatened federal, state, local or foreign Tax audit, proposed adjustment or assessment which may affect the Tax liability of any member of the Target Group for which Seller would be required to indemnify Buyer pursuant to Section 6.10. Failure of Buyer to promptly notify Seller shall be deemed a waiver of Buyer's right to indemnification under Section 6.10. Seller shall have the sole right to represent a member of the Target Group in any Tax audit or administrative or court proceeding to the extent it relates to (i) a Tax period ending on or before the Closing Date, or (ii) a Tax period that includes the Closing Date if the only items at issue relate to the portion of the period prior to or including the Closing Date, to

control such audit or proceedings, and to employ counsel of its choice at its expense. Notwithstanding the foregoing, Seller shall not be entitled to settle, either administratively or after the commencement of litigation, any claim for Taxes which would adversely affect Buyer or any member of the Target Group for any period after the Closing Date without the prior written consent of Buyer, which consent shall not be unreasonably withheld or delayed; *provided, however* that such consent shall not be necessary to the extent that Seller agrees to indemnify Buyer against the effects of any such settlement. Seller shall be entitled to participate at its expense with counsel of its choice in the defense of any claim for Taxes which may be the subject of indemnification by Seller pursuant to Section 6.10 which is not subject to Seller's control pursuant to this Section 3.4(b). Neither Buyer, any member of the Target Group, nor any of their Affiliates may agree to settle or pay any Tax claim which may be the subject of indemnification by Seller under Section 6.10 without the prior written consent of Seller, which consent shall not unreasonably be withheld, delayed or conditioned.

3.5. Intercompany Relationships.

(a) Seller Guarantees. Buyer shall use its commercially reasonable efforts to cause itself or one or more of its Affiliates to be substituted in all respects for Seller or any of its Affiliates and for Seller and any of its Affiliates to be otherwise removed or released, effective as of the Closing, in respect of all obligations of Seller or any of its Affiliates under each guaranty, performance bond, letter of credit or similar instrument obtained by Seller or any of its Affiliates to the extent that it is for the benefit of any member of the Target Group (collectively, the "Seller Guarantees"), and for all obligations of Seller or any of its Affiliates in respect thereof to be terminated, with, in each case, such substitution, removal, release and termination to be in form and substance reasonably satisfactory to Seller. In the event that Buyer has been unable to effect any such substitution, removal, release or termination with respect to any Seller Guarantee effective as of the Closing, from and after the Closing, Buyer shall use its commercially reasonable efforts to effect such substitution, removal and release and termination as soon as reasonably practicable, including, without limitation, by providing substitute cash collateral. Buyer shall promptly reimburse Seller for any payments made by Seller or any of its Affiliates on or after the Closing in respect of any Seller Guarantee.

(b) Target Guarantees. Seller shall use its commercially reasonable efforts to cause itself or one or more of its Affiliates (other than Target or any other member of the Target Group) to be substituted in all respects for Target or any other member of the Target Group and for Target and any member of the Target Group to be otherwise removed or released, effective as of the Closing, in respect of all obligations of Target and any member of the Target Group under each guaranty, performance bond, letter of credit or similar instrument obtained by Target or any other member of the Target Group for the benefit of Seller or its Affiliates (other than Target or any other member of the Target Group) (collectively, the "Target Guarantees"), and for all obligations of Target and any other member of the Target Group in respect thereof to be terminated, with, in each case, such substitution, removal, release and termination to be in form and substance reasonably satisfactory to Buyer. In the event that Seller has been unable to effect any

such substitution, removal, release or termination with respect to any Target Guarantee effective as of the Closing, from and after the Closing, Seller shall use its commercially reasonable efforts to effect such substitution, removal and release and termination as soon as reasonably practicable, including, without limitation, by providing substitute cash collateral. Seller shall promptly reimburse Buyer for any payments made by any member of the Target Group on or after the Closing in respect of any Target Guarantee.

(c) Termination of Contracts. Except as set forth on Section 3.5(c) of the Seller Disclosure Schedule, Seller shall terminate, or cause to be terminated, all Target Contracts between Seller or any of its Affiliates (other than Target or any other member of the Target Group) on the one hand, and any of Target or any other member of the Target Group, on the other hand (other than, for the avoidance of doubt, any of the Ancillary Agreements), effective as of the Closing, in each case without any penalty or obligation for Target or any other member of the Target Group.

(d) Assignment of Contracts. From and after the Closing, at Buyer's reasonable request, Seller shall, and shall cause its Affiliates to, assign to Buyer and its Affiliates any and all rights that Seller and its Affiliates may have under any agreement, contract or commitment to the extent relating to the protection of confidential information of Target or any other member of the Target Group, other than any agreements entered into in connection with the proposed sale or disposition of the Target Group, to the extent such assignment is permissible under Applicable Law and the terms of the relevant agreement, contract or commitment.

3.6. Title Insurance Policies. At Buyer's request and Buyer's sole cost and expense, (i) Seller and Buyer shall each agree to use its commercially reasonable efforts to obtain prior to Closing, to the extent reasonably practicable, a letter from Target's and/or the Target Group's current provider of the Title Policy stating that the Title Policy will continue in effect after the Closing and (ii) Seller shall cooperate with Buyer in seeking a non-imputation endorsement to the Title Policy.

3.7. Election under Section 338(h)(10).

(a) At the sole discretion of Buyer, Seller shall join with Buyer in making joint elections under Section 338(h)(10) of the Code (and any comparable election under state or local Law) with respect to the purchase of the Target Shares and the outstanding equity ownership interests of each other member of the Target Group. The Target Group, Buyer and Seller shall cooperate fully with each other in the making of such elections, including the filing of all required IRS forms and comparable forms under state and local Law. Promptly after the date hereof, Seller shall provide to Buyer any information reasonably requested by Buyer in connection with the filing of the Section 338(h)(10) elections.

(b) Seller shall pay all Taxes attributable to the making of the Section 338(h)(10) elections, including any federal, state, or local Tax attributable to an election under federal, state, or local law similar to the election available under Section 338(h)(10) of the Code, and will indemnify the Buyer against any claim arising out of any failure to pay any such Tax.

(c) The Purchase Price shall be allocated among the assets of the Target Group in accordance with their fair market value as reasonably determined by Buyer and Seller in accordance with Sections 338 and 1060 of the Code and the regulations thereunder (the "Allocation"). Buyer shall initially determine the Allocation and prepare a complete set of IRS Forms 8023 and 8883 (and any comparable forms required to be filed under state or local tax Law) and any additional data or materials required to be attached to Forms 8023 and 8883 pursuant to the Treasury Regulations promulgated under Section 338 of the Code ("Section 338 Forms"). Buyer will deliver the Section 338 Forms to Seller for review no later than sixty (60) days prior to the date the Section 338 Forms are required to be filed. In the event Seller reasonably objects to the manner in which the Section 338 Forms have been prepared, Seller will notify Buyer within fifteen (15) days of receipt of the Section 338 Forms of any such objection, and Buyer and Seller will endeavor in good faith to resolve such dispute in the succeeding fifteen (15) days. If Buyer and Seller are unable to resolve such dispute within such time period, Buyer and Seller will submit such dispute to an independent accounting firm of recognized national standing (the "Allocation Arbiter") mutually agreeable to Buyer and Seller, which firm will not be the regular accounting firm of Buyer or Seller. Promptly, but no later than fifteen (15) days after its acceptance of appointment hereunder, the Allocation Arbiter will determine (based solely on representations of Buyer and Seller and not by independent review) only those matters in dispute that have been submitted to it and will render a written report thereon, which will be conclusive and binding on Buyer and Seller.

(d) Buyer and Seller shall (i) report the acquisition of the Target Shares by Buyer in a manner consistent with the making of the Section 338(h)(10) elections and (ii) not take a position in any Tax Return that is inconsistent with the Section 338(h)(10) elections.

3.8. Retained Business. Prior to the Closing Date, Seller shall cause the Target Group to transfer the Contracts and other assets and liabilities set forth on Section 3.8 of the Seller Disclosure Schedule (collectively, the "Retained Business") to one or more Persons that is not a member of the Target Group (each, a "Retained Business Transferee").

ARTICLE IV. CONDITIONS PRECEDENT

4.1. Conditions to Obligations of Each Party. The obligations of Buyer and Seller to effect the purchase and sale of the Target Shares and to consummate the other transactions contemplated hereby shall be subject to the fulfillment at or prior to the Closing Date of the following conditions:

4.1.1. Regulatory Approvals. All Requisite Regulatory Approvals shall have been obtained and shall remain in full force and effect and all statutory waiting periods in respect thereof shall have been terminated or expired.

4.1.2. *No Injunction, etc.* (i) Consummation of the transactions contemplated hereby shall not have been restrained, enjoined or otherwise prohibited by any Applicable Law, including any order, injunction, decree or judgment of any court or other Governmental Authority, and there shall not have been promulgated, entered, issued or determined by any court or other Governmental Authority to be applicable to this Agreement any Applicable Law making illegal or otherwise prohibiting the consummation of the transactions contemplated hereby and (ii) no Governmental Authority shall have instituted any action or proceeding (which remains pending at what would otherwise be the Closing Date) before any United States court or other Governmental Authority of competent jurisdiction seeking to restrain, enjoin or otherwise prohibit consummation of the transactions contemplated hereby.

4.2. *Conditions to Obligations of Buyer.* The obligation of Buyer to effect the purchase and sale of the Target Shares and to consummate the other transactions contemplated hereby shall be subject to the fulfillment (or waiver by Buyer) at or prior to the Closing Date of the following additional conditions:

4.2.1. *Representations and Warranties.*

(a) The representations and warranties set forth in Sections 2.2.1(a), 2.2.1(b), 2.2.2(a), 2.2.2(b) and 2.2.5(A)(ii) shall be true and correct in all respects as of the Closing Date, with the same effect as though such representations and warranties had been made on and as of the Closing Date.

(b) Each of the representations and warranties of Seller set forth in this Agreement (other than the representations and warranties set forth in Sections 2.2.1(a), 2.2.1(b), 2.2.2(a), 2.2.2(b) and 2.2.5(A)(ii)), which representations and warranties shall be deemed for purposes of this Section 4.2.1 not to include any qualification or limitation with respect to materiality (whether by reference to “material,” “Material Adverse Effect” or otherwise), shall be true and correct as of the Closing Date, with the same effect as though such representations and warranties had been made on and as of the Closing Date, except that such representations and warranties that are made as of a specific date need only be true and correct as of such date; *provided, however*, that notwithstanding anything herein to the contrary, this Section 4.2.1(b) shall be deemed to have been satisfied even if such representations and warranties are not so true and correct unless such failure of such representations and warranties to be so true and correct, in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect on the Target Group.

(c) Seller shall have delivered to Buyer a certificate, dated the Closing Date and signed by an authorized officer of Seller, to the effect set forth above in this Section 4.2.1.

4.2.2. *Covenants.* All of the covenants, agreements, undertakings and obligations that Seller is required to perform or to comply with at or prior to Closing pursuant to this Agreement shall have been duly performed and complied with in all material respects, and Seller shall have delivered to Buyer a certificate, dated the Closing Date and signed by an authorized officer of Seller, to the effect set forth in this Section 4.2.2.

4.2.3. *Absence of Material Adverse Effect* Since December 31, 2006, no event shall have occurred or fact or circumstance arisen that, individually or in aggregate, with or without the passage of time, has had or is reasonably expected to have, a Material Adverse Effect on the Target Group.

4.2.4. *Third Party Consents.* Seller shall have delivered to Buyer all consents, waivers and approvals set forth in Exhibit F (the Required Consents”), all of which shall be in full force and effect.

4.2.5. *Proceedings.* All corporate and other proceedings of Seller that are required in connection with the transactions contemplated by this Agreement, and all documents and instruments incident to such proceedings, shall be reasonably satisfactory to Buyer and its counsel, and Buyer and such counsel shall have received all such documents and instruments, or copies thereof, certified if requested, as may be reasonably requested.

4.2.6. *Retained Business.* Seller shall have performed all of the obligations required to be performed by it pursuant to Section 3.8.

4.3. *Conditions to Obligations of Seller.* The obligation of Seller to effect the purchase and sale of the Target Shares and to consummate the other transactions contemplated hereby shall be subject to the fulfillment (or waiver by Seller), at or prior to the Closing Date, of the following additional conditions:

4.3.1. *Representations and Warranties.*

(a) The representations and warranties set forth in Sections 2.3.1(a) and 2.3.1(b) shall be true and correct in all respects as of the Closing Date, with the same effect as though such representations and warranties had been made on and as of the Closing Date.

(b) Each of the representations and warranties of Buyer set forth in this Agreement (other than the representations and warranties set forth in Sections 2.3.1(a) and 2.3.1(b)), which representations and warranties shall be deemed for purposes of this Section 4.3.1 not to include any qualification or limitation with respect to materiality (whether by reference to “material,” “Material Adverse Effect” or otherwise), shall be true and correct as of the Closing Date, with the same effect as though such representations and warranties had been made on and as of the Closing Date, except that such representations and warranties that are made as of a specific date need only be true and correct as of such date; *provided, however*, that notwithstanding anything herein to the contrary, this Section 4.3.1 shall be deemed to have been satisfied even if such representations and warranties are not so true and correct unless such failure of such representations and warranties to be so true and correct, in the aggregate, has materially impaired, or is reasonably likely to result in the material impairment of, the ability of Buyer to perform its material obligations under this Agreement.

(c) Buyer shall have delivered to Seller a certificate, dated the Closing Date and signed by an authorized officer of Buyer, to the effect set forth above in this Section 4.3.1.

4.3.2. *Covenants.* All of the covenants, agreements, undertakings and obligations that Buyer is required to perform or to comply with at or prior to Closing pursuant to this Agreement shall have been duly performed and complied with in all material respects, and Buyer shall have delivered to Seller a certificate, dated the Closing Date and signed by an authorized officer of Buyer, to the effect set forth in this Section 4.3.2.

4.3.3. *Proceedings.* All corporate and other proceedings of Buyer that are required in connection with the transactions contemplated by this Agreement, and all documents and instruments incident to such proceedings, shall be reasonably satisfactory to Seller and its counsel, and Seller and such counsel shall have received all such documents and instruments, or copies thereof, certified if requested, as may be reasonably requested.

ARTICLE V. TERMINATION

5.1. *Termination.* This Agreement may be terminated at any time prior to the Closing Date:

(a) by the written agreement of Buyer and Seller;

(b) by either Buyer or Seller by written notice delivered to the other party, if the Closing has not occurred (other than through the failure of the party seeking to terminate this Agreement to comply with its obligations hereunder) by the eight-month anniversary of the date hereof;

(c) by Buyer by written notice delivered to Seller, if Seller shall have breached any representation or warranty contained herein or any of the covenants or agreements contained herein, which breach or event, individually or with other breaches or events, would cause the conditions set forth in Section 4.1 or Section 4.2 not to be satisfied and which breach or event cannot be or has not been cured within forty-five (45) days after the giving by Buyer of written notice to Seller of such breach; or

(d) by Seller by written notice delivered to Buyer, if Buyer shall have breached any representation or warranty contained herein or any of the covenants or agreements contained herein, which breach or event, individually or with other breaches or events, would cause the conditions set forth in Section 4.1 or Section 4.3 not to be satisfied and which breach or event cannot be or has not been cured within forty-five (45) days after the giving by Seller of written notice to Buyer of such breach.

5.2. *Effect of Termination.* In the event of the termination of this Agreement pursuant to Section 5.1, this Agreement shall become void and have no effect, without any liability to any Person in respect hereof or of the transactions contemplated hereby on the part of any party hereto, or any of its Representatives, stockholders or Affiliates, except for any liability resulting from any party's, fraud or willful or intentional breach of this Agreement, and except that the provisions of this Section 5.2 and the provisions of Article VII shall survive any such termination. The foregoing sentence shall not be construed to limit any party's obligations under Section 7.2.

**ARTICLE VI.
SURVIVAL OF REPRESENTATIONS AND WARRANTIES AND COVENANTS;
INDEMNIFICATION**

6.1. *Survival of Representations and Warranties and Covenants.* The representations and warranties made herein shall survive the Closing and terminate as provided in this Section 6.1. Upon such termination, no party shall have any liability to the other party with respect to a claim of violation of a representation or warranty unless the party entitled to indemnification pursuant to this Article VI (the "Indemnified Party") shall have given appropriate notice to the party liable for indemnification pursuant to this Article VI (the "Indemnifying Party") before the termination of the relevant representation or warranty as provided in this section and, accordingly, any representation or warranty, and any liability with respect thereto, that would otherwise terminate in accordance with this Section 6.1 shall continue to survive if a notice of a claim shall have been timely given under this Article VI on or prior to such termination, until such claim has been satisfied or otherwise resolved as provided in this Article VI, but only with respect to such claim. The representations and warranties and the covenants and other obligations contained in this Agreement shall survive the Closing for a period of twenty-four (24) months following the Closing, subject to the terms and conditions of this Article VI. Notwithstanding the preceding sentence (i) the representations and warranties contained in Sections 2.2.6 (Taxes), 2.2.14 (ERISA) and 2.2.15 (Environmental Matters) shall survive until six (6) months after the applicable statute of limitations (including any extensions and waivers thereof) has expired; and (ii) the representations and warranties in Sections 2.2.1(a), (b), clause (i) of Section 2.2.1(c), and the second sentence of Section 2.2.1(d) (Authorization; No Conflicts; Organizational Documents, etc.), 2.2.2 (a), (b) and (c) (Capitalization), and 2.2.3(h) (Restricted Cash Accounts; Client Cash Accounts)(such representations and warranties, the "Seller Fundamental Representations") and 2.3.1(a), (b), and clause (i) of Section 2.3.1(c) (Authorization; No Conflicts; Status of Buyer, etc.) (such representations and warranties, the "Buyer Fundamental Representations") and the covenants and other obligations in this Agreement shall survive the Closing indefinitely.

6.2. General Indemnity.

6.2.1. Seller Indemnity.

(a) Seller hereby agrees that from and after the Closing it shall indemnify, defend and hold harmless Buyer and its Affiliates and their respective officers, directors, employees, agents and stockholders (the "Buyer Indemnified Parties") from, against and in respect of any damages, losses, charges, liabilities, claims, demands, actions, suits, proceedings, payments, judgments, settlements, assessments, costs and expenses (including reasonable attorneys' fees, and reasonable out-of-pocket disbursements) (collectively, "Losses") imposed on, sustained, incurred or suffered by, or asserted against, any of the Buyer Indemnified Parties, whether in respect of third party claims, claims between the parties hereto, or otherwise, directly or indirectly relating to or to the extent arising or resulting from:

(i) subject to Section 6.2.1(b), any breach of any representation or warranty made by Seller or Target contained in this Agreement, in all cases without giving effect to any qualifications as to materiality such as "in all material respects", "material", "Material Adverse Effect" and similar qualifications contained in such representations and warranties;

(ii) any breach of any covenant or agreement of Target (prior to the Closing Date) or Seller (at any time) contained in this Agreement;

(iii) the Trewit Litigation; and

(iv) the matters set forth on Exhibit G.

(b) Except with respect to fraud and claims with respect to breaches of any Seller Fundamental Representation, (i) Seller shall not be liable to the Buyer Indemnified Parties for any Losses with respect to the matters contained in Section 6.2.1(a)(i) unless the Losses therefrom exceed an aggregate amount equal to \$10,000,000, in which case Seller shall be liable only for the amount of Losses which exceed \$7,500,000, and (ii) Seller shall not be liable to the Buyer Indemnified Parties for any Losses with respect to the matters contained in Section 6.2.1(a)(i) that exceed an aggregate amount equal to 35% of the Purchase Price.

6.2.2. Buyer Indemnity.

(a) Buyer hereby agrees that from and after the Closing it shall indemnify, defend and hold harmless Seller and its Affiliates and their respective officers, directors, employees, agents and stockholders (the "Seller Indemnified Parties") from, against and in respect of any Losses imposed on, sustained, incurred or suffered by, or asserted against, any of the Seller Indemnified Parties, whether in respect of third party claims, claims between the parties hereto, or otherwise, directly or indirectly relating to, or to the extent arising out of or resulting from:

(i) subject to Section 6.2.2(b), any breach of any representation or warranty made by Buyer contained in this Agreement, in all cases without giving effect to any qualifications as to materiality, such as "in all material respects", "material", "Material Adverse Effect" and similar qualifications contained in such representations and warranties; and

(ii) any breach of a covenant or agreement of Buyer contained in this Agreement.

(b) Except with respect to fraud and claims with respect to breaches of any Buyer Fundamental Representation, (i) Buyer shall not be liable to the Seller Indemnified Parties for any Losses with respect to the matters contained in Section 6.2.2(a)(i) unless the Losses therefrom exceed an aggregate amount equal to \$10,000,000, in which case Buyer shall be liable only for the amount of Losses which exceed \$7,500,000, and (ii) Buyer shall not be liable to the Seller Indemnified Parties for any Losses with respect to the matters contained in Section 6.2.2(a)(i) that exceed an aggregate amount equal to 35% of the Purchase Price.

6.2.3. Exclusive Remedy. Following Closing, except (i) with respect to a claim to enforce this Article VI, (ii) with respect to fraud or (iii) as may be contemplated by Section 1.4, the rights and remedies of Seller and Buyer under this Article VI are exclusive and in lieu of any and all other rights and remedies which Seller and Buyer may have under, or with respect to, this Agreement or otherwise against each other with respect to the transactions contemplated by this Agreement for monetary relief with respect to any breach of any representation or warranty or any failure to perform any covenant or agreement set forth in this Agreement and Buyer and Seller each expressly waives any and all other rights or causes of action it or its Affiliates may have against the other party or its Affiliates for monetary relief now or in the future under any Applicable Law with respect to the subject matter hereof.

6.2.4. Further Limitations. Except for actions required to be taken by Buyer or any member of the Target Group pursuant to this Agreement or otherwise contemplated by this Agreement, Seller shall not have any liability under any provision of this Agreement for any Losses to the extent the underlying liability was taken into account in computing the Final Purchase Price or the Adjustment Amount.

6.3. Third Party Claims: Direct Claims.

(a) In the event that any claim or demand for which an Indemnifying Party may have liability to any Indemnified Party hereunder is asserted against or sought to be collected from any Indemnified Party by a third party (a "Third Party Claim"), such Indemnified Party shall promptly, but in no event (a) more than thirty (30) days following such Indemnified Party's receipt of a Third Party Claim, or (b), to the extent practicable, fewer than three (3) days prior to any appearance in a litigated matter, notify the Indemnifying Party in writing of such Third Party Claim, and the amount or the estimated amount of damages or other relief sought thereunder to the extent then ascertainable (which estimate shall not be conclusive of the final amount of such Third Party Claim)

and, to the extent practicable, any other material details pertaining thereto (a “Claim Notice”); *provided, however*, that the failure to give a timely Claim Notice or otherwise comply with this Section 6.3(a) shall not affect the rights of an Indemnified Party hereunder unless, and then only if and to the extent that, such failure has a prejudicial effect on the defenses or other rights available to the Indemnifying Party with respect to such Third Party Claim. The Indemnifying Party shall have thirty (30) days (or such lesser number of days set forth in the Claim Notice as may be required by court proceeding in the event of a litigated matter) after receipt of the Claim Notice (the “Notice Period”) to notify the Indemnified Party that it desires to defend the Indemnified Party against such Third Party Claim.

(b) In the event that the Indemnifying Party notifies the Indemnified Party within the Notice Period that it desires to defend the Indemnified Party against a Third Party Claim, (i) the Indemnifying Party shall have the right to defend the Indemnified Party by appropriate proceedings and shall have the sole power to direct and control such defense, with counsel of its choosing, at its expense, (ii) the Indemnifying Party shall actively and diligently defend such Third Party Claim by appropriate proceedings and (iii) the Indemnified Party, prior to the period in which the Indemnifying Party assumes the defense of such matter, may take such reasonable actions to preserve any and all rights with respect to such matter, without such actions being construed as a waiver of the Indemnified Party’s rights to defense and indemnification pursuant to this Agreement, but with such actions not being determinative of the amount of any Losses. Once the Indemnifying Party has duly assumed the defense of a Third Party Claim, the Indemnified Party shall have the right, but not the obligation, to participate in any such defense and to employ separate counsel of its choosing. The Indemnified Party shall participate in any such defense at its expense; *provided, however*, that such Indemnified Party shall be entitled to participate in any such defense with separate counsel at the reasonable expense of the Indemnifying Party if, (A) so requested by the Indemnifying Party to participate or (B) in the reasonable opinion of counsel to the Indemnified Party, a conflict or potential conflict exists between the Indemnified Party and the Indemnifying Party that would make such separate representation advisable; and *provided, further*, that the Indemnifying Party shall not be required to pay for more than one such counsel for all Indemnified Parties in connection with any Third Party Claim. The Indemnifying Party shall not, without the prior written consent of the Indemnified Party, not to be unreasonably withheld or delayed, settle, compromise or offer to settle or compromise any Third Party Claim. Notwithstanding the foregoing, if a Third Party Claim (i) would result in the imposition of a consent order, injunction or decree that would materially restrict the future activity or conduct of the Indemnified Party or any of its Affiliates, (ii) would result in a finding or admission of a violation of Applicable Law by the Indemnified Party or any of its Affiliates, (iii) would result in any monetary liability of the Indemnified Party that will not be fully and promptly paid or reimbursed by the Indemnifying Party or (iv) is reasonably likely to adversely impact any ongoing business of the Indemnified Party or any of its Affiliates, then, in each such case, the Indemnified Party alone shall be entitled to contest, defend, compromise and settle (subject, with respect to any such settlement, to obtaining the consent of the Indemnifying Party, such consent not to be unreasonably withheld or delayed) such Third Party Claim in the first instance and, if the Indemnified Party does not contest, defend, compromise or settle such Third Party Claim, the Indemnifying Party shall then have the right to contest, defend, compromise and settle (subject, with respect to any such settlement, to obtaining the consent of the Indemnified Party, such consent not to be unreasonably withheld or delayed) such Third Party Claim.

(c) If the Indemnifying Party (i) does not elect to defend the Indemnified Party against a Third Party Claim, whether by not giving the Indemnified Party timely notice of its desire to so defend or otherwise or (ii) after assuming the defense of a Third Party Claim, fails to take commercially reasonable steps necessary to defend diligently such Third Party Claim within thirty (30) days after receiving written notice from the Indemnified Party to the effect that the Indemnifying Party has so failed, the Indemnified Party shall have the right but not the obligation, to assume such defense and shall have the sole power to direct and control such defense, with counsel of its choosing; it being understood that the Indemnified Party's right to indemnification for a Third Party Claim shall not be adversely affected by assuming the defense of such Third Party Claim. The Indemnified Party shall not settle a Third Party Claim without the consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.

(d) The Indemnified Party and the Indemnifying Party shall cooperate in the conduct of the defense of a Third Party Claim, including by providing reasonable access to each other's relevant business records and other documents, and employees.

(e) The Indemnified Party and the Indemnifying Party shall use commercially reasonable efforts to avoid production of confidential information (consistent with Applicable Law), and to cause all communications among employees, counsel and others representing any party to a Third Party Claim to be made so as to preserve any applicable attorney-client or work-product privileges.

(f) In the event any Indemnified Party has a claim against any Indemnifying Party that does not involve a Third Party Claim, within thirty (30) days after becoming aware of facts and circumstances sufficient to allow the Indemnified Party to conclude that the Indemnified Party is entitled to indemnification pursuant to Section 6.2 in respect of such claim, the Indemnified Party shall notify the Indemnifying Party in writing of such claim and the amount or the estimated amount of damages or other relief sought thereunder to the extent then ascertainable (which estimate shall not be conclusive of the final amount of such claim) and, to the extent practicable, any other material details pertaining thereto; *provided, however*, that the failure to give a timely notice or otherwise comply with this Section 6.3(f) shall not affect the rights of an Indemnified Party hereunder unless, and then only if and to the extent that, such failure has a prejudicial effect on the defenses or other rights available to the Indemnifying Party with respect to such claim.

6.4. Trewit Litigation.

(a) Following the Closing, Seller shall, at its own expense, (i) actively and diligently defend the Buyer Indemnified Parties (including, without limitation, the members of the Target Group) with respect to the Trewit Litigation by appropriate

proceedings and (ii) have the sole power to direct and control such defense, with counsel of its choosing. The Buyer Indemnified Parties shall have the right, but not the obligation, to participate in such defense and to employ separate counsel of their own choosing and may participate in such defense at their own expense. Notwithstanding the foregoing, if counsel for the Buyer Indemnified Parties reasonably determines that there is a conflict between the positions of Seller and the Buyer Indemnified Parties in conducting the defense of such action or that there are legal defenses available to the Buyer Indemnified Parties different from or in addition to those available to Seller, then counsel for the Buyer Indemnified Parties shall be entitled, if the Buyer Indemnified Parties so elect, to conduct the defense to the extent reasonably determined by such counsel to protect the interests of the Buyer Indemnified Parties, at their own expense. Seller shall not, without the prior written consent of Buyer (such consent not to be unreasonably withheld or delayed), settle, compromise or offer to settle or compromise the Trewit Litigation in any manner that is reasonably likely to have an ongoing material and adverse impact on the business and operations of the Target Group. Subject to the preceding sentence, Seller shall be permitted to settle, compromise or offer to settle or compromise the Trewit Litigation without the prior written consent of Buyer provided that such settlement contains an unqualified release of the Target Group.

(b) The Buyer Indemnified Parties shall cooperate in the conduct of the defense of the Trewit Litigation, including by providing reasonable access to the relevant business records, other documents and employees of the Target Group.

(c) The Buyer Indemnified Parties and Seller shall use commercially reasonable efforts to avoid production of confidential information (consistent with Applicable Law), and to cause all communications among employees, counsel and others representing any party to the Trewit Litigation to be made so as to preserve any applicable attorney-client or work-product privileges.

(d) To the extent any member of the Target Group is entitled to reimbursement under an insurance policy covering the Trewit Litigation of the attorneys' fees and expenses in respect of the Trewit Litigation, Buyer shall cause such member of the Target Group to assign and transfer such amounts to Seller upon receipt thereof.

(e) All rights of Buyer and the Buyer Indemnified Parties set forth in this Section 6.4 shall terminate immediately upon the nonappealable dismissal with prejudice of Target as a defendant in the Trewit Litigation, without affecting in any respect the respective obligations of Buyer and the Buyer Indemnified Parties pursuant to this Section 6.4, which obligations shall continue in full force and effect.

6.5. Consequential Damages. Notwithstanding anything to the contrary contained in this Agreement, no Person shall be liable under this Article VI for any consequential, punitive, special, incidental or indirect damages, including lost profits, except to the extent recovered by a third party in connection with a Third Party Claim, or except to the extent the Loss arises out of fraud by the non-claiming party.

6.6. Payments. The Indemnifying Party shall pay to the Indemnified Party, by wire transfer of immediately available funds, the amount of any Loss for which it is liable hereunder no later than three (3) days following any final determination of such Loss and the Indemnifying Party's liability therefor. A "final determination" shall exist when (i) the parties to the dispute have reached an agreement in writing, (ii) a court of competent jurisdiction shall have entered a final and non-appealable order or judgment, or (iii) an arbitration or like panel shall have rendered a final non-appealable determination with respect to disputes the parties have agreed to submit thereto.

6.7. Adjustments to Losses.

6.7.1. Insurance. In calculating the amount of any Loss, the proceeds actually received by the Indemnified Party or any of its Affiliates under any insurance policy or pursuant to any claim, recovery, settlement or payment by or against any other Person in each case relating to the Third Party Claim or other claim, net of any actual costs, expenses or premiums (including any increase in premiums directly attributable to insurance claims relating to such Loss) incurred in connection with securing or obtaining such proceeds, shall be deducted, except to the extent that the adjustment itself would excuse, exclude or limit the coverage of all or part of such Loss. In the event that an Indemnified Party has any rights against an insurer or other third party with respect to any Loss that results in a payment by an Indemnifying Party under this Article VI, such Indemnifying Party shall be subrogated to such rights to the extent of such payment. Without limiting the generality or effect of any other provision hereof, each Indemnified Party and Indemnifying Party shall duly execute upon request all instruments reasonably necessary to evidence and perfect the subrogation and subordination rights detailed herein, and otherwise cooperate in the prosecution of such claims.

6.7.2. Taxes. The amount of indemnification to which any Indemnified Party shall be entitled under this Article VI shall be reduced by the amount of the Tax Benefit, if any, computed at the Assumed Rate for all Taxes, such Tax Benefit to be reduced by the cost of any Tax Detriment, computed at the Assumed Rate, it being the intent of the parties that the indemnification provided for in this Article VI be net of all actual income tax effects to the Indemnified Party, and it further being the intention of the parties that if the Tax Benefit to the Indemnified Party, if any, computed at the Assumed Rate for all Taxes, is less than the cost of any Tax Detriment to the Indemnified Party calculated at the Assumed Rate, that the Indemnifying Party shall be liable to and shall further indemnify for the difference between the Tax Benefit and Tax Detriment. Tax Benefits realized in a taxable period subsequent to the period in which the related indemnification payment is made (such as the utilization of net operating losses that arise or are increased as a result of an indemnity claim) shall not be taken into account in computing such payment; instead the Indemnified Party will pay over to the Indemnifying Party the amounts of such Tax Benefits as and when they are actually realized; *provided* the aggregate amount required to be so paid over to the Indemnifying Party under this Section shall not exceed the amount

of the indemnification payment made by it. The Indemnified Party will provide the Indemnifying Party with sufficient documentation each taxable year (which requirement may be satisfied by a certification of such party's tax manager or other knowledgeable officer) confirming the amount of Tax Benefit and Tax Detriment realized in such year.

6.7.3. Reimbursement. If an Indemnified Party recovers an amount from a third party in respect of a Loss that is the subject of indemnification hereunder after all or a portion of such Loss has been paid by an Indemnifying Party pursuant to this Article VI, the Indemnified Party shall promptly remit to the Indemnifying Party the excess (if any) of (i) the amount paid by the Indemnifying Party in respect of such Loss, plus the amount received from the third party in respect thereof, (net of costs reasonably incurred directly in connection with the collection of such amounts from the third party), less (ii) the full amount of Loss.

6.8. Mitigation. In the event an Indemnified Party willfully fails to mitigate an indemnifiable Loss, the Indemnifying Party shall have no liability for any portion of such Loss that reasonably could have been avoided had the Indemnified Person not willfully failed to so mitigate.

6.9. Claims Unaffected by Investigation. The right of an Indemnified Party to indemnification or to assert or recover on any claim shall not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy of or compliance with, any of the representations, warranties, covenants or agreements set forth in this Agreement. Unless otherwise agreed upon in writing by the parties, the written waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or agreement, shall not affect the right to indemnification or other remedy based on such representations, warranties, covenants or agreements.

6.10. Tax Indemnity.

(a) The indemnification obligations of the parties in respect of Taxes are not subject to the provisions of Section 6.2.1. Seller shall be liable for and indemnify, defend and hold harmless the Buyer Indemnified Parties from, against and in respect of any and all Pre-Closing Taxes and any and all Tax Claims resulting from, arising out of or relating to: (i) any Taxes imposed on the Target Group with respect to any Pre-Closing Taxes, (ii) except as otherwise set forth in Section 7.2 relating to transfer Taxes, all liability for Taxes of the Target Group arising (directly or indirectly) as a result of the transactions contemplated by the Transaction Documents (including, without limitation, Taxes imposed on or with respect to income or gain recognized by the Target Group or Seller by virtue of the Section 338(h)(10) election), (iii) any inaccuracy of a representation or warranty with respect to Taxes set forth herein, (iv) all Taxes of any member of an affiliated, consolidated combined or unitary group of which the Target Group (or any predecessor of the Target Group) is or was a member on or prior to the Closing Date, including pursuant to Treasury

Regulation Section 1.1502-6 or any analogous or similar state, local or foreign law or regulation, (v) any and all Taxes of any Person (other than the Target Group) imposed on the Target Group as a transferee, successor, by contract or pursuant to any law, rule or regulation, which Taxes relate to an event or transaction occurring before the Closing Date, (vi) the transfer Taxes for which Seller is liable pursuant to Section 7.2, and (vii) Taxes and other costs resulting from a failure on the part of Seller to take any action required of Seller under this Agreement; *provided, however*, that Seller shall not be liable to indemnify Buyer under this Section 6.10(a) for Taxes described in each of clauses (i) through (vii) above to the extent that amounts in respect of such taxes have been adequately reflected as a current liability in the Final Balance Sheet (and thus in Working Capital). Notwithstanding any provision of this Agreement to the contrary, the indemnification obligations of Seller pursuant to this Section 6.10(a) shall survive until six months after the expiration of the statute of limitations for the Taxes involved.

(b) Buyer shall pay to Seller an amount equal to any Tax refund or credit received by any member of the Target Group for any Pre-Closing Period (except to the extent such refund or credit was included as an asset in the calculation of the Final Balance Sheet).

6.11. Effect on the Purchase Price. Any payment made under Article VI shall constitute an adjustment to the Purchase Price for all purposes, including federal, state and local Tax as well as financial accounting purposes, except as otherwise required by GAAP for financial accounting purposes only.

ARTICLE VII. DEFINITIONS; MISCELLANEOUS

7.1. Definition of Certain Terms. The terms defined in this Section 7.1, whenever used in this Agreement (including in the Disclosure Schedules), shall have the respective meanings indicated below for all purposes of this Agreement. All references herein to a Section or Article are to a Section or Article of or to this Agreement, unless otherwise indicated.

409A Authorities: as defined in Section 2.2.14(c).

Accounting Expert: as defined in Section 1.4(d).

Adjustment Amount: as defined in Section 1.4(h).

Affiliate: of a Person means a Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, the first Person, including but not limited to a Subsidiary of the first Person, a Person of which the first Person is a Subsidiary, or another Subsidiary of a Person of which the first Person is also a Subsidiary.

Agent: as defined in Section 2.2.18.

Agreement: as defined in the introductory paragraph hereof.

AJCA: as defined in Section 2.2.14(c).

Allocation: as defined in Section 3.7(c).

Allocation Arbiter: as defined in Section 3.7(c).

Ancillary Agreements: as defined in the recitals of this Agreement.

Annual Financial Statements: as defined in Section 2.2.3(a).

Applicable Law: the common law and all applicable provisions of all (i) statutes, laws, rules, administrative codes, regulations or ordinances of any Governmental Authority, (ii) Governmental Approvals and (iii) orders, decisions, injunctions, judgments, awards, rulings, decisions, determinations and decrees of any Governmental Authority.

Assumed Rate: the maximum combined federal and state income tax rates applicable to an Indemnified Party on the date of any indemnification payment to the Indemnified Party.

Business Day: a day other than a Saturday, Sunday or other day on which commercial banks in New York, New York or Milwaukee, Wisconsin are authorized or required by law to close.

Buyer: as defined in the introductory paragraph of this Agreement.

Buyer Disclosure Schedule: as defined in Section 2.1.

Buyer Fundamental Representations: as defined in Section 6.1.

Buyer Indemnified Parties: as defined in Section 6.2.1(a).

Buyer Requisite Regulatory Approvals: as defined in Section 3.2.2(b).

Change in Control: the occurrence of any one of the following events:

(i) any “person” (as such term is defined in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) is or becomes a “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Seller representing more than 50% of the combined voting power of Seller’s then-outstanding securities eligible to vote for the election of Seller’s directors (“Voting Securities”); *provided, however*, that the occurrence of the foregoing events shall be deemed not to be a Change in Control if it results from any of the following acquisitions: (A) by Seller or any Subsidiary thereof, (B) by any employee benefit plan (or related trust) sponsored or maintained by Seller or any Subsidiary thereof, (C) by any underwriter temporarily holding securities pursuant to an offering of such securities, or (D) pursuant to a Non Qualifying Transaction (as defined in paragraph (ii));

(ii) the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving Seller or any of its Subsidiaries and a third party that requires the approval of Seller’s stockholders,

whether for such transaction or the issuance of securities in the transaction (a "Business Combination"), unless immediately following such Business Combination: (A) more than 50% of the total voting power of (x) the corporation resulting from such Business Combination (the "Surviving Corporation"), or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of at least 95% of the voting securities eligible to elect directors of the Surviving Corporation (the "Parent Corporation"), is represented by Voting Securities that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which such Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Voting Securities among the holders thereof immediately prior to the Business Combination or (B) at least a majority of the members of the board of directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) following the consummation of the Business Combination were incumbent directors at the time of the Board's approval of the execution of the initial agreement providing for such Business Combination (any Business Combination which satisfies any of the criteria specified in (A) or (B) above shall be deemed to be a "Non-Qualifying Transaction"); or

(iii) the stockholders of Seller approve a plan of complete liquidation or dissolution of Seller or a sale of all or substantially all of Seller's assets.

Claim Notice: as defined in Section 6.3(a).

Client Cash Accounts: bank accounts maintained by customers of the Target Group with respect to which the Target Group performs administrative services.

Closing: as defined in Section 1.2.

Closing Date: as defined in Section 1.2.

COBRA: as defined in Section 2.2.14(d).

COC Party: as defined in Section 3.1.8(c).

Code: the United States Internal Revenue Code of 1986, as amended.

Commission: the United States Securities and Exchange Commission.

Competing Business: as defined in Section 3.1.8(a).

Competing Person: as defined in Section 3.1.8(a)(iii).

Competing Transaction: as defined in Section 3.1.6.

Consent: any consent, approval, authorization, waiver, permit, license, grant, certification, exemption or order of, or registration, declaration or filing with, or notice to, any Person, including but not limited to any Governmental Authority.

Continued Retained Business: the Retained Business as conducted by Seller or any of its Affiliates immediately prior to Closing, but not any expansion or development thereof.

Contract: all written or oral agreements, contracts, licenses, commitments, memoranda of understanding or other arrangements or understandings.

Control: (including the terms “Controlled by” and “under common Control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, whether through the ownership of voting securities, by contract, as trustee or executor, or otherwise.

Deferred Compensation Plan: Wausau Benefits 2000 Deferred Compensation Plan.

Disclosure Schedules: as defined in Section 2.1.

Employee Benefit Plan: has the meaning set forth in Section 3(3) of ERISA.

Environmental Law: all federal, state, local and foreign statutes (including the Comprehensive Environmental Response, Compensation, and Liability Act), ordinances, regulations, orders, directives, common law rulings, and decrees concerning pollution, hazardous materials or protection of the environment.

ERISA: the Employee Retirement Income Security Act of 1974, as amended.

ERISA Affiliate: as to any Person, any other Person which, together with such Person, is or has been within the preceding six years treated as a single employer under Section 414(b), (c), (m) or (o) of the Code.

Estimated Balance Sheet: as defined in Section 1.1.2.

Estimated Purchase Price: as defined in Section 1.1.2.

Estimated Working Capital: Seller’s good faith calculation of Working Capital calculated on a basis consistent with the sample calculation and methodology set forth in Exhibit D.

Exchange Act: as defined in Section 2.2.2(d).

Excluded Contracts: the Contracts set forth on Section 2.2.8(a) of the Seller Disclosure Schedule under the heading “Excluded Contracts”.

Final Balance Sheet: as defined in Section 1.4(a).

Final Purchase Price: as defined in Section 1.4(a)

GAAP: Generally Accepted Accounting Principles.

Governmental Approval: any Consent of, with or to any Governmental Authority.

Governmental Authority: any nation or government, any state or other political subdivision thereof, including, without limitation, (i) any governmental agency, department, commission or instrumentality of the United States, or any State of the United States, whether executive, legislative, judicial or otherwise, or (ii) any stock exchange or self-regulatory agency or authority.

Health Benefit Law: any Applicable Law relating to the licensure, certification, qualification or authority to transact business relating to the provision of, or payment for, or both the provision of and payment for, health benefits, health care or insurance coverage, including without limitation ERISA, COBRA, HIPAA, SCHIP, Medicare, Medicaid, CHAMPUS/TriCare, and Applicable Laws relating to the regulation of Health Business, utilization review, third party administrative services, case management, pharmacy benefit management, coordination of benefits, fraud and abuse, false claims and patient referrals.

Health Business: the business of an administrator, sales agent or broker, health maintenance organization, insurer or reinsurer, of medical, dental, vision, group life, short or long term disability, COBRA, Medicaid, Medicare, SCHIP or similar benefits.

Health Care Provider: defined as physicians or other health care professionals, medical groups, independent practice associations, hospitals or other health care facilities, specialty health care providers (such as ophthalmologists, psychiatrists, behavioral health professionals and the like), or ancillary health service providers (such as laboratories, magnetic resonance imaging service providers and the like).

HSR Act: the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder.

Inactive Employee: as defined in Section 3.2.3(b)(iii).

Income Tax: any federal, state, local or foreign Tax (a) based on, measured by or calculated with respect to net income or profits or (b) based on, measured by or calculated with respect to multiple bases (including without limitation corporate franchise Taxes) if one or more of the bases on which such Tax may be based is described in clause (a), in each case together with interest, additions to Tax and penalties thereon.

Indebtedness: (i) any indebtedness for borrowed money or issued in substitution for or exchange of indebtedness for borrowed money (including unpaid interest and prepayment penalties or obligations computed as though payment is being made as of the Closing), (ii) any indebtedness evidenced by any note, bond, debenture or other debt security, (iii) any accrued indebtedness for the deferred purchase price of property or services with respect to which a Person is liable, contingently or otherwise, as obligor or otherwise (including any earnouts, holdbacks, etc.), (iv) any accrued liability or obligation relating to the acquisition activity of a Person, (v) any commitment by which a Person assures a creditor against loss (including, without limitation, contingent reimbursement liabilities with respect to letters of credit), (vi) any indebtedness guaranteed by any member of the Target Group or any other Person (including repurchase and reimbursement agreements) and (vii) any liabilities under capitalized leases with respect to which a Person is liable, contingently or otherwise, as obligor, guarantor or otherwise, or with respect to which liabilities a Person assures a creditor against loss, except the SXC perpetual license and the McKesson term license.

Indemnified Party: as defined in Section 6.1.

Indemnifying Party: as defined in Section 6.1.

Insurance Subsidiary: Sheridan Re, Inc., an Arizona corporation.

Intellectual Property: all (i) trademarks, service marks, brand names, Internet domain names, uniform resource locators, logos, symbols, trade dress, trade names, and other indicia of source or origin, all applications and registrations for the foregoing, and all goodwill associated therewith and symbolized thereby, including all renewals of same; (ii) inventions and discoveries, whether patentable or not, and all patents, registrations, invention disclosures and applications therefor, including divisions, continuations, continuations-in-part and renewal applications, and including renewals, extensions and reissues; (iii) trade secrets and know-how; (iv) published and unpublished works of authorship, whether copyrightable or not (including databases and other compilations of information), copyrights therein and thereto, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; and (v) all other intellectual property or proprietary rights.

Investment Grade: with respect to Moody's Investors Service, a credit rating of "Baa" or higher; and with respect to Standard & Poor's, a credit rating of "BBB" or higher.

IRS: the United States Internal Revenue Service.

IT Assets: as defined in Section 2.2.9(f).

Kaiser: as defined in Section 3.2.3(b)(iv).

Knowledge of Buyer: the actual knowledge, after reasonable due inquiry, of Edward Lagerstrom; Forrest Burke; and Jack Larsen.

Knowledge of Seller: the actual knowledge, after reasonable due inquiry, of Charles Sprague; James Cox; Randy Franke; Julia Jensen; Jay Anliker; Mark Campbell; Bruce Czech; Cullen Sloan; and Kevin Klopfenstein.

Largest Broker Contracts: as defined in Section 2.2.8(a)(vii).

Largest Customer Contracts: as defined in Section 2.2.8(a)(vi).

Largest Network Contracts: as defined in Section 2.2.8(a)(viii).

Latest Balance Sheet: as defined in Section 2.2.3(a).

Latest Financial Statements: as defined in Section 2.2.3(a).

Lease: as defined in Section 2.2.7(a)(i).

Leased Real Property: as defined in Section 2.2.7(a).

Legal Proceedings: as defined in Section 2.2.16.

Lien: any mortgage, pledge, hypothecation, security interest, encumbrance, title retention agreement, lien, charge or other similar restriction.

Losses: as defined in Section 6.2.1(a).

Material Adverse Effect: (a) With respect to a Person, a material adverse change in, or a material adverse effect upon, the business, results of operations or financial condition of such Person and its Subsidiaries, taken as a whole, excluding any effect or change attributable to or resulting from (1) events, conditions or trends in economic, business or financial conditions generally (including interest rates and equity, debt or other financial market conditions) or in any Competing Business generally, (2) changes or proposed changes in Applicable Laws, regulations, interpretations of Applicable Laws or regulations, GAAP or regulatory accounting requirements applicable to the industry in which the Target Group operates, (3) changes, effects, events or occurrences of any type proximately caused by the announcement or performance of this Agreement and the transactions contemplated hereby, (4) changes in national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon or within the United States, or any of its territories, possessions or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States, (5) any hurricane, earthquake, flood, or other natural disasters or acts of God, (6) actions, or effects of actions, taken or not taken by Seller or any member of the Target Group either required by or contemplated by this Agreement or with the prior written consent of Buyer, or (7) Seller's performance of its obligations pursuant to Section 3.8 and the effects thereof, unless, in the case of clauses (1), (2), (4) and (5) above, such material adverse change or material adverse effect has had or is reasonably expected to have a disproportionate effect on such Person and its Subsidiaries, taken as a whole, as compared to other Persons in the health or pharmacy benefit plan administration business; or (b) with respect to a Person, a material impairment of such Person's ability to perform its material obligations under this Agreement. Any reference in this Agreement to "Material Adverse Effect on the Target Group" shall mean a Material Adverse Effect on the Target Group, collectively taken as a whole.

Material Insurance Policies: as defined in Section 2.2.10.

Non-Transferred Employee: as defined in Section 3.2.3(b)(i).

Notice Period: as defined in Section 6.3(a).

Ordinary Course of Business: means the conduct of the businesses of Target and the other members of the Target Group, in a manner consistent with their past custom and practice.

Organizational Documents: as to any Person, if a corporation, its articles or certificate of incorporation or memorandum and articles of association, as the case may be, and bylaws; if a partnership, its partnership agreement; and if some other entity, its constituent documents.

Owned Intellectual Property: as defined in Section 2.2.9(d).

Owned Real Property: as defined in Section 2.2.7(b).

Person: any natural person or any firm, partnership, limited liability partnership, association, corporation, limited liability company, trust, business trust, Governmental Authority or other entity.

Pre-Closing Period: as defined in Section 3.4(a).

Pre-Closing Taxes: Target Taxes for any taxable year or period that ends on or before the Closing Date and, with respect to any taxable year or period beginning before and ending after the Closing Date, the portion of such taxable year or period ending on and including the Closing Date. Where the Pre-Closing Taxes involve a period which begins before and ends after the Closing Date, such Pre-Closing Taxes shall be calculated as though the taxable year of the Person terminated as of the close of business on the Closing Date; *provided, however*, that in the case of a tax not based on income, receipts, proceeds, profits or similar items, Pre-Closing Taxes shall be equal to the amount of tax for the taxable period multiplied by a fraction, the numerator of which shall be the number of days from the beginning of the taxable period through the Closing Date and the denominator of which shall be the number of days in the taxable period.

Pre-Closing Tax Period: as defined in Section 2.2.6(p).

Purchase Price: as defined in Section 1.1.1(a).

Qualified Plans: as defined in Section 2.2.14(c).

Rabbi Trust: the rabbi trust related to the Deferred Compensation Plan.

Registered Intellectual Property: as defined in Section 2.2.9(a).

Representatives: with respect to a Person, the directors, officers, employees, agents, consultants, advisors or other representatives of such Person, including legal counsel, accountants and financial advisors.

Required Consents: as defined in Section 4.2.4.

Requisite Regulatory Approvals: as defined in Section 3.2.2(b).

Restricted Cash Accounts: the portion of the amounts any member of the Target Group receives from customers that it holds or is required to hold as a fiduciary in cash accounts maintained for such customers in the taxpayer identification number of any member of the Target Group.

Restricted Period: as defined in Section 3.1.8(a).

Retained Business: as defined in Section 3.8.

Retained Business Employees: as defined in Section 3.2.3(b)(v).

Retained Business Transferee: as defined in Section 3.8.

Review Period: as defined in Section 1.4(b).

Section 338 Forms: as defined in Section 3.7(c).

Securities Act: as defined in Section 2.2.2(d).

Seller: as defined in the introductory paragraph of this Agreement.

Seller Disclosure Schedule: as defined in Section 2.1.

Seller Fundamental Representations: as defined in Section 6.1.

Seller Guarantees: as defined in Section 3.5(a).

Seller Group: the federal Income Tax consolidated return group of which Seller and any member of the Target Group are members and any similar group on which the income of Seller and any member of the Target Group is reported on a combined, consolidated or unitary basis for the purposes of any state or local Income Tax.

Seller Group Tax Return: any Tax Return of the Seller Group that has included one or more members of the Target Group (or any corporate predecessor of such a member).

Seller Indemnified Parties: as defined in Section 6.2.2(a).

Seller Marks: as defined in Section 3.3(a).

Seller Requisite Regulatory Approvals: as defined in Section 3.1.5(b).

Statement of Objections: as defined in Section 1.4(c).

Straddle Tax Returns: as defined in Section 3.1.3(b).

Subsidiary: each corporation or other Person in which a Person owns or controls, directly or indirectly, capital stock or other equity ownership interests representing more than 50% of the outstanding voting stock or other equity ownership interests.

Target: as defined in the preamble to this Agreement.

Target Contracts: as defined in Section 2.2.8(a).

Target Employment and Withholding Taxes: any federal, state, local or foreign employment, unemployment insurance, social security, disability, workers' compensation, payroll, health care, or other similar Tax, duty or other governmental charge or assessment or deficiencies thereof or any Tax required to be withheld by or on behalf of any member of the Target Group in connection with amounts paid or owing to any employee, independent contractor, creditor or other party (including, but not limited to, all interest, additions to Tax and penalties thereon, and additions thereto, and whether or not such item or amount is disputed).

Target Facilities: any property presently or previously operated by any member of the Target Group.

Target Group: as defined in Section 2.2.1(a).

Target Group Debt: any (i) Indebtedness of the Target Group, whether or not reflected on the Estimated Balance Sheet or the Final Balance Sheet, (ii) bonus to any employees of a member of the Target Group triggered upon, or in connection with, the transactions contemplated by this Agreement and (iii) liabilities of any member of the Target Group (including fees, costs and expenses incurred on behalf of any member of the Target Group) in connection with the negotiation of the Transaction Documents, the performance of Sellers' or any member of the Target Group's obligations thereunder and the consummation of the transactions contemplated thereby. Notwithstanding the foregoing, for purposes of Sections 1.1 and 1.4, Target Group Debt does not include any Indebtedness to the extent reflected as a current liability on the Final Balance Sheet in the computation of Working Capital.

Target Group Employees: Section 2.2.13(a).

Target Group Executives: as defined in the recitals of this Agreement.

Target Group Proprietary Software: as defined in Section 2.2.9(e).

Target Guarantees: as defined in Section 3.5(b).

Target Intellectual Property: as defined in Section 2.2.9(a).

Target Permitted Encumbrances: as defined in Section 2.2.7(c)(i).

Target Plans: as defined in Section 2.2.14(a).

Target Shares: as defined in the recitals of this Agreement.

Target Tax Return: any Tax Return (other than a Seller Group Tax Return) required to be filed by or on behalf of any member of the Target Group.

Target Taxes: as defined in Section 2.2.6(a).

Tax or Taxes: any taxes, duties, charges or other levies due or payable to, or levied or imposed by, any federal, state, provincial, municipal, local or foreign tax authority, including income, profits, franchise, gross receipts, license, wages, occupation, premium, windfall profits, environmental (including taxes under Code §59A), customs duty, capital stock, severance, stamp, payroll, sales, employment, withholding, social security (or similar), unemployment, disability, use, personal and real property, withholding, excise, production, sales, transfer, transaction, registration, alternative or add-on minimum, value added, estimated, occupancy or other taxes, duties, charges or other levies of any kind whatsoever, including any addition thereto, or interest or penalty thereon; *provided* that, the foregoing shall include any transferee or secondary liability for a Tax and any liability assumed by agreement or arising as a result of being (or ceasing to be) a member of any affiliated group (or by being included (or required to be included) in any Tax Return relating thereto).

Tax Benefit: an actual decrease of any Tax liability in a current period payable by the Indemnified Party under the Code, resulting solely and directly from the payment of any indemnification under Article VI.

Tax Claims: means any claims, actions, causes of action, liabilities, losses, damages, deficiencies, judgments, settlements, costs and expenses (including reasonable out-of-pocket expenses and reasonable attorneys' and professional fees) relating to Taxes, including any transferee liability with respect to Taxes.

Tax Detriment: an actual increase of any Tax liability in a current period payable by the Indemnified Party pursuant to the Code, resulting solely and directly from the payment of any indemnification under Article VI.

Tax Return: any return, report, declaration, form, claim for refund or credit or information statement relating to Tax, including any Schedule or attachment thereto, and including any amendment thereof.

Third Party Claim: as defined in Section 6.3(a).

Title Policy: as defined in Section 2.2.7(b).

Transaction Documents: this Agreement and the Ancillary Agreements, collectively.

Transferred Employee: as defined in Section 3.2.3(b)(i).

Transferred Entities: as defined in Section 2.2.1(e).

Transition Services Agreement: as defined in the recitals of this Agreement.

Transitional Trademark License Agreement: as defined in the recitals of this Agreement.

Treasury Regulations: the U.S. federal income Tax regulations promulgated under the Code.

Trewit Litigation: the litigation pending, as of the date hereof, in the Fourth Judicial District Court, Hennepin County, Minnesota, known as *Robert P. Brook, Mark S. Davis, and Andrew M. Thompson v. James W. Cox, Target and Seller*.

WARN Act: as defined in Section 2.2.13(c)(v).

Working Capital: (A) the total consolidated current assets of the Target Group *minus* (B) the total consolidated current liabilities of the Target Group, in each case, as of immediately prior to the Closing Date, calculated on a basis consistent with the sample calculation and methodology set forth in Exhibit D.

7.2. Expenses; Transfer Taxes. Whether or not the transactions contemplated by this Agreement are consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby (including, without limitation, fees and disbursements of counsel, financial advisors and accountants) shall be borne by the party which incurs such cost or expense; *provided*, that if this Agreement is terminated by a party pursuant to Section 5.1(c) or 5.1(d), the non-terminating party shall pay the costs and expenses incurred by the other party in connection with this Agreement; *provided, further*, that if the transactions contemplated by this Agreement are consummated, all out of pocket costs and expenses incurred by the Target Group in connection with this Agreement and the transactions contemplated hereby (including, without limitation, fees and disbursements of counsel, financial advisors and accountants) shall be borne solely by Seller. Any sales, use, real estate transfer, stock transfer or similar transfer Tax payable in connection with the transactions contemplated by this Agreement shall be borne 50% by Seller and 50% by Buyer. Seller shall duly and timely prepare and file any Tax Return relating to such Taxes. Seller shall give Buyer a copy of each such Tax Return for its review and comments at least ten (10) days prior to filing and shall give Buyer a copy of such Tax Return as filed, together with proof of payment of the Taxes shown thereon to be payable.

7.3. Further Assurances. The parties hereto agree that, on and after the Closing Date, they shall take all appropriate action and execute any documents, instruments or conveyances of any kind which may be reasonably necessary or advisable to carry out any of the provisions hereof; *provided* that no party shall be required to incur any Loss, liability or Indebtedness in connection therewith.

7.4. *Severability*. If any provision of this Agreement is inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses, Sections or subsections of this Agreement shall not affect the remaining portions of this Agreement.

7.5. *Notices*. All notices, requests, demands, waivers, and other communications made in connection with this Agreement shall be in writing and shall be (a) mailed by first-class, registered or certified mail, return receipt requested, postage prepaid, (b) transmitted by hand delivery or reputable overnight delivery service or (c) sent by facsimile transmission, addressed as follows:

if to Buyer (or Target after the Closing), to:

UnitedHealth Group Incorporated
9900 Bren Road East
Minnetonka, MN 55343
Fax: (952) 936-0044
Attention: Senior Vice President, Corporate Development
and

UnitedHealthcare, Inc.
5901 Lincoln Drive
Edina, MN 55436
Fax: (952) 992-5180
Attention: General Counsel

with a copy to:

Hogan & Hartson LLP
One Tabor Center
1200 Seventeenth Street, Suite 1500
Denver, CO 80202
Fax: (303) 899-7333
Attention: Richard J. Mattera
and

Hogan & Hartson LLP
875 Third Avenue
New York, NY 10022
Fax: (212) 918-3100
Attention: Alexander B. Johnson

if to Seller (or Target prior to the Closing), to:

Fiserv, Inc.
255 Fiserv Drive
Brookfield, WI 53045
Fax: (262) 879-5245
Attention: James W. Cox

and

Fiserv, Inc.
255 Fiserv Drive
Brookfield, WI 53045
Fax: (262) 879-5532
Attention: Charles W. Sprague

with a copy to:

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Fax: (212) 558-3188
Attention: Mark J. Menting
Matthew G. Hurd

or, in each case, at such other address as may be specified in writing to the other parties hereto.

All such notices, requests, demands, waivers and other communications shall be deemed to have been received (w) if by personal delivery on the day of such delivery, (x) if by first-class, registered or certified mail, on the fifth (5th) Business Day after the mailing thereof, (y) if by reputable overnight delivery service, on the day delivered, or (z) if by facsimile transmission, on the day on which such facsimile transmission was sent, *provided* that a copy is also sent that day by a reputable overnight delivery service.

7.6. Miscellaneous.

7.6.1. Headings, Interpretation. The headings contained in this Agreement are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement. As used herein, the singular includes the plural, the plural includes the

singular, and words in one gender include the others. As used herein, the terms “herein”, “hereunder” and “hereof” refer to the whole of this Agreement, and “include”, “including” and similar terms are not words of limitation. No rule of construction against the draftsman shall be applied in connection with the interpretation or enforcement of this Agreement, as this Agreement is the product of negotiation between sophisticated parties advised by counsel. Time is of the essence with respect to this Agreement.

7.6.2. *Counterparts.* This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall together constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement.

7.6.3. *Jurisdictional Matters.*

(a) Governing Law. THIS AGREEMENT SHALL BE GOVERNED IN ALL RESPECTS, INCLUDING AS TO VALIDITY, INTERPRETATION AND EFFECT, BY THE INTERNAL LAWS OF THE STATE OF NEW YORK.

(b) Jurisdiction. BUYER AND SELLER HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN THE STATE OF NEW YORK, IN EACH CASE IN THE BOROUGH OF MANHATTAN, SOLELY IN RESPECT OF THE INTERPRETATION AND ENFORCEMENT OF THE PROVISIONS OF THIS AGREEMENT AND OF THE DOCUMENTS REFERRED TO IN THIS AGREEMENT, AND HEREBY WAIVE, AND AGREE NOT TO ASSERT, AS A DEFENSE IN ANY ACTION, SUIT OR PROCEEDING FOR THE INTERPRETATION OR ENFORCEMENT HEREOF OR OF ANY SUCH DOCUMENT, (A) THAT IT IS NOT SUBJECT TO THE JURISDICTION THEREOF OR THAT SUCH ACTION, SUIT OR PROCEEDING MAY NOT BE BROUGHT OR IS NOT MAINTAINABLE IN SAID COURTS, (B) THAT THE VENUE THEREOF MAY NOT BE APPROPRIATE OR (C) THAT THE INTERNAL LAWS OF THE STATE OF NEW YORK DO NOT GOVERN THE VALIDITY, INTERPRETATION OR EFFECT OF THIS AGREEMENT, AND THE PARTIES HERETO IRREVOCABLY AGREE THAT ALL DISPUTES WITH RESPECT TO SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN SUCH A STATE OR, IF SUBJECT MATTER JURISDICTION EXISTS OVER THE CLAIM, IN SUCH A FEDERAL COURT. BUYER AND SELLER HEREBY CONSENT TO AND GRANT ANY SUCH COURT JURISDICTION OVER THE PERSON OF SUCH PARTIES AND AGREE THAT MAILING OF PROCESS OR OTHER PAPERS IN CONNECTION WITH ANY SUCH ACTION OR PROCEEDING IN THE MANNER PROVIDED IN SECTION 7.6, OR IN SUCH OTHER MANNER AS MAY BE PERMITTED BY LAW, SHALL BE VALID AND SUFFICIENT SERVICE THEREOF.

7.6.4. *Waiver of Jury Trial.* EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7.6.4.

7.6.5. *Specific Performance.* The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement was not performed in accordance with the terms hereof and that the parties shall be entitled to seek specific performance of the terms hereof, in addition to any other remedy at law or in equity.

7.6.6. *Litigation Expenses.* In the event litigation between Buyer and Seller arises out of this Agreement, the losing party will pay all reasonable costs and expenses incurred by the prevailing party in connection with the litigation, including without limitation, reasonable attorneys' fees and costs.

7.6.7. *Binding Effect.* This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns.

7.6.8. *Assignment.* This Agreement shall not be assignable by any party hereto without the prior written consent of the other parties hereto.

7.6.9. *Third Party Beneficiaries.* Nothing in this Agreement shall confer any rights upon any Person other than the parties hereto and their respective heirs, successors and permitted assigns.

7.6.10. *Confidentiality.*

(a) Buyer and its Affiliates shall not disclose, directly or indirectly, any documents, work papers or other materials of a confidential or proprietary nature related to Seller (including, without limitation, any information obtained in connection with the entering into of this Agreement) and shall have all such information kept confidential; *provided, however,* that Buyer may disclose any such information (A) that is or becomes generally available to the public other than as a result of disclosure by Buyer or its Affiliates, (B) that is or becomes available to Buyer on a non-confidential basis from a source that is not bound by a confidentiality

obligation to Seller, any Affiliate of Seller or any member of the Target Group or (C) with the prior written approval of Seller; *provided, further*, that to the extent that Buyer or its Affiliates may become legally compelled to disclose any such information by any Governmental Authority or if Buyer or its Affiliates receives an opinion of counsel that disclosure is required in order to avoid violating any laws, Buyer or its Affiliates may disclose such information but only after, if applicable or relevant, they have used all commercially reasonable efforts to afford Seller, at its sole cost and expense, the opportunity to obtain an appropriate protective order, or other satisfactory assurance of confidential treatment, for the information required to be disclosed; *provided, further*, that Buyer may disclose such information to the extent necessary to comply with Applicable Law, or to enforce its rights and obligations under this Agreement; *provided, further*, that after the Closing, this Section 7.6.10 shall not prohibit or restrict or otherwise limit the use or disclosure by Buyer and its Affiliates of any documents, work papers or other materials or information related to the Target Group.

(b) Seller and its Affiliates shall not disclose, directly or indirectly, any documents, work papers or other materials of a confidential or proprietary nature related to Buyer and its Affiliates (which shall for the purposes of this Section 7.6.10(b) include, as of the Closing, the Target Group) (including, without limitation, any information obtained in connection with the entering into of this Agreement) and shall have all such information kept confidential; *provided, however*, that Seller may disclose any such information (A) that is or becomes generally available to the public other than as a result of disclosure by Seller or its Affiliates, (B) that is or becomes available to Seller on a non-confidential basis from a source that is not bound by a confidentiality obligation to Buyer or (C) with the prior written approval of Buyer; *provided, further*, that to the extent that Seller or its Affiliates may become legally compelled to disclose any such information by any Governmental Authority or if Seller or its Affiliates receives an opinion of counsel that disclosure is required in order to avoid violating any laws, Seller or its Affiliates may disclose such information but only after, if applicable or relevant, they have used all commercially reasonable efforts to afford Buyer, at its sole cost and expense, the opportunity to obtain an appropriate protective order, or other satisfactory assurance of confidential treatment, for the information required to be disclosed; *provided, further*, that Seller may disclose such information to the extent necessary to comply with Applicable Law, in connection with any required Tax disclosures or to enforce its rights and obligations under this Agreement.

(c) The terms of this Agreement, including the terms of this Section 7.6.10, shall supersede in all respects the terms of the Confidentiality Agreement, dated October 4, 2006, between Buyer and Seller, as amended.

7.6.11. Amendment; Waivers. No amendment, modification or discharge of this Agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing and duly executed by the party against whom enforcement of the amendment, modification, discharge or waiver is sought. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the party granting such waiver in any other respect or at any other

time. Neither the waiver by any of the parties hereto of a breach of or a default under any of the provisions of this Agreement, nor the failure by any of the parties, on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right or privilege hereunder, shall be construed as a waiver of any other breach or default of a similar nature, or as a waiver of any of such provisions, rights or privileges hereunder.

7.6.12. Entire Agreement. This Agreement, including the Disclosure Schedules hereto and the other agreements and written understandings referred to herein or otherwise entered into by the parties hereto on the date hereof (including the Ancillary Agreements and any other agreements that specifically refer to this Section 7.6.12), constitutes the entire agreement and understanding and supersedes all other prior covenants, agreements, undertakings, obligations, promises, arrangements, communications, representations and warranties, whether oral or written, by any party hereto or by any director, manager, officer, employee, agent or Representative of any party hereto. Except for the representations and warranties expressly contained in this Article II or in the Ancillary Agreements, none of Seller, Target, Buyer or any other Person has made or makes any other express or implied representation, either written or oral, on behalf of Seller, Target or Buyer. There are no covenants, agreements, undertakings or obligations with respect to the subject matter of this Agreement other than those expressly set forth or referred to herein or in the Ancillary Agreements or in any other agreements entered into by the parties hereto on the date hereof that specifically refer to this Section 7.6.12.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

FISERV, INC.

By: /s/ Jeffery W. Yabuki

Name: Jeffery W. Yabuki

Title: President and CEO

FISERV HEALTH, INC.

By: /s/ Julia A. Jensen

Name: Julia A. Jensen

Title: Vice President

UNITED HEALTHCARE SERVICES, INC.

By: /s/ David S. Wichmann

Name: David S. Wichmann

Title: Executive Vice President

[Signature page to Stock Purchase Agreement]

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-120359, 333-64353, 333-04417, 333-28121, 333-34310, 333-34396, 333-145599 and 333-143191 on Form S-8 and Registration Statement No. 333-44935 on Form S-4 of our report dated February 20, 2007 (November 13, 2007 as to Note 3 and Note 9) relating to the consolidated financial statements and financial statement schedule of Fiserv, Inc. (which report expresses an unqualified opinion and includes explanatory paragraphs related to (i) the Company's adoption of Statement of Financial Accounting Standards No. 123R, Share-Based Payment, on January 1, 2006 described in Note 6, (ii) retrospectively adjusting for discontinued operations as described in Note 3, and (iii) the condensed consolidating financial information associated with subsidiary guarantees as described in Note 9 to the consolidated financial statements), appearing in this Current Report on Form 8-K.

/s/ Deloitte & Touche LLP

Milwaukee, Wisconsin
November 13, 2007

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-120359, 333-64353, 333-04417, 333-28121, 333-34310, 333-34396, 333-145599, and 333-143191 on Form S-8 and Registration Statement No. 333-44935 on Form S-4 of Fiserv, Inc. of our report dated August 24, 2007 related to the consolidated financial statements of CheckFree Corporation (which report on the consolidated financial statements expresses an unqualified opinion on the consolidated financial statements and includes an explanatory paragraph relating to the adoption of Statement of Financial Accounting Standards No. 123R, *Share-Based Payment*, by CheckFree Corporation on July 1, 2005, as described in Note 1), appearing in this Current Report on Form 8-K of Fiserv, Inc.

/s/ Deloitte & Touche LLP

Atlanta, Georgia
November 13, 2007

See Item 8.01 of the accompanying Current Report on Form 8-K for a discussion of the facts surrounding, rationale for and other matters involving the following disclosure. The following information replaces Item 6 (Selected Financial Data), Item 7 (Management's Discussion and Analysis of Financial Condition and Results of Operations), Item 8 (Financial Statements and Supplementary Data) and Schedule II—Valuation and Qualifying Accounts previously filed in the Annual Report on Form 10-K for the year ended December 31, 2006 for Fiserv, Inc. All other portions of such Annual Report on Form 10-K are unchanged.

Item 6. Selected Financial Data

The following data, which has been affected by acquisitions and dispositions, should be read in conjunction with the consolidated financial statements and related notes thereto included elsewhere in this Annual Report on Form 10-K.

(In thousands, except per share data)	2006	2005	2004	2003	2002
Total revenues	\$ 4,407,031	\$ 3,925,070	\$ 3,604,210	\$ 2,808,753	\$ 2,266,136
Income from continuing operations	421,395	490,299	377,732	293,613	242,070
Income (loss) from discontinued operations, net of tax	28,519	26,139	(90)	21,399	24,067
Net income	449,914	516,438	377,642	315,012	266,137
Net income per share – basic:					
Continuing operations	\$ 2.41	\$ 2.60	\$ 1.94	\$ 1.52	\$ 1.26
Discontinued operations	0.16	0.14	—	0.11	0.13
Total	\$ 2.57	\$ 2.74	\$ 1.94	\$ 1.63	\$ 1.39
Net income per share – diluted:					
Continuing operations	\$ 2.37	\$ 2.57	\$ 1.91	\$ 1.50	\$ 1.24
Discontinued operations	0.16	0.14	—	0.11	0.12
Total	\$ 2.53	\$ 2.70	\$ 1.91	\$ 1.61	\$ 1.37
Total assets	\$ 6,251,698	\$ 6,091,997	\$ 8,383,349	\$ 7,214,175	\$ 6,438,705
Long-term debt	747,256	595,385	505,327	699,116	482,824
Shareholders' equity	2,425,622	2,465,740	2,564,422	2,199,808	1,827,669

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**Overview**

Management's discussion and analysis of financial condition and results of operations is provided as a supplement to the accompanying consolidated financial statements and footnotes 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:

- *Recent developments.* This section provides a general description of recent events and significant developments that we believe are important in understanding our results of operations and financial condition.
- *Critical accounting policies.* This section contains a discussion of the accounting policies that we believe are important to our financial condition and results of operations and that require significant judgment and estimates on the part of management in their application. In addition, all of our significant accounting policies, including the critical accounting policies, are summarized in Note 1 to the accompanying consolidated financial statements.
- *Recent accounting pronouncements.* This section provides a discussion of recent accounting pronouncements that we believe are important in understanding our results of operations and financial condition.
- *Non-GAAP financial measures.* This section provides a discussion of non-GAAP financial measures which we use in this report.
- *Results of operations.* This section provides an analysis of our results of operations presented in the accompanying consolidated statements of income by comparing the results for the year ended December 31, 2006 to the results for the year ended December 31, 2005 and comparing the results for the year ended December 31, 2005 to the results for the year ended December 31, 2004.
- *Liquidity and capital resources.* This section provides an analysis of our cash flows and a discussion of our outstanding debt and commitments as of December 31, 2006. Included in the discussion of outstanding debt is a discussion of our financial capacity to fund our future commitments and a discussion of other financing arrangements.

Recent Developments

Historically, our operations consisted of three business segments based on the services provided by each: financial institution outsourcing, systems and services; health plan management services; and investment support services. As part of our Fiserv 2.0 initiative, we are focused on providing products and services in a more integrated manner. Accordingly, in December 2006, we announced a reorganization of our businesses to provide for a more streamlined structure. The new organization allows us to provide integrated technology-based solutions to each of the three main areas of the insurance industry: health, life, and property and casualty. As a result of this reorganization, we modified our reporting segments such that our new reporting segments were: Financial Institution Services; Insurance Services; and Investment Support Services ("Fiserv ISS"). In May 2007, we signed definitive agreements to sell Fiserv ISS and as a result, our investment support services operations are reported as discontinued operations. As a result of the announced disposition of Fiserv ISS, our reporting segments for our continuing operations are Financial Institution Services ("Financial") and Insurance Services ("Insurance").

Critical Accounting Policies

Our consolidated financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires our management to make

estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. We continually evaluate the accounting policies and estimates that we use to prepare the consolidated financial statements. We base our estimates on historical experience and assumptions believed to be reasonable under current facts and circumstances. Actual amounts and results could differ materially from these estimates.

The majority of our revenues are generated from monthly account and transaction-based fees. Revenue is recognized when the related services have been rendered. Revenues are primarily recognized under service agreements that are long-term in nature, generally three to five years, and that do not require management to make significant judgments or assumptions. Given the nature of our business and the rules governing revenue recognition, our revenue recognition practices do not involve significant estimates that materially affect our results of operations. Additional information about our revenue recognition policies is included in Note 1 to the consolidated financial statements.

We review the carrying value of goodwill and indefinite-lived intangible assets by comparing the underlying carrying value or reporting unit carrying value to their fair values. As of the most recent impairment assessment in the fourth quarter of 2006, we determined that the carrying amounts of goodwill and indefinite-lived intangible assets do not exceed their respective fair values. We are required to perform this comparison, which involves a number of assumptions, at least annually, or more frequently if circumstances indicate possible impairment. Given the significance of goodwill and intangible asset balances, an adverse change in fair value could result in an impairment charge, which could be material to our financial statements.

We do not participate in, nor have we created, any off-balance sheet variable interest entities or other off-balance sheet financing, other than operating leases. In addition, we do not enter into any derivative financial instruments for speculative purposes and use derivative financial instruments for managing our exposure to changes in interest rates and managing our ratio of fixed to floating-rate long-term debt.

Recent Accounting Pronouncements

Statement of Financial Accounting Standard (“SFAS”) No. 123 (revised 2004), “Share-Based Payment” (“SFAS 123R”), requires companies to expense the value of employee stock option grants and similar awards. We adopted SFAS 123R on January 1, 2006 under the modified prospective method. Accordingly, prior periods do not include share-based compensation expense related to SFAS 123R. Share-based compensation expense was \$27.7 million and \$4.0 million during 2006 and 2005, respectively. Prior to January 1, 2006, we accounted for stock options, restricted stock and our employee stock purchase plan in accordance with the intrinsic value provisions of Accounting Principles Board Opinion No. 25, “Accounting for Stock Issued to Employees” (“APB 25”). Under APB 25, the difference between the quoted market price on the date of grant and the contractual purchase price of shares was recognized as compensation expense over the vesting period. As a result, we did not recognize compensation expense in the consolidated financial statements for stock options because the exercise price was not less than 100% of the fair value of the underlying common stock on the date of grant.

In September 2006, the Financial Accounting Standards Board (the “FASB”) issued SFAS No. 158, “Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans – An Amendment of FASB Statements No. 87, 88, 106, and 132(R)” (“SFAS 158”). SFAS 158 requires companies to recognize the funded status of pension and other postretirement benefit plans on sponsoring employers’ balance sheets and to recognize changes in the funded status in the year the changes occur. The recognition provisions of SFAS 158 became effective for fiscal years ending after December 15, 2006. The adoption of SFAS 158 did not have a material impact on our financial statements.

In June 2006, the FASB issued Interpretation No. 48, “Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109” (“FIN 48”). FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return, and provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. We expect that the adoption of FIN 48 will not have a material impact on our financial statements.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 is effective for fiscal years beginning after November 15, 2007. We are currently assessing the impact that the adoption of SFAS 157 will have on our financial statements.

Non-GAAP Financial Measures

In this report, we use two non-GAAP financial measures, internal revenue growth percentage and free cash flow. We use these measures to monitor and evaluate our performance, and they are presented in this report because we believe that they are useful to investors in evaluating our financial results. Non-GAAP financial measures should not be considered to be a substitute for the reported results prepared in accordance with GAAP. The methods that we use to calculate non-GAAP financial measures are not necessarily comparable to similarly titled measures presented by other companies.

Internal revenue growth percentage is measured as the increase or decrease in total revenue for the current year less "acquired revenue from acquisitions" divided by total revenues from the prior year plus "acquired revenue from acquisitions." "Acquired revenue from acquisitions" represents pre-acquisition revenue of acquired companies, less dispositions, for the prior year. "Acquired revenue from acquisitions" was \$111.3 million (\$69.3 million in the Financial segment and \$42.1 million in the Insurance segment) and \$67.5 million (\$44.5 million in the Financial segment and \$23.0 million in the Insurance segment) in 2006 and 2005, respectively. Internal revenue growth percentage is a non-GAAP financial measure that we believe is useful to investors because it allows them to see the portion of our revenue growth that is attributed to acquired companies as compared to internal revenue growth.

Free cash flow is measured as net cash provided by operating activities from continuing operations less capital expenditures. Free cash flow is a non-GAAP financial measure that we believe is useful to investors because it shows our available cash flow after we have satisfied the capital requirements of our operations.

Results of Operations

Components of Revenue and Expenses

The following summary describes the components of revenues and expenses as presented in our consolidated statements of income. A description of our revenue recognition policies is included in Note 1 to the consolidated financial statements.

Processing and Services

Processing and services revenues are primarily generated from account and transaction-based fees under contracts that generally have terms of three to five years. Revenue is recognized when the related transactions are processed and services have been rendered. Processing and services revenues are most reflective of our core business performance because a significant amount of our total operating profit is generated by these services. Cost of processing and services includes costs directly associated with providing services to clients and includes the following: personnel; equipment and data communication; infrastructure costs, including costs to maintain applications; customer support; depreciation; and other operating expenses.

Product

Product revenue is primarily derived from our pharmacy businesses, software license fees and integrated print and electronic communications. A significant amount of product revenue is derived from our pharmacy businesses within the Insurance segment because we include, in both revenues and expenses, the prescription product costs associated with these businesses. We do not

manufacture or generally distribute prescription pharmaceuticals, but we are considered to be a principal under Emerging Issues Task Force (“EITF”) No. 99-19, “Reporting Revenue Gross as a Principal versus Net as an Agent,” as more fully described in Note 1 to the consolidated financial statements. Therefore, we record these revenues and expenses on a gross basis. Prescription product costs included in both product revenues and cost of product were \$753.1 million, \$540.0 million and \$439.6 million in 2006, 2005 and 2004, respectively. Cost of products, in addition to pharmacy product costs, include personnel, infrastructure costs and other costs directly associated with product revenue.

We also include customer reimbursements, such as postage and telecommunication costs, in processing and services revenue, product revenue, cost of processing and services, and cost of product in accordance with EITF 01-14, “Income Statement Characterization of Reimbursements Received for ‘Out-of-Pocket’ Expenses Incurred.” These costs, which are pass-through expenses to clients and which are included in both revenues and expenses, were \$416.1 million, \$351.0 million and \$379.2 million in 2006, 2005 and 2004, respectively.

Selling, General and Administrative Expenses

Selling, general and administrative expenses primarily consist of: salaries, wages and related expenses paid to sales personnel, administrative employees and management; advertising and promotional costs; and other selling and administrative expenses.

Results of Operations

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

	Years ended December 31, (In millions)			Percentage Years Ended December 31,			Percentage Increase	
	2006	2005	2004	2006	2005	2004	2006 vs. 2005	2005 vs. 2004
Revenues:								
Processing and services	\$2,889.3	\$2,757.1	\$2,614.2	66%	70%	73%	5%	5%
Product	1,517.7	1,167.9	990.0	34%	30%	27%	30%	18%
Total revenues	4,407.0	3,925.1	3,604.2	100%	100%	100%	12%	9%
Expenses:								
Cost of processing and services ⁽¹⁾	1,868.2	1,764.5	1,734.4	65%	64%	66%	6%	2%
Cost of product ⁽¹⁾	1,251.3	942.7	796.0	82%	81%	80%	33%	18%
Sub-total ⁽²⁾	3,119.4	2,707.2	2,530.3	71%	69%	70%	15%	7%
Selling, general and administrative ⁽²⁾	568.4	497.5	434.9	13%	13%	12%	14%	14%
Total expenses ⁽²⁾	3,687.8	3,204.7	2,965.2	84%	82%	82%	15%	8%
Operating Income⁽²⁾	\$ 719.2	\$ 720.4	\$ 639.0	16%	18%	18%	0%	13%

(1) Each percentage of revenue equals the relevant expense amount divided by the related component of total revenues.

(2) Each percentage of revenue equals the relevant expense or operating income amount divided by total revenues.

Total Revenues

Total revenues increased \$482.0 million, or 12%, in 2006 compared to 2005, and \$320.9 million, or 9%, in 2005 compared to 2004. The internal revenue growth rate was 9% in 2006 and 7% in 2005 with the remaining growth resulting from acquisitions. Overall internal revenue growth is primarily derived from sales to new clients, cross-sales to existing clients and increases in transaction volumes from existing clients. The improvement in the total revenue growth rate for 2006 compared to 2005 was primarily due to increased prescription revenue from new clients in the Insurance segment's pharmacy management and workers' compensation businesses.

Processing and services revenues increased 5% in 2006 and 2005 compared to the prior year periods. These increases were driven by sales to new clients, cross-sales to existing clients, increases in transaction volumes from existing clients and incremental revenue attributable to several acquisitions. Partially offsetting these increases in 2006 were a \$34.5 million decrease in contract termination fees and the impact of the loss of two clients in 2005. Contract termination and assignment fees were \$23.4 million, \$57.9 million and \$36.4 million in 2006, 2005 and 2004, respectively. The Financial segment businesses generally enter into three to five year contracts with clients that contain early contract termination fees. These fees can be generated when an existing client is acquired by another financial institution and can vary significantly from period to period based on the number and size of clients that are acquired and how early in the contract term a client is acquired.

Product revenues increased 30% in 2006 compared to 2005 and 18% in 2005 compared to 2004 primarily due to new clients in the Insurance segment's pharmacy management and workers' compensation businesses along with growth in card fulfillment and print services within the output solutions division. The revenue growth in the pharmacy management and workers' compensation businesses in the Insurance segment was impacted significantly by the inclusion of prescription product costs in revenues and expenses of \$753.1 million, \$540.0 million and \$439.6 million in 2006, 2005 and 2004, respectively.

Total Expenses

Total expenses increased \$483.1 million, or 15%, in 2006 compared to 2005 and \$239.5 million, or 8%, in 2005 compared to 2004. These increases were primarily driven by the significant increase in prescription product costs.

Cost of processing and services as a percentage of processing and services revenues were relatively consistent in 2006 as compared to 2005 and the slight increase from 64% in 2005 to 65% in 2006 was primarily caused by a decrease of \$34.5 million in 2006 of higher margin contract termination fee revenue. These fees, which were significantly higher in 2005 than 2006, do not generate substantial incremental cost when received. Cost of processing and services as a percentage of processing and services revenues decreased in 2006 and 2005 from 66% in 2004 due primarily to changes in the mix of our businesses, including acquisitions and the impact of operating efficiencies.

Cost of product as a percentage of product revenue was 82% in 2006, 81% in 2005 and 80% in 2004. The increases in cost of product were primarily driven by the significant increase in prescription product costs in 2006 and 2005 as discussed above.

Selling, general and administrative expenses have remained relatively consistent as a percentage of total revenues in 2006, 2005 and 2004. Selling, general and administrative expenses in 2006 were negatively impacted by the inclusion of \$16.9 million of incremental share-based compensation expense as a result of the prospective adoption of SFAS 123R on January 1, 2006, and \$9.0 million related to the write-down of assets and facility shutdown costs in our lending division.

Operating Income and Operating Margin

Operating income decreased \$1.1 million in 2006 compared to 2005 and operating margins decreased to 16% in 2006 from 18% in 2005 and 2004. Operating income and margin in 2006, as compared to 2005, was negatively impacted by a \$34.5 million decrease in

higher margin contract termination fees, a \$23.6 million increase in share-based compensation expense related to the prospective adoption of SFAS 123R on January 1, 2006, operating losses associated with the Australian check processing operations and charges of \$9.0 million related to the write-down of assets and facility shutdown costs in the lending division. Partially offsetting these decreases in operating income and margin were increases in higher margin revenues in the electronic payments and flood insurance processing businesses, continued strong operating results in bank and credit union core processing and improvements in overall operating efficiencies.

In addition, operating margins in 2006 and 2005 were negatively impacted by the significant revenue growth in the pharmacy management and workers' compensation businesses, which generate operating margins in the low- to mid-single digits. The negative impact on operating margins due to the inclusion of prescription product costs in revenue and expense was approximately 3 percentage points in 2006 and 2005 and 2 percentage points in 2004.

Segment Results

In connection with organizational changes in 2006, we reclassified our reportable segments to align them with how our chief operating decision maker currently manages the business. As a result, our continuing operations were classified into three business segments: Financial Institution Services; Insurance Services; and Investment Support Services. In May 2007, we signed definitive agreements to sell Fiserv ISS and as a result, our investment support services operations are reported as discontinued operations. As a result, our reporting segments for our continuing operations are Financial Institution Services ("Financial") and Insurance Services ("Insurance"). The following table presents, for the years indicated, revenues, operating income, and operating margin for our business segments.

Years ended December 31, (Dollars in millions)	Financial	Insurance	Total
Total revenues:			
2006	\$2,877.4	\$1,529.6	\$4,407.0
2005	2,650.0	1,275.0	3,925.1
2004	2,451.4	1,152.8	3,604.2
Operating income:			
2006	\$ 565.0	\$ 154.3	\$ 719.2
2005	581.1	139.2	720.4
2004	514.1	124.9	639.0
Operating income growth (decline) ⁽¹⁾:			
2006	(3)%	11%	0%
2005	13%	12%	13%
Operating margin:			
2006	20%	10%	16%
2005	22%	11%	18%
2004	21%	11%	18%

(1) Represents operating income growth (decline) compared to the prior period.

Financial

The Financial segment increased total revenues by \$227.4 million, or 9%, in 2006 and \$198.6 million, or 8%, in 2005. The internal revenue growth rate in the Financial segment was 6% in 2006 and 2005 with the remaining growth in each year resulting from acquisitions. Internal revenue growth in this segment was primarily driven by increased volumes and new clients in the electronic payments and loan settlement services businesses along with new client growth and increased sales in the banking and credit union core processing businesses and card fulfillment businesses. In 2006, internal revenue growth was negatively impacted by a \$34.5 million decrease in contract termination fees and the loss of two clients in 2005. In 2005, internal revenue growth was positively impacted by a \$21.5 million increase in contract termination fees.

Operating margins in the Financial segment were 20% in 2006, 22% in 2005 and 21% in 2004. In comparison to 2005, operating margins in 2006 were negatively impacted by a decrease of \$34.5 million in higher margin contract termination fees, an increase of \$20.8 million in share-based compensation expense related to the prospective adoption of SFAS 123R on January 1, 2006, operating losses associated with the Australian check processing operations and charges totaling \$9.0 million related to the write-down of assets and facility shutdown costs in the lending division. Partially offsetting these negative factors in 2006 were higher margin revenues in the electronic payments businesses, continued strong operating results in the bank and credit union processing businesses and overall operating efficiencies. Operating margins in 2005 were positively impacted over 2004 primarily by a \$21.5 million increase in contract termination fees.

Insurance

Revenues in the Insurance segment increased \$254.6 million, or 20%, in 2006 compared to 2005 and \$122.3 million, or 11%, in 2005 compared to 2004. The internal revenue growth rate in this segment was 16% in 2006 and 8% in 2005 with the remaining growth resulting from acquisitions. The internal revenue growth rates were primarily driven by the signing of new clients in the pharmacy management and workers' compensation businesses.

Operating margins in the Insurance segment were 10% in 2006 compared to 11% in 2005 and 2004. Operating margins in 2006 were negatively impacted primarily by the significant increase in revenues in the pharmacy management and workers' compensation businesses, which generate operating margins in the low- to mid-single digits, and expenses associated with our consumer-directed health care initiatives. Partially offsetting these factors were higher operating margins in our flood and property and casualty insurance businesses. The inclusion of prescription product costs in revenue and expense negatively impacted operating margins in the Insurance segment by 10 percentage points, 8 percentage points and 7 percentage points in 2006, 2005 and 2004, respectively.

Discontinued Operations

On May 24, 2007, we signed definitive agreements (the "Agreements") to sell Fiserv ISS in two separate transactions. Consummation of the transactions is subject to customary conditions to closing, including receipt of regulatory approvals. The transaction with TD AMERITRADE Online Holdings Corp. ("TD AMERITRADE") is currently expected to close in the fourth quarter of 2007 and the transaction with Robert Beriault Holdings, Inc. is expected to close in the first quarter of 2008. The expected proceeds from the transactions, net of related expenses and taxes, are expected to result in a gain to be recorded when the transactions close.

In one transaction, TD AMERITRADE has agreed to acquire Fiserv Trust Company and the accounts of our institutional retirement plan and advisor services operations for \$225 million in cash at closing plus contingent cash consideration of up to \$100 million based on the achievement of revenue targets over the twelve months subsequent to closing. In addition, we will receive approximately \$80 million for a portion of the net capital included in the business and excess capital.

In a separate transaction, Robert Beriault Holdings, Inc., an entity controlled by the current president of Fiserv ISS, has agreed to acquire the remaining accounts and net capital of Fiserv ISS, including the investment administration services business which provides back office and custody services for individual retirement accounts, for approximately \$50 million in cash. The Company will retain a minority interest in this business, however, the Company's continuing involvement is not expected to be significant.

On March 24, 2005, we completed the sale of our securities clearing businesses to Fidelity Global Brokerage Group, Inc. ("Fidelity") for \$344.9 million paid in cash at closing, subject to certain post-closing adjustments. Prior to completion of the sale, the securities clearing businesses paid a \$68.0 million cash distribution to us. The sales proceeds, net of related expenses, including taxes that became due upon the sale of the securities clearing businesses, approximated the carrying value of this investment.

Our discontinued operations, which include Fiserv ISS and our securities clearing businesses, had income of \$28.5 million and \$26.1 million in 2006 and 2005, respectively, and a loss of \$0.1 million in 2004. The 2006 results are comprised of Fiserv ISS income of \$21.8 million and a \$6.7 million after-tax gain related to a contingent payment that we received from Fidelity based on the securities clearing businesses' achievement of revenue targets established in the stock purchase agreement. The 2005 results are comprised of after-tax income of \$21.0 million for Fiserv ISS and \$5.1 million for our securities clearing businesses which was primarily the result of favorable resolutions of income tax uncertainties. The 2004 results are comprised of after-tax income of \$17.2 million for Fiserv ISS and an after-tax loss of \$17.3 million for our securities clearing businesses. The increase in Fiserv ISS after-tax income in 2005 compared to 2004 was primarily due to a temporary increase in cash investment balances in 2005 that improved net investment income. The 2004 results include charges of \$15.0 million for the settlement of a matter with the SEC related to our securities clearing businesses.

We are investigating a matter identified in an indemnification notice delivered pursuant to the stock purchase agreement related to the sale of our securities clearing businesses. The matter relates to the securities clearing businesses' past maintenance of certain documentation related to introducing broker dealers' customers. We are unable to estimate or predict the ultimate outcome of this matter or to determine whether this matter will have a material adverse impact on our discontinued operations' results.

Interest Expense and Interest Income

Interest expense was \$41.0 million, \$27.8 million and \$24.9 million in 2006, 2005 and 2004, respectively. The \$13.2 million increase in interest expense in 2006 was primarily due to an increase in average borrowings outstanding due to acquisitions and additional share repurchases in 2005 and 2006.

Interest income was \$0.3 million, \$6.8 million and \$1.1 million in 2006, 2005 and 2004, respectively. The \$6.5 million decrease in interest income in 2006 and the \$5.7 million increase in interest income in 2005 was primarily due to increased cash balances in 2005 resulting from the proceeds we received for the sale of our securities clearing businesses.

Realized Gain from Sale of Investments

In 2005, we realized a pre-tax gain of \$43.5 million, or \$0.14 per share after income taxes, from the sale of our remaining ownership of 3.2 million shares of common stock of Bisys Group, Inc. In addition, we sold our investment in INTRIA Items, Inc. to our joint venture partner, Canadian Imperial Bank of Commerce, which resulted in a pre-tax gain of \$43.4 million, or \$0.15 per share after income taxes.

Income Tax Provision

The effective income tax rate for continuing operations was 37.9% in 2006, 37.6% in 2005 and 38.6% in 2004. The effective income tax rates for 2006 and 2005 were favorably impacted by a number of one-time items compared to 2004 primarily associated with changes in state tax laws, finalization of various tax returns and a lower tax rate on the sale of investments. We expect that the income tax rate for continuing operations will be approximately 38.5% in 2007.

Net Income Per Share - Diluted

Net income per share-diluted for 2006 was \$2.53 compared to \$2.70 in 2005 and \$1.91 in 2004. Net income per share-diluted from continuing operations was \$2.37 in 2006 compared to \$2.57 in 2005 and \$1.91 in 2004. Net income per share-diluted in 2006 compared to 2005 was negatively impacted by a decrease of \$0.29 per share from realized gains on sale of investments in 2005, approximately \$0.12 per share from a decrease in contract termination fees in 2006, \$0.09 per share of incremental share-based compensation expense in 2006 due to the prospective adoption of FAS 123R on January 1, 2006 and \$0.03 per share related to the write-down of assets and facility shutdown costs in our lending division in 2006. Net income per share-diluted from continuing operations for 2005 of \$2.57 compared to \$1.91 in 2004 was positively impacted by \$0.29 per share due to the realized gain on sale of investments in 2005 and approximately \$0.07 per share from an increase in contract termination fees in 2005 compared to 2004.

Liquidity and Capital Resources

The following table summarizes our free cash flow:

(In millions)	2006	2005	2004
Net cash provided by operating activities from continuing operations	\$ 608.6	\$ 566.9	\$ 667.6
Capital expenditures	(179.8)	(154.8)	(155.8)
Free cash flow	\$ 428.8	\$ 412.1	\$ 511.8

Free cash flow increased by \$16.7 million in 2006 compared with 2005 and was impacted by a higher level of capital expenditures in 2006. Capital expenditures increased \$25.0 million in 2006 as compared to 2005 primarily due to a series of investments to support future client growth. Free cash flow in 2006 was negatively impacted by lower contract termination fee revenue, after income taxes, of approximately \$21 million and \$10.0 million due to the treatment of excess tax benefits from stock option exercises, which are required by SFAS 123R to be included in cash flows from financing activities instead of operating cash flows as they were in 2005 and prior years.

In 2006, we used our free cash flow and borrowings under our revolving credit facility and commercial paper program primarily to fund acquisition related payments of \$186.5 million and to repurchase 12.7 million shares of our common stock for \$560.1 million. As of December 31, 2006, 0.4 million shares of our common stock were available for repurchase under previous authorizations by our board of directors. On January 31, 2007, our board of directors authorized the repurchase of up to 10.0 million additional shares of our common stock. Share repurchases under the authorizations are expected to be made through open market transactions as market conditions warrant. Shares repurchased have historically been held for issuance in connection with acquisitions and equity plans. Our current policy is to use our free cash flow to support future business opportunities and repurchase shares of our common stock, rather than to pay dividends.

At December 31, 2006, we had \$747.3 million of long-term debt of which \$451.8 million was outstanding under our revolving credit and commercial paper facilities. We maintain a \$500 million unsecured commercial paper program, which is exempt from registration under the Securities Act of 1933. Under this program, we may issue commercial paper with maturities of up to 397 days from the date of issuance. We also maintain a \$900 million unsecured revolving credit facility with a syndicate of banks. We may increase the availability under this facility up to \$1.25 billion at our discretion, subject to a number of conditions, including the absence of any default under the credit agreement. The revolving credit facility supports 100% of our outstanding commercial paper. As a result, borrowings under the commercial paper program reduce the amount of credit available under the revolving credit facility. The revolving credit facility contains various restrictions and covenants. Among other requirements, our consolidated indebtedness is limited to no more than three and one-half times consolidated net earnings before interest, taxes, depreciation and amortization. The facility expires on March 24, 2011. We were in compliance with all debt covenants throughout 2006.

We believe that our cash flow from operations together with other available sources of funds will be adequate to meet our operating requirements, required operating lease payments, required repayments of long-term debt, and expected capital spending needs in 2007. At December 31, 2006, we had \$435 million available for borrowing under our credit and commercial paper facilities and \$149 million of cash and cash equivalents. In the event that we make significant future acquisitions, we may raise funds through additional borrowings or the issuance of common shares.

Historically, our growth has been accomplished, to a significant degree, through the acquisition of businesses that are complementary to our operations. We believe that a number of acquisition candidates are available that would further enhance our competitive position and we plan to pursue them.

Off-Balance Sheet Arrangements and Contractual Obligations

We do not have any material off-balance sheet arrangements other than operating leases. Purchase obligations primarily relate to agreements to purchase or license data processing equipment and software. The following table details our contractual cash obligations at December 31, 2006:

(In millions)	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt	\$ 747.3	\$ 5.4	\$ 288.8	\$ 453.1	\$ —
Minimum operating lease payments	393.4	97.7	146.7	91.5	57.5
Purchase obligations	43.1	19.7	5.4	18.0	—
Total	<u>\$1,183.8</u>	<u>\$ 122.8</u>	<u>\$ 440.9</u>	<u>\$ 562.6</u>	<u>\$ 57.5</u>

QUARTERLY FINANCIAL INFORMATION
(Unaudited)

(In thousands, except per share data)

	Quarters				
	First	Second	Third	Fourth	Total
2006					
Revenues:					
Processing and services	\$ 726,695	\$ 705,734	\$ 729,376	\$ 727,535	\$2,889,340
Product	335,624	351,760	393,141	437,166	1,517,691
Total revenues	<u>1,062,319</u>	<u>1,057,494</u>	<u>1,122,517</u>	<u>1,164,701</u>	<u>4,407,031</u>
Expenses:					
Cost of processing and services	463,068	465,148	465,809	474,146	1,868,171
Cost of product	272,094	278,209	336,424	364,534	1,251,261
Selling, general and administrative	140,235	137,569	139,905	150,653	568,362
Total expenses	<u>875,397</u>	<u>880,926</u>	<u>942,138</u>	<u>989,333</u>	<u>3,687,794</u>
Operating income	186,922	176,568	180,379	175,368	719,237
Interest expense, net	(8,143)	(10,351)	(11,582)	(10,596)	(40,672)
Income from continuing operations before income taxes	178,779	166,217	168,797	164,772	678,565
Income tax provision	67,965	61,639	63,641	63,925	257,170
Income from continuing operations	110,814	104,578	105,156	100,847	421,395
Income from discontinued operations, net of income taxes	5,397	13,091	4,932	5,099	28,519
Net income	<u>\$ 116,211</u>	<u>\$ 117,669</u>	<u>\$ 110,088</u>	<u>\$ 105,946</u>	<u>\$ 449,914</u>
Net income per share – basic:					
Continuing operations	\$ 0.62	\$ 0.60	\$ 0.61	\$ 0.59	\$ 2.41
Discontinued operations	0.03	0.07	0.03	0.03	0.16
Total	<u>\$ 0.65</u>	<u>\$ 0.67</u>	<u>\$ 0.63</u>	<u>\$ 0.62</u>	<u>\$ 2.57</u>
Net income per share – diluted:					
Continuing operations	\$ 0.61	\$ 0.59	\$ 0.60	\$ 0.58	\$ 2.37
Discontinued operations	0.03	0.07	0.03	0.03	0.16
Total	<u>\$ 0.64</u>	<u>\$ 0.66</u>	<u>\$ 0.63</u>	<u>\$ 0.61</u>	<u>\$ 2.53</u>
(In thousands, except per share data)					
	Quarters				
	First	Second	Third	Fourth	Total
2005					
Revenues:					
Processing and services	\$ 661,239	\$ 674,242	\$ 690,274	\$ 731,389	\$2,757,144
Product	279,128	287,468	288,661	312,669	1,167,926
Total revenues	<u>940,367</u>	<u>961,710</u>	<u>978,935</u>	<u>1,044,058</u>	<u>3,925,070</u>
Expenses:					
Cost of processing and services	418,024	431,804	448,552	466,142	1,764,522
Cost of product	221,440	229,055	239,680	252,533	942,708
Selling, general and administrative	118,489	121,827	124,733	132,430	497,479
Total expenses	<u>757,953</u>	<u>782,686</u>	<u>812,965</u>	<u>851,105</u>	<u>3,204,709</u>
Operating income	182,414	179,024	165,970	192,953	720,361
Interest expense, net	(4,804)	(2,900)	(5,540)	(7,771)	(21,015)
Realized gain from sale of investments	43,452	—	—	43,370	86,822
Income from continuing operations before income taxes	221,062	176,124	160,430	228,552	786,168
Income tax provision	85,740	68,524	56,047	85,558	295,869
Income from continuing operations	135,322	107,600	104,383	142,994	490,299
Income from discontinued operations, net of income taxes	3,704	6,397	8,556	7,482	26,139
Net income	<u>\$ 139,026</u>	<u>\$ 113,997</u>	<u>\$ 112,939</u>	<u>\$ 150,476</u>	<u>\$ 516,438</u>
Net income per share – basic:					
Continuing operations	\$ 0.70	\$ 0.56	\$ 0.56	\$ 0.78	\$ 2.60
Discontinued operations	0.02	0.03	0.05	0.04	0.14
Total	<u>\$ 0.72</u>	<u>\$ 0.60</u>	<u>\$ 0.60</u>	<u>\$ 0.82</u>	<u>\$ 2.74</u>
Net income per share – diluted:					
Continuing operations	\$ 0.69	\$ 0.56	\$ 0.55	\$ 0.77	\$ 2.57
Discontinued operations	0.02	0.03	0.05	0.04	0.14
Total	<u>\$ 0.71</u>	<u>\$ 0.59</u>	<u>\$ 0.60</u>	<u>\$ 0.81</u>	<u>\$ 2.70</u>

Index to Consolidated Financial Statements

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FISERV, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

In thousands, except per share data
Years ended December 31,

	2006	2005	2004
Revenues:			
Processing and services	\$ 2,889,340	\$ 2,757,144	\$ 2,614,196
Product	<u>1,517,691</u>	<u>1,167,926</u>	<u>990,014</u>
Total revenues	<u>4,407,031</u>	<u>3,925,070</u>	<u>3,604,210</u>
Expenses:			
Cost of processing and services	1,868,171	1,764,522	1,734,371
Cost of product	<u>1,251,261</u>	<u>942,708</u>	<u>795,965</u>
Selling, general and administrative	<u>568,362</u>	<u>497,479</u>	<u>434,864</u>
Total expenses	<u>3,687,794</u>	<u>3,204,709</u>	<u>2,965,200</u>
Operating income	719,237	720,361	639,010
Interest expense	<u>(40,995)</u>	<u>(27,828)</u>	<u>(24,902)</u>
Interest income	323	6,813	1,090
Realized gain from sale of investments	—	86,822	—
Income from continuing operations before income taxes	<u>678,565</u>	<u>786,168</u>	<u>615,198</u>
Income tax provision	<u>257,170</u>	<u>295,869</u>	<u>237,466</u>
Income from continuing operations	<u>421,395</u>	<u>490,299</u>	<u>377,732</u>
Income (loss) from discontinued operations, net of income taxes	<u>28,519</u>	<u>26,139</u>	<u>(90)</u>
Net income	<u>\$ 449,914</u>	<u>\$ 516,438</u>	<u>\$ 377,642</u>
Net income per share – basic:			
Continuing operations	\$ 2.41	\$ 2.60	\$ 1.94
Discontinued operations	<u>0.16</u>	<u>0.14</u>	<u>—</u>
Total	<u>\$ 2.57</u>	<u>\$ 2.74</u>	<u>\$ 1.94</u>
Net income per share – diluted:			
Continuing operations	\$ 2.37	\$ 2.57	\$ 1.91
Discontinued operations	<u>0.16</u>	<u>0.14</u>	<u>—</u>
Total	<u>\$ 2.53</u>	<u>\$ 2.70</u>	<u>\$ 1.91</u>
Shares used in computing net income per share:			
Basic	174,989	188,807	194,981
Diluted	<u>177,529</u>	<u>190,967</u>	<u>197,287</u>

See accompanying notes.

FISERV, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

Dollars in thousands
December 31,

	2006	2005
ASSETS		
Cash and cash equivalents	\$ 149,440	\$ 169,532
Trade accounts receivable, less allowance for doubtful accounts	578,498	496,328
Deferred income taxes	30,335	33,198
Prepaid expenses and other current assets	141,512	112,940
Assets of discontinued operations held for sale	2,113,455	2,203,546
Total current assets	<u>3,013,240</u>	<u>3,015,544</u>
Property and equipment, net	241,924	219,366
Intangible assets, net	592,801	569,188
Goodwill	2,361,485	2,247,909
Other long-term assets	42,248	39,990
Total assets	<u>\$ 6,251,698</u>	<u>\$ 6,091,997</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Trade accounts payable	\$ 228,265	\$ 193,416
Accrued expenses	338,247	341,343
Deferred revenues	258,102	235,997
Customer funds held	51,736	41,272
Liabilities of discontinued operations held for sale	1,944,026	1,956,077
Total current liabilities	<u>2,820,376</u>	<u>2,768,105</u>
Long-term debt	747,256	595,385
Deferred income taxes	195,553	189,000
Other long-term liabilities	62,891	73,767
Total liabilities	<u>3,826,076</u>	<u>3,626,257</u>
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, no par value: 25,000,000 shares authorized; none issued	—	—
Common stock, \$0.01 par value: 450,000,000 shares authorized; 197,791,218 and 197,507,892 shares issued	1,978	1,975
Additional paid-in capital	700,103	693,715
Accumulated other comprehensive income (loss)	(131)	1,321
Accumulated earnings	2,886,891	2,436,977
Treasury stock, at cost, 26,699,943 and 15,753,675 shares	<u>(1,163,219)</u>	<u>(668,248)</u>
Total shareholders' equity	<u>2,425,622</u>	<u>2,465,740</u>
Total liabilities and shareholders' equity	<u>\$ 6,251,698</u>	<u>\$ 6,091,997</u>

See accompanying notes.

FISERV, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In thousands)	Common Stock			Comprehensive Income	Accumulated Other Comprehensive Income (Loss)	Accumulated Earnings	Treasury Stock	
	Shares	Amount	Additional Paid-In Capital				Shares	Amount
Balance at December 31, 2003	194,260	\$ 1,943	\$637,623		\$ 17,345	\$1,542,897	—	\$ —
Net income				\$ 377,642		377,642		
Foreign currency translation				634	634			
Change in unrealized gains on available-for-sale investments – net of tax				3,253	3,253			
Fair market value adjustment on cash flow hedges – net of tax				5,463	5,463			
Comprehensive income				<u>\$ 386,992</u>				
Shares issued under stock plans including income tax benefits	1,680	16	41,950					
Purchase of treasury stock							1,692	(64,344)
Balance at December 31, 2004	195,940	1,959	679,573		26,695	1,920,539	1,692	(64,344)
Net income				\$ 516,438		516,438		
Foreign currency translation				767	767			
Change in unrealized gains on available-for-sale investments – net of tax				(228)	(228)			
Reclassification adjustment for realized investment gains included in net income – net of tax				(31,902)	(31,902)			
Fair market value adjustment on cash flow hedges – net of tax				5,989	5,989			
Comprehensive income				<u>\$ 491,064</u>				
Shares issued under stock plans including income tax benefits	1,568	16	14,142				(1,171)	48,671
Purchase of treasury stock							15,233	(652,575)
Balance at December 31, 2005	197,508	1,975	693,715		1,321	2,436,977	15,754	(668,248)
Net income				\$ 449,914		449,914		
Foreign currency translation				1	1			
Change in unrealized gains on available-for-sale investments – net of tax				274	274			
Fair market value adjustment on cash flow hedges – net of tax				378	378			
Comprehensive income				<u>\$ 450,567</u>				
Adjustment to adopt SFAS No. 158 – net of tax					(2,105)			
Share-based compensation			28,548					
Shares issued under stock plans including income tax benefits	283	3	(22,160)				(1,747)	74,671
Purchase of treasury stock							12,693	(569,642)
Balance at December 31, 2006	<u>197,791</u>	<u>\$1,978</u>	<u>\$700,103</u>		<u>\$ (131)</u>	<u>\$2,886,891</u>	<u>26,700</u>	<u>\$ (1,163,219)</u>

See accompanying notes.

FISERV, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

In thousands Years ended December 31,	2006	2005	2004
Cash flows from operating activities:			
Net income	\$ 449,914	\$ 516,438	\$ 377,642
Adjustment for discontinued operations	(28,519)	(26,139)	90
Adjustments to reconcile income from continuing operations to net cash provided by operating activities from continuing operations:			
Realized gain from sale of investments	—	(86,822)	—
Deferred income taxes	14,460	19,049	23,679
Share-based compensation	27,691	4,045	655
Excess tax benefit from exercise of options	(10,008)	—	—
Depreciation and amortization	188,233	167,430	171,258
Changes in assets and liabilities, net of effects from acquisitions and dispositions of businesses:			
Trade accounts receivable	(57,176)	(69,448)	(16,247)
Prepaid expenses and other assets	(15,097)	(13,104)	(6,195)
Trade accounts payable and accrued expenses	2,596	43,316	52,249
Deferred revenues	13,470	14,525	17,897
Accrued income taxes	23,022	(2,388)	46,524
Net cash provided by operating activities from continuing operations	<u>608,586</u>	<u>566,902</u>	<u>667,552</u>
Cash flows from investing activities:			
Capital expenditures, including capitalization of software costs for external customers	(179,753)	(154,763)	(155,787)
Payments for acquisitions of businesses, net of cash acquired	(186,536)	(509,466)	(64,519)
Proceeds from sale of businesses, net of expenses paid	5,648	282,236	—
Cash distributions received from discontinued operations	98,000	68,000	—
Proceeds from sale of investments	—	108,815	—
Other investing activities	(1,347)	476	348
Net cash used in investing activities from continuing operations	<u>(263,988)</u>	<u>(204,702)</u>	<u>(219,958)</u>
Cash flows from financing activities:			
Proceeds from long-term debt	154,625	129,580	17,303
Repayments of long-term debt	(15,953)	(39,744)	(210,243)
Issuance of common stock and treasury stock	36,277	28,084	30,011
Purchases of treasury stock	(560,111)	(652,575)	(64,344)
Excess tax benefit from exercise of options	10,008	—	—
Customer funds held	10,464	(837)	(32,281)
Net cash used in financing activities from continuing operations	<u>(364,690)</u>	<u>(535,492)</u>	<u>(259,554)</u>
Change in cash and cash equivalents	(20,092)	(173,292)	188,040
Beginning balance	169,532	342,824	154,784
Ending balance	<u>\$ 149,440</u>	<u>\$ 169,532</u>	<u>\$ 342,824</u>
Discontinued Operations Cash Flow Information:			
Net cash provided by operating activities	\$ 26,376	\$ 27,959	\$ 121,145
Net cash provided by (used in) investing activities	2,900	(261,202)	(210,199)
Net cash (used in) provided by financing activities	(8,327)	71,424	250,222
Net cash provided by (used in) discontinued operations	20,949	(161,819)	161,168
Cash and cash equivalents – sold	—	(32,394)	—
Beginning balance – discontinued operations	14,939	209,152	47,984
Ending balance – discontinued operations	<u>\$ 35,888</u>	<u>\$ 14,939</u>	<u>\$ 209,152</u>

See accompanying notes.

Notes to Consolidated Financial Statements
For the years ended December 31, 2006, 2005 and 2004

1. Summary of Significant Accounting Policies

Description of the Business

Fiserv, Inc. and its subsidiaries (collectively, the “Company”) provide integrated information management systems and services, including transaction processing, business process outsourcing, document distribution services, and software and systems solutions. The Company’s continuing operations are primarily in the United States and consist of two business segments: Financial Institution Services and Insurance Services. The Financial Institution Services segment provides account and transaction processing systems and services to financial institutions and other financial intermediaries. The Insurance Services segment provides a wide range of services to insurance carriers, agents, distributors, third-party administrators, and self-insured employers.

On May 24, 2007, the Company announced that it had signed definitive agreements to sell its investment support services segment (“Fiserv ISS”) in two separate transactions. In accordance with Statement of Financial Accounting Standards (“SFAS”) No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets” (“SFAS 144”), the financial results of Fiserv ISS are reported as discontinued operations for all periods presented.

Principles of Consolidation

The consolidated financial statements include the accounts of Fiserv, Inc. and all majority owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

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

Fair Values

The fair values of cash equivalents, trade accounts receivable, trade accounts payable, accrued expenses and customer funds held approximate the carrying values due to the short period of time to maturity. The fair value of long-term debt is estimated using discounted cash flows based on the Company’s current incremental borrowing rates or dealer quotes and the fair value of derivative instruments is determined based on dealer quotes.

New Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board (the “FASB”) issued SFAS No. 158, “Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans – An Amendment of FASB Statements No. 87, 88, 106, and 132(R)” (“SFAS 158”). SFAS 158 requires companies to recognize the funded status of pension and other postretirement benefit plans on sponsoring employers’ balance sheets and to recognize changes in the funded status in the year the changes occur. The recognition provisions of SFAS 158 became effective for fiscal years ending after December 15, 2006. The adoption of SFAS 158 did not have a material impact on the Company’s financial statements.

In June 2006, the FASB issued Interpretation No. 48, “Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109” (“FIN 48”). FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return, and provides guidance on derecognition,

classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. The Company expects that the adoption of FIN 48 will not have a material impact on its financial statements.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 is effective for fiscal years beginning after November 15, 2007. The Company is currently assessing the impact that the adoption of SFAS 157 will have on its financial statements.

Reclassifications

During 2006, the Company revised the classification of accounts receivable and accounts payable within the consolidated balance sheets such that trade accounts receivable and trade accounts payable are reported separately. Assets and liabilities that do not pertain to trade accounts receivable or trade accounts payable have been reclassified to prepaid expenses and other assets, accrued expenses or customer funds held. Amounts reported in prior periods have been reclassified to conform with the current presentation.

Derivative Instruments

The Company accounts for its derivative instruments in accordance with SFAS Nos. 133, 137, and 149 related to "Accounting for Derivative Instruments and Hedging Activities." Derivative instruments are recorded on the balance sheet as either an asset or liability measured at fair value. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative are recognized in earnings. To the extent the hedge is effective, there is an offsetting adjustment to the basis of the item being hedged. If the derivative is designated as a cash flow hedge, the effective portions of the changes in the fair value of the derivative are recorded as a component of accumulated other comprehensive income (loss) and recognized in the consolidated statements of income when the hedged item affects earnings. Ineffective portions of changes in the fair value of hedges are recognized in earnings.

The Company's existing fair value and cash flow hedges have been effective. As a result, there is no current impact on earnings due to hedge ineffectiveness. The Company's policy is to execute such instruments with creditworthy banks and not to enter into derivative financial instruments for speculative purposes.

Revenue Recognition

Processing and services revenues are primarily derived from account and transaction-based fees for data processing, related consulting services and software maintenance fees and are recognized as the related services are provided. Software maintenance fee revenues for ongoing customer support are recognized ratably over the term of the related support period, generally 12 months. Deferred revenues consist primarily of advance billings for services and are recognized as revenue when the services are provided.

Product revenues are primarily derived from the Company's pharmacy businesses, software license sales and integrated print and electronic communications. Product revenues from pharmacy network contracts where the Company is the principal are recognized on a gross basis at the prescription price (ingredient cost plus dispensing fee) negotiated with clients, excluding the portion of the price to be settled directly by the member (co-payment), plus administrative fees. Responsibilities under client contracts to adjudicate member claims properly and to separate contractual pricing relationships and responsibilities among the pharmacies in the networks and interaction with members, among other factors, qualify the Company as the principal under the indicators set forth in Emerging Issues Task Force ("EITF") No. 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent" in the majority of transactions with clients. The Company also recognizes product revenues, such as software license sales, when written contracts are signed, delivery of the product has occurred, the fee is fixed or determinable and collection is probable.

The Company includes customer reimbursements, such as postage and telecommunication costs, in processing and services revenue, product revenue, cost of processing and services, and cost of product in accordance with EITF No. 01-14, "Income Statement Characterization of Reimbursements Received for 'Out-of-Pocket' Expenses Incurred." These costs, which are pass-through expenses to clients and which are included in both revenues and expenses, were \$416.1 million, \$351.0 million and \$379.2 million in 2006, 2005 and 2004, respectively.

Selling, General and Administrative Expenses

Selling, general and administrative expenses primarily consist of: salaries, wages and related expenses paid to sales personnel, administrative employees and management; advertising and promotional costs; and other selling and administrative expenses.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and investments with original maturities of 90 days or less.

Allowance for Doubtful Accounts

The Company analyzes trade accounts receivable by considering historical bad debts, customer creditworthiness, current economic trends, changes in customer payment terms and collection trends when evaluating the adequacy of its allowance for doubtful accounts. Any change in the assumptions used in analyzing a specific account receivable may result in an additional allowance for doubtful accounts being recognized in the period in which the change occurs. The allowance for doubtful accounts was \$36.8 million and \$32.9 million at December 31, 2006 and 2005, respectively.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are computed primarily using the straight-line method over the shorter of the estimated useful life of the asset or the leasehold period, if applicable. Property and equipment consisted of the following at December 31:

(In thousands)	Estimated Useful Lives	2006	2005
Data processing equipment	3 to 5 years	\$ 404,047	\$ 370,809
Buildings and leasehold improvements	5 to 40 years	132,599	124,897
Furniture and equipment	3 to 10 years	132,198	121,743
		668,844	617,449
Less accumulated depreciation and amortization		426,920	398,083
Total		<u>\$ 241,924</u>	<u>\$ 219,366</u>

Intangible Assets

Intangible assets consisted of the following at December 31:

2006 (In thousands)	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Software development costs for external customers	\$ 617,787	\$ 432,168	\$ 185,619
Purchased software	254,736	174,028	80,708
Customer base	352,697	88,831	263,866
Trade names	60,544	1,386	59,158
Other	8,486	5,036	3,450
Total	<u>\$ 1,294,250</u>	<u>\$ 701,449</u>	<u>\$ 592,801</u>

2005 (In thousands)	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Software development costs for external customers	\$ 553,618	\$ 385,052	\$ 168,566
Purchased software	230,066	144,838	85,228
Customer base	324,047	70,560	253,487
Trade names	57,744	—	57,744
Other	8,486	4,323	4,163
Total	<u>\$ 1,173,961</u>	<u>\$ 604,773</u>	<u>\$ 569,188</u>

Software development costs for external customers include internally generated computer software for external customers and software acquired in conjunction with acquisitions of businesses. The Company capitalizes certain costs incurred to develop new software or enhance existing software which is marketed externally or utilized by the Company to process customer transactions. Costs are capitalized commencing when the technological feasibility of the software has been established. Routine maintenance of software products, design costs and development costs incurred prior to establishment of a product's technological feasibility are expensed as incurred. Amortization of all software is computed on a straight-line basis over the expected useful life of the product, generally three to five years.

Gross software development costs for external customers capitalized for new products and enhancements to existing products totaled \$58.3 million, \$48.9 million and \$46.7 million in 2006, 2005 and 2004, respectively. Amortization of previously capitalized development costs was \$46.1 million, \$47.2 million and \$58.4 million in 2006, 2005 and 2004, respectively.

Customer base intangible assets represent customer contracts and relationships obtained as part of acquired businesses and are amortized over their estimated useful lives, generally five to 20 years. Trade names determined to have finite useful lives are amortized over their useful lives, generally 10 years, and trade names determined to have indefinite lives are not amortized, in accordance with the provisions of SFAS No. 142, "Goodwill and Other Intangible Assets." Other intangible assets consist primarily of non-compete agreements, which are amortized over the term of the underlying agreement.

Amortization expense for intangible assets was \$105.9 million, \$96.2 million and \$99.5 million in 2006, 2005 and 2004, respectively. Aggregate amortization expense with respect to existing intangible assets with finite lives resulting from acquisitions of businesses, excluding purchased software amortization, is estimated to approximate \$32 million annually.

Goodwill

The excess of the purchase price over the estimated fair value of tangible and identifiable intangible assets acquired is recorded as goodwill. The Company reviews, on an annual basis, or more frequently if circumstances indicate possible impairment, the carrying value of goodwill by comparing reporting unit carrying values to estimated fair values. Based on the Company's annual impairment assessment in the fourth quarter of 2006, no impairment currently exists. The changes in goodwill by business segment during 2006 and 2005 were as follows:

(In thousands)	Financial Institution Services	Insurance Services	Total
Balance, December 31, 2004	\$ 1,150,330	\$ 707,424	\$ 1,857,754
Goodwill additions	352,593	37,562	390,155
Balance, December 31, 2005	1,502,923	744,986	2,247,909
Goodwill additions	19,778	93,798	113,576
Balance, December 31, 2006	\$ 1,522,701	\$ 838,784	\$ 2,361,485

Impairment of Long-Lived Assets

The Company assesses the likelihood of recovering the cost of long-lived assets based on current and projected operating results and cash flows of the related business operations using undiscounted cash flow analyses. These factors, along with management's plans with respect to operations, are considered whenever events or changes in circumstances indicate that the carrying amount may not be recoverable in assessing the recoverability of property and equipment and intangible assets subject to amortization. Measurement of any impairment loss is based on estimated fair value.

Income Taxes

The Company accounts for income taxes under SFAS No. 109, "Accounting for Income Taxes." Deferred tax assets and liabilities are recognized for the expected future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax basis, net operating loss and tax credit carryforwards, and tax contingencies. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance, if necessary, is recorded against deferred tax assets for which utilization of the asset is not likely.

Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) consisted of the following at December 31:

(In thousands)	2006	2005
Unrealized gains (losses) on investments, net of tax	\$ 229	\$ (45)
Fair market value adjustment on cash flow hedges, net of tax	694	316
Foreign currency translation adjustments	1,051	1,050
Unrecognized pension losses, net of tax	(2,105)	—
Total	\$ (131)	\$ 1,321

Shareholder Rights Plan

The Company has a shareholder rights plan. Under this plan, each shareholder holds one preferred stock purchase right for each outstanding share of the Company's common stock held. The stock purchase rights are not exercisable until certain events occur.

Realized Gain from Sale of Investments

During 2005, the Company sold its remaining 3.2 million shares of common stock of Bisys Group, Inc., realizing a pre-tax gain of \$43.5 million, and its investment in INTRIA Items, Inc., realizing a pre-tax gain of \$43.4 million. Realized gains or losses are computed based on specific identification of the investments sold, based on the trade date.

Net Income Per Share

Basic net income per share is computed using the weighted-average number of common shares outstanding during the periods. Diluted net income per share is computed using the weighted-average number of common shares and common stock equivalents outstanding during the periods. Common stock equivalents consist of stock options and restricted stock and are computed using the treasury stock method. For the years ended December 31, 2006, 2005 and 2004, the Company excluded 1.0 million, 0.1 million and 4.1 million weighted-average shares for stock options, respectively, from the calculation of common stock equivalents as their impact was anti-dilutive.

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

(In thousands)	2006	2005	2004
Weighted-average common shares outstanding used for the calculation of net income per share – basic	174,989	188,807	194,981
Common stock equivalents	2,540	2,160	2,306
Total shares used for the calculation of net income per share – diluted	<u>177,529</u>	<u>190,967</u>	<u>197,287</u>

Supplemental Cash Flow Information

(In thousands)	2006	2005	2004
Interest paid	\$ 41,704	\$ 26,696	\$ 25,495
Income taxes paid (including discontinued operations)	234,949	335,601	177,017
Liabilities assumed in acquisitions of businesses	32,249	39,478	10,507

2. Acquisitions

During 2006, 2005 and 2004, the Company completed the following acquisitions of businesses. The results of operations of these acquired businesses have been included in the accompanying consolidated statements of income from the dates of acquisition.

<u>Company</u>	<u>Month Acquired</u>	<u>Service</u>	<u>Consideration</u>
2006:			
CareGain, Inc.	Jan.	Health plan management	Cash for stock
P2P Link, LLC	Jan.	Health plan management	Cash for stock
Wolters Kluwer's CT Insurance Services and Financial Training businesses	Feb.	Insurance/securities training	Cash for assets
Insurance Wholesalers, Inc.	June	Insurance services	Cash for stock
Jerome Group, LLC	July	Printing services	Cash for stock
InsureWorx, Inc.	Sept.	Insurance software systems	Cash for stock
Innovative Cost Solutions, LLC	Oct.	Health plan management	Cash for stock
2005:			
Del Mar Datatrac, Inc.	Mar.	Lending services	Cash for stock
Emergis, Inc.'s eLending U.S. business	May	Lending services	Cash for assets
Interactive Technologies, Inc.	June	Software and services	Cash for stock
Administrative Services Group, Inc.	June	Health plan management	Cash for stock
J.W. Hutton, Inc.	Aug.	Health plan management	Cash for stock
BillMatrix Corporation	Aug.	Data processing	Cash for stock
VerticalPoint, Inc.	Aug.	Insurance software systems	Cash for stock
Xcipio, Inc.	Nov.	Insurance software systems	Cash for assets
2004:			
RegEd, Inc.	Jan.	Insurance/securities training	Cash for stock
Pharmacy Fulfillment, Inc.	Aug.	Health plan management	Cash for stock
Results International Systems, Inc.	Aug.	Insurance data processing	Cash for stock
CheckAGAIN, LLC	Oct.	Item processing	Cash for assets

During 2006, 2005 and 2004, the Company completed seven, eight and four acquisitions, respectively. Net cash paid for these acquisitions was \$168.6 million, \$440.3 million and \$35.7 million, respectively, subject to certain adjustments. Amounts allocated to goodwill and intangible assets are based on preliminary estimates and are subject to final adjustment. Pro forma information for 2006 is not provided because the 2006 acquisitions did not have a material effect on the Company's results of operations.

The Company may be required to pay additional cash consideration for prior acquisitions if certain previously acquired entities achieve specific operating income targets. Accordingly, the Company has recorded a liability of \$23 million at December 31, 2006 for estimated additional cash consideration which may be paid. During 2006, as a result of previously acquired entities achieving their operating income targets, the Company paid additional cash consideration of \$17.9 million which was treated as additional purchase price.

3. Dispositions

On May 24, 2007, the Company signed definitive agreements (the "Agreements") to sell Fiserv ISS in two separate transactions. Consummation of the transactions is subject to customary conditions to closing, including receipt of regulatory approvals.

In one transaction, TD AMERITRADE Online Holdings Corp. ("TD AMERITRADE") has agreed to acquire Fiserv Trust Company and the accounts of the Company's institutional retirement plan and advisor services operations for \$225 million in cash at closing

plus contingent cash consideration of up to \$100 million based on the achievement of revenue targets over the twelve months subsequent to closing. In addition, the Company will receive approximately \$80 million for a portion of the net capital included in the business and excess capital.

In a separate transaction, Robert Beriault Holdings, Inc., an entity controlled by the current president of Fiserv ISS, has agreed to acquire the remaining accounts and net capital of Fiserv ISS, including the investment administration services business which provides back office and custody services for individual retirement accounts, for approximately \$50 million in cash. The Company will retain a minority interest in this business, however, the Company's continuing involvement is not expected to be significant.

The transaction with TD AMERITRADE is currently expected to close in the fourth quarter of 2007 and the transaction with Robert Beriault Holdings, Inc. is expected to close in the first quarter of 2008. The Agreements provide that the Company will retain certain liabilities of Fiserv ISS, including, among others, any liabilities associated with the litigation discussed below in this note.

On March 24, 2005, the Company completed the sale of its securities clearing businesses to Fidelity Global Brokerage Group, Inc. ("Fidelity") for \$344.9 million paid in cash at closing, subject to certain post-closing adjustments. Prior to completion of the sale, the securities clearing businesses paid a \$68.0 million cash distribution to the Company. The sales proceeds, net of related expenses, including taxes that became due upon the sale of the securities clearing businesses, approximated the Company's carrying value of its investment.

Pursuant to SFAS 144, the assets and liabilities, results of operations and cash flows of Fiserv ISS and the Company's securities clearing businesses have been reported as discontinued operations in the accompanying consolidated financial statements and all prior periods have been restated. Summarized financial information for discontinued operations for the years ended December 31 was as follows:

(In thousands)	2006	2005	2004
Processing and services revenue	<u>\$ 137,120</u>	<u>\$ 160,799</u>	<u>\$ 240,993</u>
Income before income taxes	31,720	31,365	8,805
Income tax provision	(9,890)	(4,863)	(8,895)
Gain (loss) related to sale of securities clearing businesses, net of tax	<u>6,689</u>	<u>(363)</u>	<u>—</u>
Income (loss) from discontinued operations	<u>\$ 28,519</u>	<u>\$ 26,139</u>	<u>\$ (90)</u>

Fiserv ISS' revenues include net investment income of \$79.5 million, \$81.2 million and \$74.1 million in 2006, 2005 and 2004, respectively. During 2005, the Company recorded income from discontinued operations of \$5.1 million primarily as a result of favorable resolutions of income tax uncertainties. In 2006, the Company finalized and recognized a \$6.7 million after-tax gain related to a contingent payment that it received from Fidelity based on the securities clearing businesses' achievement of revenue targets established in the stock purchase agreement.

Assets and liabilities of discontinued operations are presented separately as assets and liabilities of discontinued operations held for sale within the consolidated balance sheets and consisted of the following:

<u>(In thousands)</u>	<u>December 31,</u> <u>2006</u>	<u>December 31,</u> <u>2005</u>
Cash and cash equivalents	\$ 35,888	\$ 14,939
Trade accounts receivable, net	22,571	20,283
Prepaid expenses and other assets	9,095	10,498
Investments	2,016,175	2,124,966
Property and equipment, net	6,116	6,647
Intangible assets, net	23,610	26,213
Assets of discontinued operations held for sale	<u>\$ 2,113,455</u>	<u>\$ 2,203,546</u>
Trade accounts payable and other liabilities	\$ 9,447	\$ 11,981
Retirement account deposits	1,934,579	1,944,096
Liabilities of discontinued operations held for sale	<u>\$ 1,944,026</u>	<u>\$ 1,956,077</u>

Fiserv ISS accepts retirement account deposits from customers and invests the funds in securities. Such amounts due to customers represent the primary source of funds for Fiserv ISS' investments which primarily consist of mortgage-backed obligations and primarily include GNMA, FNMA and FHLMC mortgage-backed pass-through securities and collateralized mortgage obligations rated AAA by Standard and Poor's. Assets and liabilities of discontinued operations held for sale are recorded at the lower of carrying value or fair value less cost to sell.

The Company reports its cash flows from continuing operations separate from cash flows from discontinued operations within its consolidated statements of cash flows. In 2006, discontinued operations' cash flows include a \$98.0 million cash distribution that Fiserv ISS paid to the Company. In 2005, discontinued operations' cash flows include a \$68.0 million cash distribution that the securities clearing businesses made to the Company prior to completion of the sale.

Fiserv ISS had fiduciary responsibility for the administration of approximately \$46 billion in trust funds as of December 31, 2006.

In February 2007, a class was certified by the United States District Court for the Central District of California in a lawsuit that was filed in 2005 against the Fiserv Trust Company ("Fiserv Trust"). The suit alleges that Fiserv Trust, which serves as a custodian and administrator of investment accounts, knew or should have known that third parties were perpetrating an alleged Ponzi scheme and that it breached its contractual and common law duties and aided and abetted the scheme by not advising the plaintiffs to avoid investing in the alleged scheme. The lawsuit was brought on behalf of a class of investors who maintained self-directed individual retirement accounts administered by Fiserv Trust and others who invested in the alleged scheme, including investors that were never customers of Fiserv Trust, and seeks compensatory damages of \$120 million and punitive damages. Fiserv Trust has filed a petition for permission to appeal the class certification order. There is a related action in California Superior Court in San Diego, California seeking compensatory damages of \$7 million and punitive damages. The Company believes that the suits are without merit and intends to contest them vigorously. Nevertheless, the Company is unable to estimate or predict the ultimate outcome of these matters or to determine whether these matters will have a material adverse impact on the Company's discontinued operations' results or consolidated financial statements. Accordingly, no amounts have been accrued in the consolidated financial statements for these matters.

The Company is investigating a matter identified in an indemnification notice delivered pursuant to the stock purchase agreement related to the sale of the Company's securities clearing businesses. The matter relates to the securities clearing businesses' past maintenance of certain documentation related to introducing broker dealers' customers. The Company is unable to estimate or predict the ultimate outcome of this matter or to determine whether this matter will have a material adverse impact on the Company's discontinued operations' results.

4. Long-Term Debt

The Company maintains a \$500 million unsecured commercial paper program, which is exempt from registration under the Securities Act of 1933. Under the program, the Company may issue commercial paper with maturities of up to 397 days from the date of issuance. The Company also maintains a \$900 million unsecured revolving credit facility with a syndicate of banks. The Company may increase the availability under this facility up to \$1.25 billion at the Company's discretion, subject to certain conditions, including the absence of any default under the credit agreement. The revolving credit facility supports 100% of the outstanding commercial paper. As a result, borrowings under the commercial paper program reduce the availability under the revolving credit facility.

The Company had \$451.8 million and \$308.2 million of outstanding indebtedness under credit and commercial paper facilities at December 31, 2006 and 2005, respectively. The weighted-average variable interest rate on these borrowings was 5.5% at December 31, 2006. There were no significant commitment fees or compensating balance requirements under these facilities. The revolving credit facility contains various restrictions and covenants applicable to the Company and certain of its subsidiaries. Among other requirements, the Company must limit its consolidated indebtedness to no more than three and one-half times the Company's consolidated net earnings before interest, taxes, depreciation and amortization. The revolving credit facility expires on March 24, 2011. The Company was in compliance with all debt covenants throughout 2006.

The Company maintained cash flow interest rate swap agreements to fix the interest rates on certain floating-rate debt at a rate of approximately 4.8% at December 31, 2006 (based on current bank fees and spreads) for a notional amount of \$150 million until December 2008. The estimated fair values of the Company's cash flow hedges are \$1.1 million and \$0.5 million as of December 31, 2006 and 2005, respectively, and are included in the accompanying consolidated balance sheets in prepaid expenses and other assets and as a component of accumulated other comprehensive income, net of deferred taxes.

In addition, the Company had fixed-to-floating interest rate swap agreements on the \$150 million 4% senior notes due April 2008, with a variable interest rate of approximately 6.2% at December 31, 2006. The estimated fair values of these fair value hedges are \$4.6 million and \$5.5 million as of December 31, 2006 and 2005, respectively, and are included in the accompanying consolidated balance sheets in accrued expenses and long-term debt.

The carrying value and estimated fair values of the Company's long-term debt were as follows at December 31:

(In thousands)	2006		2005	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Bank notes and commercial paper, at short-term rates	\$ 451,753	\$ 451,753	\$ 308,182	\$ 308,182
3.0% senior notes payable, due 2008	99,967	96,250	99,945	94,375
4.0% senior notes payable, due 2008	145,412	146,813	144,400	144,000
Other long-term borrowings	50,124	50,017	42,858	42,516
Total long-term debt	<u>\$ 747,256</u>	<u>\$ 744,833</u>	<u>\$ 595,385</u>	<u>\$ 589,073</u>

Annual principal payments required under the terms of the long-term debt agreements were as follows at December 31, 2006:

(In thousands)	
Years ending December 31,	
2007	\$ 5,426
2008	283,065
2009	5,663
2010	861
2011	452,241
Total	<u>\$747,256</u>

As of December 31, 2006, principal payments due in 2007 are included in long-term debt within the accompanying consolidated balance sheet because the Company has the ability and intent to refinance such borrowings under its unsecured revolving credit facility.

5. Income Taxes

A reconciliation of recorded income tax expense from continuing operations with income tax computed at the statutory federal tax rates is as follows:

(In thousands)	2006	2005	2004
Statutory federal tax rate	35%	35%	35%
Tax computed at statutory rate	\$237,498	\$275,159	\$215,319
State income taxes, net of federal effect	22,438	25,605	22,824
Foreign tax credit carryover	—	—	(2,431)
Other - net	(2,766)	(4,895)	1,754
Income tax provision	<u>\$257,170</u>	<u>\$295,869</u>	<u>\$237,466</u>

The provision for income taxes from continuing operations was as follows:

(In thousands)	2006	2005	2004
Current:			
Federal	\$209,918	\$225,499	\$173,138
State	29,673	35,835	33,989
Foreign	3,919	15,352	7,317
	<u>243,510</u>	<u>276,686</u>	<u>214,444</u>
Deferred:			
Federal	19,278	20,994	22,894
State	525	409	1,134
Foreign	(6,143)	(2,220)	(1,006)
	<u>13,660</u>	<u>19,183</u>	<u>23,022</u>
Income tax provision	<u>\$257,170</u>	<u>\$295,869</u>	<u>\$237,466</u>

Significant components of the Company's deferred tax assets and liabilities consisted of the following at December 31:

(In thousands)	2006	2005
Allowance for doubtful accounts	\$ 12,201	\$ 11,418
Purchased incomplete software technology	13,787	17,990
Accrued expenses not currently deductible	27,032	30,506
Share-based compensation	9,493	—
Net operating loss carryforwards	14,027	5,437
Other	18,948	14,966
Total deferred tax assets	<u>95,488</u>	<u>80,317</u>
Prepaid expenses	(7,574)	(7,281)
Software development costs for external customers	(51,178)	(43,788)
Excess of tax over book depreciation	(15,831)	(19,358)
Excess of tax over book amortization	(177,080)	(157,094)
Other	(9,043)	(8,598)
Total deferred tax liabilities	<u>(260,706)</u>	<u>(236,119)</u>
Total	<u>\$ (165,218)</u>	<u>\$ (155,802)</u>

Deferred tax assets and liabilities are reported in the consolidated balance sheets as follows at December 31:

(In thousands)	2006	2005
Current assets	\$ 30,335	\$ 33,198
Noncurrent liabilities	(195,553)	(189,000)
Total	<u>\$ (165,218)</u>	<u>\$ (155,802)</u>

At December 31, 2006, the Company had federal net operating loss carry-forwards of \$8.6 million, with expiration dates ranging from 2022 through 2025, state net operating loss carry-forwards of \$77.1 million, with expiration dates ranging from 2007 through 2026, and foreign net operating loss carry-forwards of \$25.1 million which do not expire.

6. Employee Stock and Savings Plans

Stock Plans

SFAS No. 123 (revised 2004), "Share-Based Payment" ("SFAS 123R"), requires companies to expense the value of employee stock purchase plans, stock option grants and similar awards. The Company adopted SFAS 123R on January 1, 2006 under the modified prospective method. Accordingly, prior periods do not include share-based compensation expense related to SFAS 123R. The modified prospective method requires the application of SFAS 123R to new awards and to awards modified, repurchased or cancelled after the effective date. Additionally, compensation cost for the portion of outstanding awards for which service had not been rendered (such as unvested options) that were outstanding as of the date of adoption are recognized as the remaining services are rendered. The Company recognizes the fair value of share-based compensation awards in cost of processing and services and selling, general and administrative expense in the consolidated statements of income on a straight-line basis over the vesting period.

The Company's share-based compensation primarily consists of the following:

Stock Options – The Company generally grants stock options to employees and non-employee directors at exercise prices equal to the fair market value of the Company's stock on the dates of grant. Stock options are typically granted in the first quarter of the year, generally vest 20% on the date of grant and 20% each year thereafter, and expire 10 years from the date of the award. The Company recognizes compensation expense for the fair value of the stock options over the requisite service period of the stock option award.

Restricted Stock – The Company awards shares of stock to employees and non-employee directors that are restricted. During the period of restriction, the holder of restricted stock has voting rights and is entitled to receive all distributions, including dividends, paid with respect to the stock. The Company recognizes compensation expense relating to the issuance of restricted stock based on the market price on the date of award over the period during which the restrictions lapse, which is generally four years from the date of grant.

Employee Stock Purchase Plan – The Company maintains an employee stock purchase plan that allows eligible employees to purchase a limited number of shares of common stock each quarter through payroll deductions at 85% of the closing price of the Company's common stock on the last business day of each calendar quarter. Compensation expense related to the 15% discount under the employee stock purchase plan is recognized on the purchase date.

Share-based compensation expense recorded in income from continuing operations was \$27.7 million (\$20.9 million in selling, general and administrative expenses and \$6.8 million in cost of processing and services) and \$4.0 million (in selling, general and administrative expenses) during 2006 and 2005, respectively. The income tax benefits in income from continuing operations related to share-based compensation totaled \$9.2 million and \$1.5 million in 2006 and 2005, respectively. As of December 31, 2006, the total remaining unrecognized compensation cost related to continuing operations for non-vested stock options and restricted stock awards, net of estimated forfeitures, was approximately \$30 million.

Prior to January 1, 2006, the Company accounted for its stock options, restricted stock and employee stock purchase plan in accordance with the intrinsic value provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25"). Under APB 25, the difference between the quoted market price on the date of grant and the contractual purchase price of shares was recognized as compensation expense over the vesting period on a straight-line basis. The Company did not recognize compensation expense in its consolidated financial statements for stock options because the exercise price was not less than 100% of the fair value of the underlying common stock on the date of grant, or with respect to the employee stock purchase plan because the plan's discount did not exceed 15%.

The following table illustrates the effect on net income and net income per share in 2005 and 2004 had the Company recognized compensation expense consistent with the fair value provisions of SFAS No. 123, "Accounting for Stock-Based Compensation," prior to the adoption of SFAS 123R:

(In thousands, except per share data)	2005	2004
Net income:		
As reported	\$ 516,438	\$ 377,642
Add: reported share-based compensation expense—net of tax	2,500	405
Less: fair value share-based compensation expense—net of tax	<u>(23,380)</u>	<u>(18,405)</u>
Pro forma	<u>\$ 495,558</u>	<u>\$ 359,642</u>
Reported net income per share:		
Basic	\$ 2.74	\$ 1.94
Diluted	2.70	1.91
Pro forma net income per share:		
Basic	\$ 2.62	\$ 1.84
Diluted	2.59	1.82

The weighted-average estimated fair value of stock options granted during 2006, 2005 and 2004 was \$13.46, \$14.46 and \$13.56 per share, respectively. The fair values of stock options granted were estimated on the date of grant using a binomial option-pricing model with the following assumptions:

	2006	2005	2004
Expected life (in years)	5.0	5.4	5.5
Average risk-free interest rate	4.7%	3.9%	3.1%
Expected volatility	30.5%	32.2%	33.6%
Expected dividend yield	0%	0%	0%

The Company determined the expected life of the stock options using historical data adjusted for known factors that would alter historical exercise behavior including announced retirement dates. The risk-free interest rate is based on the U.S. treasury yield curve in effect as of the grant date. Expected volatility is determined using a weighted-average of implied market volatility combined with historical volatility. The Company determined that a blend of historical volatility and implied volatility better reflects future market conditions and better indicates expected volatility than purely historical volatility.

A summary of stock option activity is as follows:

	Shares (In thousands)	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (In thousands)
Outstanding, December 31, 2003	11,589	\$ 24.21		
Granted	1,282	38.19		
Forfeited	(188)	36.19		
Exercised	(1,123)	12.42		
Outstanding, December 31, 2004	11,560	\$ 26.71	5.4	\$ 155,829
Granted	1,789	39.45		
Forfeited	(192)	36.82		
Exercised	(3,043)	17.08		
Outstanding, December 31, 2005	10,114	\$ 31.67	5.9	\$ 117,322
Granted	1,599	41.13		
Forfeited	(174)	37.15		
Exercised	(1,839)	23.54		
Outstanding, December 31, 2006	9,700	\$ 34.67	6.0	\$ 172,175
Exercisable, December 31, 2006	6,961	\$ 32.77	5.1	\$ 136,784

The table below presents additional information related to stock option activity:

(In thousands)	2006	2005	2004
Total intrinsic value of stock options exercised	\$ 43,522	\$ 80,296	\$ 29,339
Cash received from stock option exercises	21,687	30,706	12,707
Gross income tax benefit from the exercise of stock options	15,889	30,296	11,002

A summary of restricted stock activity is as follows:

	Shares (In thousands)	Weighted- Average Fair Value	Weighted- Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (In thousands)
Restricted stock balance, December 31, 2005	84	\$ 43.35		
Granted	311	40.56		
Forfeited	(18)	41.11		
Restrictions lapsed	(13)	40.48		
Restricted stock balance, December 31, 2006	364	\$ 41.18	1.6	\$ 19,081

At December 31, 2006, options to purchase 2.6 million shares were available for grant under the Fiserv, Inc. Stock Option and Restricted Stock Plan.

During each of the years ended December 31, 2006, 2005 and 2004, 0.6 million shares were issued under the employee stock purchase plan. As of January 1, 2007, there were 1.0 million shares available for issuance under the plan.

Employee Savings Plans

The Company and its subsidiaries have defined contribution savings plans covering substantially all employees. Under the plans, eligible participants may elect to contribute a specified percentage of their salaries, subject to certain limitations. The Company makes matching contributions, subject to certain limitations, and makes discretionary contributions based upon the attainment of certain profit goals. Company contributions vest over the first five years of each employee's service. Company contributions charged to continuing operations under these plans approximated \$54.3 million, \$50.9 million and \$42.2 million in 2006, 2005 and 2004, respectively.

7. Leases, Other Commitments and Contingencies

Leases

The Company leases certain office facilities and equipment under operating leases. Most leases contain renewal options for varying periods. Future minimum rental payments on operating leases with initial non-cancellable lease terms in excess of one year were due as follows as of December 31, 2006:

(In thousands)	
Years Ending December 31,	
2007	\$ 97,657
2008	81,384
2009	65,292
2010	51,450
2011	40,114
Thereafter	57,481
Total	<u>\$393,378</u>

Rent expense charged to continuing operations for all operating leases was approximately \$110.9 million, \$107.8 million and \$107.8 million during 2006, 2005 and 2004, respectively.

Other Commitments and Contingencies

In the normal course of business, the Company and its subsidiaries are named as defendants in various lawsuits in which claims are asserted against the Company. Other than as described below, 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 the consolidated financial statements of the Company.

The Company is the custodian of cash deposited by customers with specific instructions as to its disbursement from active escrow and account servicing files. The balances in these custodial accounts of \$113 million and \$420 million at December 31, 2006 and 2005, respectively, are not included in the consolidated financial statements. The decrease in 2006 primarily relates to government funds which were paid out in 2006 by the Company's flood insurance claim processing business.

The Company had purchase obligations, primarily related to agreements to purchase or license data processing equipment and software, of approximately \$43 million at December 31, 2006.

8. Business Segment Information

The Company provides integrated information management systems and services, including transaction processing, business processing outsourcing, document distribution services, and software and systems solutions. In connection with organizational changes in 2006, the Company reclassified its reportable segments to align them with how the chief operating decision maker of the Company currently manages the business. As a result of this reorganization, the Company modified its reporting segments such that the new reporting segments were: Financial Institution Services; Insurance Services; and Investment Support Services. In May 2007, the Company signed definitive agreements to sell Fiserv ISS and as a result, the investment support services operations are reported as discontinued operations. As a result of the announced disposition of Fiserv ISS, the Company's reporting segments for continuing operations are Financial Institution Services ("Financial") and Insurance Services ("Insurance"). The historical business segment information presented below and elsewhere in these consolidated financial statements has been restated to conform to the Company's new business segment reporting structure. Summarized financial information by business segment is as follows:

(In thousands)	Financial	Insurance	Total
2006			
Processing and services revenue	\$ 2,272,675	\$ 616,665	\$ 2,889,340
Product revenue	<u>604,755</u>	<u>912,936</u>	<u>1,517,691</u>
Total revenues	2,877,430	1,529,601	4,407,031
Operating income	564,974	154,263	719,237
Identifiable assets	2,760,919	1,297,925	4,058,844
Capital expenditures	146,006	33,747	179,753
Depreciation and amortization expense	157,352	30,881	188,233
2005			
Processing and services revenue	\$ 2,158,942	\$ 598,202	\$ 2,757,144
Product revenue	<u>491,088</u>	<u>676,838</u>	<u>1,167,926</u>
Total revenues	2,650,030	1,275,040	3,925,070
Operating income	581,128	139,233	720,361
Identifiable assets	2,768,844	1,037,600	3,806,444
Capital expenditures	129,971	24,792	154,763
Depreciation and amortization expense	140,800	26,630	167,430
2004			
Processing and services revenue	\$ 2,004,554	\$ 609,642	\$ 2,614,196
Product revenue	<u>446,889</u>	<u>543,125</u>	<u>990,014</u>
Total revenues	2,451,443	1,152,767	3,604,210
Operating income	514,139	124,871	639,010
Identifiable assets	2,249,710	948,688	3,198,398
Capital expenditures	137,077	18,710	155,787
Depreciation and amortization expense	145,621	25,637	171,258

A reconciliation of reportable segment identifiable asset amounts to the Company's consolidated balance sheets is as follows at December 31:

(In thousands)	2006	2005
Reportable segments	\$ 4,058,844	\$ 3,806,444
Assets of discontinued operations held for sale	2,113,455	2,203,546
Corporate	<u>79,399</u>	<u>82,007</u>
Total assets	<u>\$ 6,251,698</u>	<u>\$ 6,091,997</u>

Revenues to customers outside the United States comprised approximately 3%, 4% and 3% of total revenues in 2006, 2005 and 2004, respectively. No single customer accounted for more than 3% of total revenues in 2006 and 2005 or 2% in 2004.

9. Subsequent Event

On August 2, 2007, the Company entered into an agreement to acquire CheckFree Corporation (“CheckFree”) for approximately \$4.4 billion payable in cash at closing. CheckFree is a publicly traded provider of financial electronic commerce services and products. The closing of the transaction is subject to the parties obtaining necessary regulatory approvals and other customary closing conditions. To finance the transaction, the Company has obtained a commitment for bridge financing of up to \$5 billion, which is exercisable at the Company’s option, and anticipates obtaining long-term financing prior to closing. The transaction is expected to close by the end of the fourth quarter of 2007 following the satisfaction of all closing conditions.

The Company expects that certain of its 100% owned, domestic subsidiaries (“Guarantor Subsidiaries”) will jointly and severally, and fully and unconditionally guarantee the long-term indebtedness expected to be incurred to finance the acquisition of CheckFree. The following condensed consolidating financial information is presented on the equity method and reflects the summarized financial information for (a) the Company; (b) the Guarantor Subsidiaries on a combined basis; and (c) the Company’s non-guarantor subsidiaries on a combined basis.

FISERV, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2006

<i>(In thousands)</i>	<u>Parent Company</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated</u>
Revenues:					
Processing and services	\$ (1,470)	\$ 1,593,209	\$ 1,310,724	\$ (13,123)	\$ 2,889,340
Product	1,061	507,010	1,018,699	(9,079)	1,517,691
Total revenues	<u>(409)</u>	<u>2,100,219</u>	<u>2,329,423</u>	<u>(22,202)</u>	<u>4,407,031</u>
Expenses:					
Cost of processing and services	(7,170)	1,004,179	885,118	(13,956)	1,868,171
Cost of product	—	356,753	909,829	(15,321)	1,251,261
Selling, general and administrative	72,876	235,533	259,953	—	568,362
Total expenses	<u>65,706</u>	<u>1,596,465</u>	<u>2,054,900</u>	<u>(29,277)</u>	<u>3,687,794</u>
Operating income (loss)	(66,115)	503,754	274,523	7,075	719,237
Interest expense, net	(6,707)	(4,802)	(29,163)	—	(40,672)
Income (loss) from continuing operations before income taxes	(72,822)	498,952	245,360	7,075	678,565
Income tax provision (benefit)	(27,710)	189,623	92,569	2,688	257,170
Income (loss) from continuing operations	(45,112)	309,329	152,791	4,387	421,395
Equity in earnings of consolidated entities	495,026	—	—	(495,026)	—
Income from discontinued operations, net of income taxes	—	—	28,519	—	28,519
Net income	<u>\$449,914</u>	<u>\$ 309,329</u>	<u>\$ 181,310</u>	<u>\$(490,639)</u>	<u>\$ 449,914</u>

FISERV, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2005

<i>(In thousands)</i>	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues:					
Processing and services	\$ (1,483)	\$1,446,102	\$ 1,318,381	\$ (5,856)	\$2,757,144
Product	(1,902)	399,540	771,545	(1,257)	1,167,926
Total revenues	<u>(3,385)</u>	<u>1,845,642</u>	<u>2,089,926</u>	<u>(7,113)</u>	<u>3,925,070</u>
Expenses:					
Cost of processing and services	2,474	899,173	866,373	(3,498)	1,764,522
Cost of product	—	276,544	672,438	(6,274)	942,708
Selling, general and administrative	48,151	215,926	233,402	—	497,479
Total expenses	<u>50,625</u>	<u>1,391,643</u>	<u>1,772,213</u>	<u>(9,772)</u>	<u>3,204,709</u>
Operating income (loss)	(54,010)	453,999	317,713	2,659	720,361
Interest (expense) income, net	35,734	(20,503)	(36,246)	—	(21,015)
Realized gain from sale of investments	—	—	86,822	—	86,822
Income (loss) from continuing operations before income taxes	(18,276)	433,496	368,289	2,659	786,168
Income tax provision (benefit)	(8,035)	164,697	138,197	1,010	295,869
Income (loss) from continuing operations	(10,241)	268,799	230,092	1,649	490,299
Equity in earnings of consolidated entities	526,679	—	—	(526,679)	—
Income from discontinued operations, net of income taxes	—	—	26,139	—	26,139
Net income	<u>\$516,438</u>	<u>\$ 268,799</u>	<u>\$ 256,231</u>	<u>\$(525,030)</u>	<u>\$ 516,438</u>

FISERV, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2004

<i>(In thousands)</i>	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenues:					
Processing and services	\$ (91)	\$1,374,897	\$ 1,249,773	\$ (10,383)	\$2,614,196
Product	300	368,749	629,228	(8,263)	990,014
Total revenues	<u>209</u>	<u>1,743,646</u>	<u>1,879,001</u>	<u>(18,646)</u>	<u>3,604,210</u>
Expenses:					
Cost of processing and services	(1,592)	903,177	842,939	(10,153)	1,734,371
Cost of product	—	245,405	557,136	(6,576)	795,965
Selling, general and administrative	33,073	181,031	220,760	—	434,864
Total expenses	<u>31,481</u>	<u>1,329,613</u>	<u>1,620,835</u>	<u>(16,729)</u>	<u>2,965,200</u>
Operating income (loss)	(31,272)	414,033	258,166	(1,917)	639,010
Interest (expense) income, net	32,208	(21,630)	(34,390)	—	(23,812)
Income from continuing operations before income taxes	936	392,403	223,776	(1,917)	615,198
Income tax provision (benefit)	(3,119)	152,862	88,471	(748)	237,466
Income from continuing operations	4,055	239,541	135,305	(1,169)	377,732
Equity in earnings of consolidated entities	373,587	—	—	(373,587)	—
Loss from discontinued operations, net of income taxes	—	—	(90)	—	(90)
Net income	<u>\$377,642</u>	<u>\$ 239,541</u>	<u>\$ 135,215</u>	<u>\$(374,756)</u>	<u>\$ 377,642</u>

FISERV, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2006

<i>(In thousands)</i>	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	\$ 24,097	\$ 72,773	\$ 52,570	\$ —	\$ 149,440
Trade accounts receivable, net	(4,333)	272,598	310,233	—	578,498
Prepaid expenses and other current assets	33,098	84,792	53,957	—	171,847
Assets of discontinued operations held for sale	—	—	2,113,455	—	2,113,455
Total current assets	<u>52,862</u>	<u>430,163</u>	<u>2,530,215</u>	<u>—</u>	<u>3,013,240</u>
Investments in affiliates	2,802,014	—	—	(2,802,014)	—
Goodwill and intangible assets, net	(977)	1,478,629	1,476,634	—	2,954,286
Other long-term assets, net	4,960	166,504	112,708	—	284,172
Total assets	<u>\$ 2,858,859</u>	<u>\$ 2,075,296</u>	<u>\$ 4,119,557</u>	<u>\$ (2,802,014)</u>	<u>\$ 6,251,698</u>
LIABILITIES AND SHAREHOLDERS' EQUITY					
Trade accounts payable and other current liabilities	\$ 68,660	\$ 408,540	\$ 399,150	\$ —	\$ 876,350
Liabilities of discontinued operations held for sale	—	—	1,944,026	—	1,944,026
Total current liabilities	<u>68,660</u>	<u>408,540</u>	<u>2,343,176</u>	<u>—</u>	<u>2,820,376</u>
Long-term debt	697,270	14,065	35,921	—	747,256
Due to (from) affiliates	(582,020)	(45,029)	627,049	—	—
Other long-term liabilities	249,327	5,190	3,927	—	258,444
Total liabilities	<u>433,237</u>	<u>382,766</u>	<u>3,010,073</u>	<u>—</u>	<u>3,826,076</u>
Total shareholders' equity	<u>2,425,622</u>	<u>1,692,530</u>	<u>1,109,484</u>	<u>(2,802,014)</u>	<u>2,425,622</u>
Total liabilities and shareholders' equity	<u>\$ 2,858,859</u>	<u>\$ 2,075,296</u>	<u>\$ 4,119,557</u>	<u>\$ (2,802,014)</u>	<u>\$ 6,251,698</u>

FISERV, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2005

<i>(In thousands)</i>	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	\$ 20,616	\$ 86,678	\$ 62,238	\$ —	\$ 169,532
Trade accounts receivable, net	(6,454)	257,520	245,262	—	496,328
Prepaid expenses and other current assets	36,225	42,479	67,434	—	146,138
Assets of discontinued operations held for sale	—	—	2,203,546	—	2,203,546
Total current assets	<u>50,387</u>	<u>386,677</u>	<u>2,578,480</u>	<u>—</u>	<u>3,015,544</u>
Investments in affiliates	2,604,236	—	—	(2,604,236)	—
Goodwill and intangible assets, net	(2,416)	1,459,217	1,360,296	—	2,817,097
Other long-term assets, net	8,032	148,407	102,917	—	259,356
Total assets	<u>\$ 2,660,239</u>	<u>\$ 1,994,301</u>	<u>\$ 4,041,693</u>	<u>\$ (2,604,236)</u>	<u>\$ 6,091,997</u>
LIABILITIES AND SHAREHOLDERS' EQUITY					
Trade accounts payable and other current liabilities	\$ 81,252	\$ 355,201	\$ 375,575	\$ —	\$ 812,028
Liabilities of discontinued operations held for sale	—	—	1,956,077	—	1,956,077
Total current liabilities	<u>81,252</u>	<u>355,201</u>	<u>2,331,652</u>	<u>—</u>	<u>2,768,105</u>
Long-term debt	562,505	14,201	18,679	—	595,385
Due to (from) affiliates	(673,318)	176,558	496,760	—	—
Other long-term liabilities	224,060	27,293	11,414	—	262,767
Total liabilities	<u>194,499</u>	<u>573,253</u>	<u>2,858,505</u>	<u>—</u>	<u>3,626,257</u>
Total shareholders' equity	<u>2,465,740</u>	<u>1,421,048</u>	<u>1,183,188</u>	<u>(2,604,236)</u>	<u>2,465,740</u>
Total liabilities and shareholders' equity	<u>\$ 2,660,239</u>	<u>\$ 1,994,301</u>	<u>\$ 4,041,693</u>	<u>\$ (2,604,236)</u>	<u>\$ 6,091,997</u>

FISERV, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2006

<i>(In thousands)</i>	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash flows from operating activities:					
Net cash provided by (used in) operating activities from continuing operations	\$ (3,716)	\$ 404,000	\$ 203,915	\$ 4,387	\$ 608,586
Cash flows from investing activities:					
Capital expenditures, including capitalization of software costs for external customers	703	(100,304)	(80,152)	—	(179,753)
Payment for acquisitions of businesses, net of cash acquired	(40,398)	(39,567)	(106,571)	—	(186,536)
Other investing activities	98,000	(1,386)	5,687	—	102,301
Net cash (used in) provided by investing activities from continuing operations	58,305	(141,257)	(181,036)	—	(263,988)
Cash flows from financing activities:					
Proceeds from (repayments of) long-term debt, net	130,718	(2,187)	10,141	—	138,672
Purchase of treasury stock	(560,111)	—	—	—	(560,111)
Other financing activities	378,285	(274,461)	(42,688)	(4,387)	56,749
Net cash used in financing activities from continuing operations	(51,108)	(276,648)	(32,547)	(4,387)	(364,690)
Change in cash and cash equivalents	3,481	(13,905)	(9,668)	—	(20,092)
Beginning balance	20,616	86,678	62,238	—	169,532
Ending balance	\$ 24,097	\$ 72,773	\$ 52,570	\$ —	\$ 149,440

FISERV, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2005

<i>(In thousands)</i>	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash flows from operating activities:					
Net cash provided by operating activities from continuing operations	\$ 28,589	\$ 334,345	\$ 202,319	\$ 1,649	\$ 566,902
Cash flows from investing activities:					
Capital expenditures, including capitalization of software costs for external customers	(927)	(61,648)	(92,188)	—	(154,763)
Payment for acquisitions of businesses, net of cash acquired	(357,671)	(61,567)	(90,228)	—	(509,466)
Other investing activities	369,717	165	89,645	—	459,527
Net cash (used in) provided by investing activities from continuing operations	11,119	(123,050)	(92,771)	—	(204,702)
Cash flows from financing activities:					
Proceeds from (repayments of) long-term debt, net	96,819	(4,250)	(2,733)	—	89,836
Purchase of treasury stock	(652,575)	—	—	—	(652,575)
Other financing activities	311,106	(196,524)	(85,686)	(1,649)	27,247
Net cash used in financing activities from continuing operations	(244,650)	(200,774)	(88,419)	(1,649)	(535,492)
Change in cash and cash equivalents	(204,942)	10,521	21,129	—	(173,292)
Beginning balance	225,558	76,157	41,109	—	342,824
Ending balance	\$ 20,616	\$ 86,678	\$ 62,238	\$ —	\$ 169,532

FISERV, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2004

<i>(In thousands)</i>	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash flows from operating activities:					
Net cash provided by operating activities from continuing operations	\$ 88,205	\$ 360,374	\$ 220,142	\$ (1,169)	\$ 667,552
Cash flows from investing activities:					
Capital expenditures, including capitalization of software costs for external customers	(4,463)	(93,147)	(58,177)	—	(155,787)
Payment for acquisitions of businesses, net of cash acquired	(12,584)	(13,430)	(38,505)	—	(64,519)
Other investing activities	—	144	204	—	348
Net cash used in investing activities from continuing operations	(17,047)	(106,433)	(96,478)	—	(219,958)
Cash flows from financing activities:					
(Repayments of) proceeds from long-term debt, net	(207,749)	14,532	277	—	(192,940)
Purchase of treasury stock	(64,344)	—	—	—	(64,344)
Other financing activities	405,768	(265,385)	(143,822)	1,169	(2,270)
Net cash (used in) provided by financing activities from continuing operations	133,675	(250,853)	(143,545)	1,169	(259,554)
Change in cash and cash equivalents	204,833	3,088	(19,881)	—	188,040
Beginning balance	20,725	73,069	60,990	—	154,784
Ending balance	\$ 225,558	\$ 76,157	\$ 41,109	\$ —	\$ 342,824

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Fiserv, Inc.:

We have audited the accompanying consolidated balance sheets of Fiserv, Inc. and subsidiaries (the "Company") as of December 31, 2006 and 2005, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2006. Our audits also included the financial statement schedule of the Company shown at Schedule II – Valuation and Qualifying Accounts. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Fiserv, Inc. and subsidiaries as of December 31, 2006 and 2005, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2006, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As described in Note 6 to the consolidated financial statements, on January 1, 2006, the Company adopted Statement of Financial Accounting Standards No. 123R, *Share-Based Payment*.

As discussed in Note 3 to the consolidated financial statements, the accompanying consolidated financial statements have been retrospectively adjusted for discontinued operations.

As discussed in Note 9 to the consolidated financial statements, the Company has disclosed condensed consolidating financial information related to subsidiary guarantees associated with the anticipated financing of the proposed acquisition of CheckFree Corporation.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Company's internal control over financial reporting as of December 31, 2006, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 20, 2007 (not presented herein), expressed an unqualified opinion on management's assessment of the effectiveness of the Company's internal control over financial reporting and an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP

Milwaukee, Wisconsin

February 20, 2007 (November 13, 2007 as to Note 3 and Note 9)

SCHEDULE II
Valuation and Qualifying Accounts

Allowance for Doubtful Accounts

<u>Year Ended December 31,</u>	<u>Beginning Balance</u>	<u>Charged to Expense</u>	<u>Write-offs</u>	<u>Acquired Allowance</u>	<u>Ending Balance</u>
2006	\$ 32,851,000	\$ 32,289,000	\$ (29,371,000)	\$ 1,000,000	\$ 36,769,000
2005	28,983,000	34,453,000	(30,729,000)	144,000	32,851,000
2004	25,213,000	20,494,000	(19,126,000)	2,402,000	28,983,000

See Item 8.01 of the accompanying Current Report on Form 8-K for a discussion of the facts surrounding, rationale for and other matters involving the following disclosure. The following information replaces Item 1 (Financial Statements) and Item 2 (Management's Discussion and Analysis of Financial Condition and Results of Operations) previously filed in Part I of the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2007 for Fiserv, Inc. All other portions of such Quarterly Report on Form 10-Q are unchanged.

PART I. FINANCIAL INFORMATION

ITEM I. FINANCIAL STATEMENTS

FISERV, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended	
	March 31,	
	2007	2006
Revenues:		
Processing and services	\$ 744,727	\$ 726,695
Product	440,254	335,624
Total revenues	<u>1,184,981</u>	<u>1,062,319</u>
Expenses:		
Cost of processing and services	474,972	463,068
Cost of product	369,810	272,094
Selling, general and administrative	152,354	140,235
Total expenses	<u>997,136</u>	<u>875,397</u>
Operating income	187,845	186,922
Interest expense, net	<u>(9,110)</u>	<u>(8,143)</u>
Income from continuing operations before income taxes	178,735	178,779
Income tax provision	<u>69,663</u>	<u>67,965</u>
Income from continuing operations	109,072	110,814
Income from discontinued operations, net of income taxes	<u>4,491</u>	<u>5,397</u>
Net income	<u>\$ 113,563</u>	<u>\$ 116,211</u>
Net income per share—basic:		
Continuing operations	\$ 0.64	\$ 0.62
Discontinued operations	<u>0.03</u>	<u>0.03</u>
Total	<u>\$ 0.67</u>	<u>\$ 0.65</u>
Net income per share—diluted:		
Continuing operations	\$ 0.63	\$ 0.61
Discontinued operations	<u>0.03</u>	<u>0.03</u>
Total	<u>\$ 0.66</u>	<u>\$ 0.64</u>
Shares used in computing net income per share:		
Basic	170,026	179,351
Diluted	<u>172,637</u>	<u>181,783</u>

See notes to condensed consolidated financial statements.

FISERV, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)
(Unaudited)

	<u>March 31,</u> <u>2007</u>	<u>December 31,</u> <u>2006</u>
ASSETS		
Cash and cash equivalents	\$ 170,084	\$ 149,440
Trade accounts receivable, net	575,902	578,498
Deferred income taxes	31,110	30,335
Prepaid expenses and other current assets	131,573	141,512
Assets of discontinued operations held for sale	2,208,214	2,113,455
Total current assets	<u>3,116,883</u>	<u>3,013,240</u>
Property and equipment, net	240,543	241,924
Intangible assets, net	603,018	592,801
Goodwill	2,395,206	2,361,485
Other long-term assets	44,241	42,248
Total assets	<u>\$ 6,399,891</u>	<u>\$ 6,251,698</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Trade accounts payable	\$ 222,016	\$ 228,265
Accrued expenses	270,429	338,247
Accrued income taxes	50,863	—
Deferred revenues	266,694	258,102
Customer funds held	44,953	51,736
Liabilities of discontinued operations held for sale	2,046,871	1,944,026
Total current liabilities	<u>2,901,826</u>	<u>2,820,376</u>
Long-term debt	821,904	747,256
Deferred income taxes	192,553	195,553
Other long-term liabilities	53,863	62,891
Total liabilities	<u>3,970,146</u>	<u>3,826,076</u>
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, no par value: 25,000,000 shares authorized; none issued	—	—
Common stock, \$0.01 par value: 450,000,000 shares authorized; 197,926,172 and 197,791,218 shares issued	1,979	1,978
Additional paid-in capital	703,095	700,103
Accumulated other comprehensive loss	(414)	(131)
Accumulated earnings	3,000,454	2,886,891
Treasury stock, at cost, 31,050,723 and 26,699,943 shares	<u>(1,275,369)</u>	<u>(1,163,219)</u>
Total shareholders' equity	<u>2,429,745</u>	<u>2,425,622</u>
Total liabilities and shareholders' equity	<u>\$ 6,399,891</u>	<u>\$ 6,251,698</u>

See notes to condensed consolidated financial statements.

FISERV, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)
(Unaudited)

	Three Months Ended	
	March 31,	
	2007	2006
Cash flows from operating activities:		
Net income	\$ 113,563	\$ 116,211
Adjustment for discontinued operations	(4,491)	(5,397)
Adjustments to reconcile net income to net cash provided by operating activities from continuing operations:		
Deferred income taxes	(4,984)	9,329
Share-based compensation	10,820	13,380
Excess tax benefit from exercise of options	(2,477)	(1,912)
Depreciation and amortization	47,593	44,573
Changes in assets and liabilities, net of effects from acquisitions and dispositions of businesses:		
Trade accounts receivable	4,413	5,699
Prepaid expenses and other assets	995	(10,162)
Trade accounts payable and other liabilities	(69,892)	(37,769)
Deferred revenues	6,712	(678)
Accrued income taxes	68,028	58,961
Net cash provided by operating activities from continuing operations	<u>170,280</u>	<u>192,235</u>
Cash flows from investing activities:		
Capital expenditures, including capitalization of software costs for external customers	(47,903)	(46,298)
Payment for acquisitions of businesses, net of cash acquired	(43,424)	(61,819)
Other investing activities	(60)	(1,045)
Net cash used in investing activities from continuing operations	<u>(91,387)</u>	<u>(109,162)</u>
Cash flows from financing activities:		
Proceeds from long-term debt, net	74,267	162,364
Issuance of common stock and treasury stock	13,593	11,127
Purchase of treasury stock	(141,803)	(228,882)
Excess tax benefit from exercise of options	2,477	1,912
Customer funds held	(6,783)	(6,675)
Net cash used in financing activities from continuing operations	<u>(58,249)</u>	<u>(60,154)</u>
Change in cash and cash equivalents	20,644	22,919
Beginning balance	149,440	169,532
Ending balance	<u>\$ 170,084</u>	<u>\$ 192,451</u>
Discontinued operations cash flow information:		
Net cash provided by (used in) operating activities	\$ 171	\$ (1,768)
Net cash (used in) provided by investing activities	(102,041)	27,256
Net cash provided by (used in) financing activities	96,693	(28,103)
Net cash used in discontinued operations	(5,177)	(2,615)
Beginning balance - discontinued operations	35,888	14,939
Ending balance - discontinued operations	<u>\$ 30,711</u>	<u>\$ 12,324</u>

See notes to condensed consolidated financial statements.

FISERV, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Principles of Consolidation

The condensed consolidated financial statements for the three-month periods ended March 31, 2007 and 2006 are unaudited. In the opinion of management, all adjustments necessary for a fair presentation of the condensed 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 condensed consolidated financial statements and 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. and subsidiaries (the "Company"). It is recommended that these interim condensed consolidated financial statements 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, 2006. Certain amounts reported in prior periods have been reclassified to conform to the current presentation.

On May 24, 2007, the Company announced that it had signed definitive agreements to sell its investment support services segment ("Fiserv ISS") in two separate transactions. In accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"), the financial results of Fiserv ISS are reported as discontinued operations for all periods presented.

The condensed consolidated financial statements include the accounts of Fiserv, Inc. and all majority owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

2. Recent Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board ("FASB") issued SFAS No. 157, "Fair Value Measurements" ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS 159"). SFAS 159 permits entities to choose to measure many financial assets and financial liabilities at fair value. Both SFAS 157 and SFAS 159 are effective for fiscal years beginning after November 15, 2007. The Company is currently assessing the impact that the adoption of SFAS 157 and SFAS 159 will have on its financial statements.

3. Dispositions

On May 24, 2007, the Company signed definitive agreements (the "Agreements") to sell Fiserv ISS in two separate transactions. Consummation of the transactions is subject to customary conditions to closing, including receipt of regulatory approvals.

In one transaction, TD AMERITRADE Online Holdings Corp. ("TD AMERITRADE") has agreed to acquire Fiserv Trust Company and the accounts of the Company's institutional retirement plan and advisor services operations for \$225 million in cash at closing plus contingent cash consideration of up to \$100 million based on the achievement of revenue targets over the twelve months subsequent to closing. In addition, the Company will receive approximately \$80 million for a portion of the net capital included in the business and excess capital.

In a separate transaction, Robert Beriault Holdings, Inc., an entity controlled by the current president of Fiserv ISS, has agreed to acquire the remaining accounts and net capital of Fiserv ISS, including the investment administration services business which provides back office and custody services for individual retirement accounts, for approximately \$50 million in cash. The Company will retain a minority interest in this business, however, the Company's continuing involvement is not expected to be significant.

The transaction with TD AMERITRADE is currently expected to close in the fourth quarter of 2007 and the transaction with Robert Beriault Holdings, Inc. is expected to close in the first quarter of 2008. The Agreements provide that the Company will retain certain liabilities of Fiserv ISS, including, among others, any liabilities associated with the litigation discussed in Note 8. Pursuant to SFAS 144, the assets and liabilities, results of operations and cash flows of Fiserv ISS have been reported as discontinued operations in the accompanying condensed consolidated financial statements and all prior periods have been restated.

Summarized financial information for discontinued operations was as follows:

<i>(In thousands)</i>	Three Months Ended March 31,	
	2007	2006
Processing and services revenue	\$34,438	\$34,349
Income before income taxes	6,246	8,068
Income tax provision	(1,755)	(2,671)
Income from discontinued operations	\$ 4,491	\$ 5,397

Assets and liabilities of discontinued operations are presented separately as assets and liabilities of discontinued operations held for sale within the accompanying condensed consolidated balance sheets and consisted of the following:

<i>(In thousands)</i>	March 31, 2007	December 31, 2006
	Cash and cash equivalents	\$ 30,711
Trade accounts receivable, net	22,960	22,571
Prepaid expenses and other assets	9,270	9,095
Investments	2,117,209	2,016,175
Property and equipment, net	5,490	6,116
Intangible assets, net	22,574	23,610
Assets of discontinued operations held for sale	\$ 2,208,214	\$ 2,113,455
Trade accounts payable and other liabilities	\$ 16,371	\$ 9,447
Retirement account deposits	2,030,500	1,934,579
Liabilities of discontinued operations held for sale	\$ 2,046,871	\$ 1,944,026

The Company reports cash flows from continuing operations separate from cash flows from discontinued operations within its condensed consolidated statements of cash flows.

4. Share-Based Compensation

The Company recognized \$10.8 million and \$13.4 million of share-based compensation in income from continuing operations during the three months ended March 31, 2007 and 2006, respectively. The Company's annual grant of share-based awards generally occurs in the first quarter. During the three months ended March 31, 2007, the Company granted 905,000 stock options and 129,000 shares of restricted stock at weighted-average estimated fair values of \$20.87 and \$54.20, respectively. During the three months ended March 31, 2006, the Company granted 1,421,000 stock options and 265,000 shares of restricted stock at weighted-average estimated fair values of \$13.65 and \$39.66, respectively.

5. Income Taxes

Effective January 1, 2007, the Company adopted FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109" ("FIN 48"), which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return, and provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The adoption of FIN 48 did not result in a cumulative adjustment to the Company's accumulated earnings. The Company classifies interest and penalties related to income taxes as components of the income tax provision.

As of January 1, 2007, gross unrecognized tax benefits, which include interest and penalties, totaled approximately \$29 million. Of this total, approximately \$14 million (net of federal and state benefits) of which would affect the effective tax rate if recognized.

Accrued interest and penalties of approximately \$6 million were recorded in accrued income taxes as of January 1, 2007. There are no significant tax positions for which it is reasonably possible that the related unrecognized tax benefits will significantly change during the next twelve months. The Company's federal tax returns for 2004 through 2006 and tax returns in certain states and foreign jurisdictions for 2000 through 2006 remain subject to examination by taxing authorities.

6. Shares Used in Computing Net Income Per Share

The following table reconciles basic weighted-average outstanding shares to diluted weighted-average outstanding shares used in calculating net income per share:

<i>(In thousands)</i>	Three Months Ended March 31,	
	2007	2006
Weighted-average outstanding shares—Basic	170,026	179,351
Common stock equivalents	2,611	2,432
Weighted-average outstanding shares—Diluted	172,637	181,783

For the three months ended March 31, 2007 and 2006, stock options for 0.2 million shares and 1.8 million shares, respectively, were excluded from the calculation of diluted weighted-average outstanding shares because their impact was anti-dilutive.

7. Comprehensive Income

Comprehensive income is comprised of net income, unrealized gains and losses on available-for-sale investments, fair market value adjustments on cash flow hedges, foreign currency translation, and pension actuarial gains and losses and is as follows:

<i>(In thousands)</i>	Three Months Ended March 31,	
	2007	2006
Net income	\$ 113,563	\$ 116,211
Components of other comprehensive income (loss), net	(283)	2,146
Comprehensive income	\$ 113,280	\$ 118,357

8. Litigation and Contingencies

In February 2007, a class was certified by the United States District Court for the Central District of California in a lawsuit that was filed in 2005 against the Fiserv Trust Company ("Fiserv Trust"). The suit alleges that Fiserv Trust, which serves as a custodian and administrator of investment accounts, knew or should have known that third parties were perpetrating an alleged Ponzi scheme and that it breached its contractual and common law duties and aided and abetted the scheme by not advising the plaintiffs to avoid investing in the alleged scheme. The lawsuit was brought on behalf of a class of investors who maintained self-directed individual retirement accounts administered by Fiserv Trust and others who invested in the alleged scheme, including investors that were never customers of Fiserv Trust, and seeks compensatory damages of \$120 million and punitive damages. Fiserv Trust has filed a petition for permission to appeal the class certification order. There is a related action in California Superior Court in San Diego, California seeking compensatory damages of \$7 million and punitive damages. The Company believes that the suits are without merit and intends to contest them vigorously. Nevertheless, the Company is unable to estimate or predict the ultimate outcome of these matters or to determine whether these matters will have a material adverse impact on the Company's results from discontinued operations or the Company's condensed consolidated financial statements. Accordingly, no amounts have been accrued in the condensed consolidated financial statements for the outcome of these matters.

9. Segment Information

Revenues and operating income for the Company's reportable segments were as follows for the three months ended March 31, 2007 and 2006:

<i>(In thousands)</i>	Financial	Insurance	Total
2007			
Processing and services revenue	\$ 590,408	\$ 154,319	\$ 744,727
Product revenue	176,842	263,412	440,254
Total revenues	<u>\$ 767,250</u>	<u>\$ 417,731</u>	<u>\$ 1,184,981</u>
Operating income	<u>\$ 159,940</u>	<u>\$ 27,905</u>	<u>\$ 187,845</u>
2006			
Processing and services revenue	\$ 554,200	\$ 172,495	\$ 726,695
Product revenue	145,658	189,966	335,624
Total revenues	<u>\$ 699,858</u>	<u>\$ 362,461</u>	<u>\$ 1,062,319</u>
Operating income	<u>\$ 130,176</u>	<u>\$ 56,746</u>	<u>\$ 186,922</u>

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

Overview

We provide integrated information management systems and services, including transaction processing, business process outsourcing, document distribution services, and software and systems solutions. Our operations are primarily in the United States and consist of two business segments: Financial Institution Services ("Financial") and Insurance Services ("Insurance"). The Financial segment provides account and transaction processing systems and services to financial institutions and other financial intermediaries. The Insurance segment provides a wide range of services to insurance carriers, agents, distributors, third-party administrators, and self-insured employers. On May 24, 2007, we signed definitive agreements to sell our Investment Support Services segment ("Fiserv ISS"). The financial results of Fiserv ISS are reported as discontinued operations for all periods presented.

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

- *Recent accounting pronouncements.* This section provides a discussion of recent accounting pronouncements that may impact our results of operations and financial condition in the future.
- *Non-GAAP financial measures.* This section provides a discussion of non-GAAP financial measures which we use in this report.
- *Results of operations.* In this section, we provide an analysis of the results of operations presented in the accompanying unaudited condensed consolidated statements of income by comparing the results for the three-month period ended March 31, 2007 to the results for the three-month period ended March 31, 2006.
- *Liquidity and capital resources.* In this section, we provide an analysis of our cash flows and outstanding debt as of March 31, 2007.

Recent Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standard (“SFAS”) No. 157, “Fair Value Measurements” (“SFAS 157”). SFAS 157 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. In February 2007, the FASB issued SFAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities” (“SFAS 159”). SFAS 159 permits entities to choose to measure many financial assets and financial liabilities at fair value. Both SFAS 157 and SFAS 159 are effective for fiscal years beginning after November 15, 2007. We are currently assessing the impact that the adoption of SFAS 157 and SFAS 159 will have on our financial statements.

Non-GAAP Financial Measures

In this report, we use two non-GAAP financial measures, internal revenue growth percentage and free cash flow. We use these measures to monitor and evaluate our performance, and they are presented in this report because we believe that they are useful to investors in evaluating our financial results. Non-GAAP financial measures should not be considered to be a substitute for the reported results prepared in accordance with GAAP. The methods that we use to calculate non-GAAP financial measures are not necessarily comparable to similarly titled measures presented by other companies.

We measure internal revenue growth percentage as the increase or decrease in total revenue for the current period less “acquired revenue from acquisitions” divided by total revenues from the prior period plus “acquired revenue from acquisitions.” “Acquired revenue from acquisitions” represents pre-acquisition revenue of acquired companies for the prior period. “Acquired revenue from acquisitions” was \$37.0 million (\$18.7 million in the Financial segment and \$18.4 million in the Insurance segment) in the first quarter of 2007. Internal revenue growth percentage is a non-GAAP financial measure that we believe is useful to investors because it allows them to see the portion of our revenue growth that is attributed to acquired companies as compared to internal revenue growth.

We measure free cash flow as net income, excluding discontinued operations, plus share-based compensation, depreciation and amortization, less capital expenditures, plus or minus changes in net working capital. Free cash flow is a non-GAAP financial measure that we believe is useful to investors because it shows our available cash flow after we have satisfied the capital requirements of our operations.

Results of Operations

The following table presents, for the periods indicated, certain amounts included in our condensed consolidated statements of income, the relative percentage that those amounts represent to revenues, and the change in those amounts from year to year. This information should be read along with the condensed consolidated financial statements and notes thereto.

Three months ended March 31, (Dollars in millions)			Percentage of Revenue		Increase	
	2007	2006	2007	2006	\$	%
Revenues:						
Processing and services	\$ 744.7	\$ 726.7	62.8%	68.4%	\$ 18.0	2%
Product	440.3	335.6	37.2%	31.6%	104.6	31%
Total revenues	<u>1,185.0</u>	<u>1,062.3</u>	<u>100%</u>	<u>100%</u>	<u>122.7</u>	<u>12%</u>
Expenses:						
Cost of processing and services ⁽¹⁾	475.0	463.1	63.8%	63.7%	11.9	3%
Cost of product ⁽¹⁾	369.8	272.1	84.0%	81.1%	97.7	36%
Sub-total ⁽²⁾	844.8	735.2	71.3%	69.2%	109.6	15%
Selling, general and administrative ⁽²⁾	152.4	140.2	12.9%	13.2%	12.1	9%
Total expenses ⁽²⁾	<u>997.1</u>	<u>875.4</u>	<u>84.1%</u>	<u>82.4%</u>	<u>121.7</u>	<u>14%</u>
Operating income ⁽²⁾	<u>\$ 187.8</u>	<u>\$ 186.9</u>	<u>15.9%</u>	<u>17.6%</u>	<u>\$ 0.9</u>	<u>0%</u>

(1) Each percentage of revenue equals the relevant expense amount divided by the related component of total revenues.

(2) Each percentage of revenue equals the relevant expense or operating income amount divided by total revenues.

Total Revenues

Total revenues increased \$122.7 million, or 12%, in the first quarter of 2007 compared to the first quarter of 2006. The internal revenue growth rate was 8% in the first quarter of 2007 with the remaining growth resulting from acquisitions. Overall internal revenue growth was primarily derived from sales to new clients, cross-sales to existing clients and increases in transaction volumes from existing clients partially offset by a \$29.7 million decrease in flood claims processing revenues.

Processing and services revenues increased 2% in the first quarter of 2007 compared to the first quarter of 2006. This increase was primarily driven by sales to new clients, cross-sales to existing clients, increases in transaction volumes from existing clients and incremental revenue attributable to several acquisitions, offset by a decrease in flood claims processing revenues. Product revenues increased 31% in the first quarter of 2007 compared to the first quarter of 2006. This increase was primarily due to new clients in the pharmacy management and workers' compensation businesses. The revenue growth in the pharmacy management and workers' compensation businesses was impacted significantly by the inclusion of prescription product costs in both revenues and expenses of \$220 million and \$154 million in the first quarters of 2007 and 2006, respectively.

Total Expenses

Total expenses increased \$121.7 million, or 14%, in the first quarter of 2007 compared to the first quarter of 2006. Cost of processing and services as a percentage of processing and services revenue remained relatively consistent in the first quarter of 2007 compared to the first quarter of 2006. Cost of product increased as a percentage of product revenue from 81.1% in the first quarter of 2006 to 84.0% in the first quarter of 2007, primarily due to the significant increase in prescription product costs discussed above. Selling, general and administrative expenses as a percentage of total revenues were relatively consistent as a percentage of total revenues in the first quarters of 2007 and 2006.

Operating Income and Operating Margin

Operating income increased \$0.9 million in the first quarter of 2007 compared to the first quarter of 2006, and operating margins decreased 1.7 percentage points from 17.6% in the first quarter of 2006 to 15.9% in the first quarter of 2007. Operating income and margins in the first quarter of 2007 were negatively impacted by a \$29.7 million decrease in higher-margin flood claims processing revenues and a significant increase in revenues in the pharmacy management and workers' compensation businesses, which generate operating margins in the low- to mid-single digits. The inclusion of prescription product costs in both revenues and expenses reduced operating margins by approximately 4 percentage points and 3 percentage points in the first quarters of 2007 and 2006, respectively. Partially offsetting these factors were increases in higher-margin revenues and improvements in operating efficiencies within our bank core processing and payments businesses and an increase in contract termination fees. The Financial segment businesses generally enter into three to five year contracts with clients that contain early contract termination fees. These fees are generated when a contract is terminated or when an existing client is acquired by another financial institution and can vary significantly from period to period based on the number and size of clients that pay these fees and on how early in the contract term the fee is payable. Contract termination fees totaled \$9.0 million and \$3.9 million in the first quarter of 2007 and 2006, respectively.

Segment Results

The following table presents, for the periods indicated, revenues, operating income and operating margin for our business segments.

Three months ended March 31, (Dollars in millions)	Financial	Insurance	Total
Total revenues:			
2007	\$ 767.3	\$ 417.7	\$1,185.0
2006	699.9	362.5	1,062.3
Operating income:			
2007	\$ 159.9	\$ 27.9	\$ 187.8
2006	130.2	56.7	186.9
Operating margin:			
2007	20.8%	6.7%	15.9%
2006	18.6%	15.7%	17.6%
Revenue growth	10%	15%	12%
Operating income growth (decline)	23%	(51)%	0%
Operating margin growth (decline) ⁽¹⁾	2.2%	(9.0)%	(1.7)%

(1) Represents the percentage point improvement or decline in operating margin.

Financial

Revenues in the Financial segment increased by \$67.4 million, or 10%, in the first quarter of 2007 compared to the first quarter of 2006. The internal revenue growth rate in the Financial segment was 7% in the first quarter of 2007 with the remaining growth resulting from acquisitions. Internal revenue growth in the Financial segment was primarily driven by increased volumes, new clients and cross-sales to existing clients in the bank core processing, payments and output solutions businesses.

Operating income in the Financial segment increased \$29.8 million from \$130.2 million in the first quarter of 2006 to \$159.9 million in the first quarter of 2007. Operating margins improved 2.2 percentage points from 18.6% in the first quarter of 2006 to 20.8% in the first quarter of 2007. The increases in operating income and operating margins within the Financial segment resulted primarily from increased higher-margin revenues and operating efficiencies in our depository institution core processing and payments businesses and an increase in contract termination fees.

Insurance

Revenues in the Insurance segment increased \$55.3 million, or 15%, in the first quarter of 2007 compared to the first quarter of 2006. The internal revenue growth rate in this segment for the first quarter of 2007 was 10% with the remaining growth resulting from acquisitions. The internal revenue growth was primarily driven by new clients in the pharmacy management and workers' compensation businesses partially offset by a \$29.7 million decrease in flood claims processing revenues from \$30.3 million in the first quarter of 2006 to \$0.6 million in the first quarter of 2007.

Operating income in the Insurance segment decreased \$28.8 million from \$56.7 million in the first quarter of 2006 to \$27.9 million in the first quarter of 2007. Operating margins declined 9.0 percentage points from 15.7% in the first quarter of 2006 to 6.7% in the first quarter of 2007. The decreases in operating income and operating margins within the Insurance segment resulted primarily from a decrease in higher-margin flood claims processing revenues. Additionally, operating margins were negatively impacted by the significant increase in revenues in the pharmacy management and workers' compensation businesses, which generate operating margins in the low- to mid-single digits, and expenses in the health division associated with our consumer directed and business process outsourcing initiatives. The inclusion of prescription product costs in both revenues and expenses negatively impacted operating margins in the Insurance segment by approximately 7 percentage points in the first quarter of 2007 and approximately 12 percentage points in the first quarter of 2006.

Discontinued Operations

The operating results of Fiserv ISS are reported as discontinued operations. Income from discontinued operations decreased \$0.9 million from \$5.4 million in the first quarter of 2006 to \$4.5 million in the first quarter of 2007.

Interest Expense, Net

Interest expense increased \$1.0 million in the first quarter of 2007 as compared to the first quarter of 2006 due primarily to rising interest rates and increased average borrowings outstanding.

Income Tax Provision

The effective income tax rate was 39.0% in the first quarter of 2007 and 38.0% in the first quarter of 2006. The effective income tax rate in the first quarter of 2006 was favorably impacted by the finalization of various tax returns. We expect that the effective income tax rate for the remainder of 2007 will be 38.5%.

Diluted Net Income Per Share - Continuing Operations

Diluted net income per share from continuing operations was \$0.63 in the first quarter of 2007 compared to \$0.61 in the first quarter of 2006. Diluted net income per share in the first quarter of 2007 compared to 2006 was positively impacted by strong operating income growth in the Financial segment and negatively impacted by a decline in operating income in the Insurance segment, primarily due to a significant decrease in higher-margin flood claims processing revenues.

Liquidity and Capital Resources

The following table summarizes our free cash flow:

Three months ended March 31, (In millions)	2007	2006
Net income	\$113.6	\$116.2
Adjustment for discontinued operations	(4.5)	(5.4)
Share-based compensation	10.8	13.4
Depreciation and amortization	47.6	44.6
Capital expenditures	(47.9)	(46.3)
Free cash flow before changes in working capital	119.6	122.5
Changes in working capital, net	2.8	23.4
Free cash flow	<u>\$122.4</u>	<u>\$145.9</u>

Free cash flow of \$122.4 million in the first quarter of 2007 decreased \$23.5 million compared to the first quarter of 2006 primarily due to a \$20.6 million unfavorable impact from net working capital items.

In the first quarter of 2007, we used our free cash flow and borrowings under our revolving credit facility and commercial paper program primarily to repurchase 2.7 million shares of our common stock for \$141.8 million and to fund acquisition related payments of \$43.4 million. On January 31, 2007, our board of directors authorized the repurchase of up to 10 million additional shares of our common stock. Share repurchases under the authorizations are expected to be made through open market transactions as market conditions warrant. Shares repurchased have historically been held for issuance in connection with acquisitions and equity plans. Our current policy is to use our free cash flow to support future business opportunities and to repurchase shares of our common stock, rather than to pay dividends.

At March 31, 2007, we had \$821.9 million of long-term debt of which \$522.4 million was outstanding under our revolving credit and commercial paper facilities. We maintain a \$500 million unsecured commercial paper program, which is exempt from registration under the Securities Act of 1933. Under this program, we may issue commercial paper with maturities of up to 397 days from the date of issuance. We also maintain a \$900 million unsecured revolving credit facility with a syndicate of banks. We may increase the availability under this facility up to \$1.25 billion at our discretion, subject to a number of conditions, including the absence of any default under the credit agreement. The revolving credit facility supports 100% of our outstanding commercial paper. As a result, borrowings under the commercial paper program reduce the amount of credit available under the revolving credit facility. The revolving credit facility contains various restrictions and covenants. Among other requirements, our consolidated indebtedness is limited to no more than three and one-half times consolidated net earnings before interest, taxes, depreciation and amortization. The facility expires on March 24, 2011. We were in compliance with all debt covenants throughout the first quarter of 2007.

We believe that our cash flow from operations together with other available sources of funds will be adequate to meet our operating requirements, required operating lease payments, required repayments of long-term debt, and expected capital spending needs in 2007. At March 31, 2007, we had approximately \$370 million available for borrowing under our credit and commercial paper facilities and \$170 million of cash and cash equivalents. In the event that we make significant future acquisitions, we may raise funds through additional borrowings or the issuance of common shares.

Historically, our growth has been accomplished, to a significant degree, through the acquisition of businesses that are complementary to our operations. We expect to continue to pursue acquisition candidates that we believe would enhance our competitive position.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
CheckFree Corporation and Subsidiaries
Norcross, Georgia

We have audited the accompanying consolidated balance sheets of CheckFree Corporation and Subsidiaries as of June 30, 2007 and 2006, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended June 30, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of CheckFree Corporation and Subsidiaries at June 30, 2007 and 2006, and the results of their operations and their cash flows for each of the three years in the period ended June 30, 2007 in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the Consolidated Financial Statements, the Company adopted Statement of Financial Accounting Standards No. 123R, *Share Based Payment*, effective July 1, 2005, based on the modified prospective application transition method.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Company's internal control over financial reporting as of June 30, 2007, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated August 24, 2007 (not presented herein), expressed an unqualified opinion on management's assessment of the effectiveness of the Company's internal control over financial reporting and an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Atlanta, Georgia
August 24, 2007

CHECKFREE CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	June 30,	
	2007	2006
	(In thousands, except share and per share data)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 55,974	\$ 173,083
Settlement assets	127,661	107,128
Investments	139,153	144,530
Accounts receivable, net	221,320	146,605
Prepaid expenses and other assets	42,759	39,810
Deferred income taxes	10,189	7,311
Total current assets	597,056	618,467
PROPERTY AND EQUIPMENT, NET	156,113	100,217
OTHER ASSETS:		
Capitalized software, net	3,668	3,755
Goodwill	1,027,512	734,591
Strategic agreements, net	81,063	106,005
Other intangible assets, net	140,804	62,416
Investments and restricted cash	47,390	78,559
Other noncurrent assets	11,426	8,779
Deferred income taxes	66,246	45,240
Total other assets	1,378,109	1,039,345
Total assets	\$ 2,131,278	\$ 1,758,029
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 35,868	\$ 16,967
Settlement obligations	123,302	103,732
Accrued liabilities	100,944	74,366
Current portion of long-term obligations	206,022	767
Deferred revenue	79,391	40,301
Total current liabilities	545,527	236,133
ACCRUED RENT AND OTHER	4,663	3,844
DEFERRED INCOME TAXES	2,284	2,964
DEFERRED REVENUE	3,281	3,021
CAPITAL LEASE AND LONG-TERM OBLIGATIONS, Less current portion	68,021	28,432
STOCKHOLDERS' EQUITY:		
Preferred stock — 50,000,000 authorized shares, \$0.01 par value; no amounts issued or outstanding	—	—
Common stock — 500,000,000 authorized shares, \$0.01 par value; issued and outstanding 87,974,284 and 90,867,834 shares, respectively	880	909
Additional paid-in-capital	2,376,278	2,482,309
Accumulated other comprehensive gain (loss)	3,896	(1,593)
Accumulated deficit	(873,552)	(997,990)
Total stockholders' equity	1,507,502	1,483,635
Total liabilities and stockholders' equity	\$ 2,131,278	\$ 1,758,029

See Notes to the Consolidated Financial Statements

CHECKFREE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended June 30,		
	2007	2006	2005
	(In thousands, except share and per share data)		
REVENUES:			
Processing and servicing	\$ 809,814	\$ 754,076	\$ 660,541
License fees	46,209	35,196	28,458
Maintenance fees	55,217	42,218	31,231
Professional fees	61,404	47,912	29,617
Total revenues	<u>972,644</u>	<u>879,402</u>	<u>749,847</u>
EXPENSES:			
Cost of processing, servicing and support	401,176	342,535	296,912
Research and development	112,077	101,854	80,039
Sales and marketing	98,459	87,418	69,106
General and administrative	79,057	61,948	57,486
Depreciation and amortization	90,937	99,530	175,719
Reorganization charges	—	—	5,585
Total expenses	<u>781,706</u>	<u>693,285</u>	<u>684,847</u>
INCOME FROM CONTINUING OPERATIONS BEFORE OTHER INCOME AND EXPENSES	<u>190,938</u>	<u>186,117</u>	<u>65,000</u>
OTHER:			
Equity in net loss of joint venture	(1,078)	(3,100)	(2,984)
Interest income	12,693	13,441	8,809
Interest expense	(3,099)	(986)	(1,094)
Gain on investments	—	—	592
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	<u>199,454</u>	<u>195,472</u>	<u>70,323</u>
INCOME TAX EXPENSE	<u>75,016</u>	<u>74,455</u>	<u>24,560</u>
INCOME FROM CONTINUING OPERATIONS	<u>124,438</u>	<u>121,017</u>	<u>45,763</u>
Income from discontinued operations before income taxes (including a gain on disposal of \$12,821 in 2006)	—	14,310	1,518
Income tax expense on discontinued operations	—	8,064	480
Income from discontinued operations	—	6,246	1,038
NET INCOME	<u>\$ 124,438</u>	<u>\$ 127,263</u>	<u>\$ 46,801</u>
BASIC EARNINGS PER SHARE:			
Continuing operations	\$ 1.41	\$ 1.33	\$ 0.51
Discontinued operations	\$ —	\$ 0.07	\$ 0.01
Total basic	<u>\$ 1.41</u>	<u>\$ 1.40</u>	<u>\$ 0.52</u>
Weighted average number of shares	<u>88,313,049</u>	<u>90,984,495</u>	<u>90,767,054</u>
DILUTED EARNINGS PER SHARE:			
Continuing operations	\$ 1.37	\$ 1.29	\$ 0.49
Discontinued operations	\$ —	\$ 0.07	\$ 0.01
Total diluted	<u>\$ 1.37</u>	<u>\$ 1.36</u>	<u>\$ 0.50</u>
Weighted average number of shares	<u>90,896,186</u>	<u>93,708,295</u>	<u>92,914,597</u>

See Notes to the Consolidated Financial Statements

CHECKFREE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

	Number of Shares of Common Stock	Number of Shares of Treasury Stock <small>(In thousands, except share data)</small>	Common Stock at Par	Additional Paid in Capital
BALANCE AT JUNE 30, 2004	90,164,926	—	\$ 902	\$2,471,062
Net income	—	—	—	—
Unrealized loss on available-for-sale securities, net of tax	—	—	—	—
Unrealized loss on foreign currency translation	—	—	—	—
Unrealized loss on cash flow hedges, net of tax	—	—	—	—
Total comprehensive income	—	—	—	—
Stock options exercised	710,396	—	7	10,200
Tax benefit associated with exercise of stock options	—	—	—	4,028
Employee stock purchases	165,098	—	2	3,995
Treasury shares acquired	—	(891,200)	—	—
Treasury shares retired	(891,200)	891,200	(9)	(33,451)
401(k) match	108,484	—	1	3,069
Unearned compensation	—	—	—	8,721
Equity based compensation	—	—	—	1,560
BALANCE AT JUNE 30, 2005	90,257,704	—	903	2,469,184
Net income	—	—	—	—
Unrealized loss on available-for-sale securities, net of tax	—	—	—	—
Unrealized gain on foreign currency translation	—	—	—	—
Unrealized gain on cash flow hedges, net of tax	—	—	—	—
Total comprehensive income	—	—	—	—
Stock options exercised	1,113,286	—	11	23,747
Tax benefit associated with exercise of stock options	—	—	—	8,907
Employee stock purchases	122,334	—	1	4,066
Treasury shares acquired	—	(707,732)	—	—
Treasury shares retired	(707,732)	707,732	(7)	(33,593)
401(k) match	82,242	—	1	4,053
Amortization of unearned compensation	—	—	—	(6,168)
Equity based compensation	—	—	—	12,113
BALANCE AT JUNE 30, 2006	90,867,834	—	909	2,482,309
Net Income	—	—	—	—
Unrealized gain (loss) on available-for-sale securities, net of tax	—	—	—	—
Unrealized gain (loss) on foreign currency translation	—	—	—	—
Unrealized gain (loss) on cash flow hedges, net of tax	—	—	—	—
Total comprehensive income	—	—	—	—
Stock options exercised	714,930	—	7	10,241
Tax benefit associated with exercise of stock options	—	—	—	4,611
Employee stock purchases	126,187	—	1	4,664
Treasury shares acquired	—	(3,911,554)	—	—
Treasury shares retired	(3,911,554)	3,911,554	(39)	(149,961)
401(k) match	176,887	—	2	2,734
Equity based compensation	—	—	—	10,730
Impact of vested warrants	—	—	—	10,950
BALANCE AT JUNE 30, 2007	87,974,284	—	\$ 880	\$2,376,278

See Notes to the Consolidated Financial Statements

CHECKFREE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

	Accumulated Other Comprehensive Income/(Loss)	Treasury Stock at Cost	Unearned Compensation	Accumulated Deficit	Total Stockholders' Equity
	(In thousands, except for share data)				
BALANCE AT JUNE 30, 2004	\$ (728)	—	—	\$(1,172,054)	\$1,299,182
Net income	—	—	—	46,801	46,801
Unrealized loss on available-for-sale securities, net of tax	(174)	—	—	—	(174)
Unrealized loss on foreign currency translation	(800)	—	—	—	(800)
Unrealized loss on cash flow hedges, net of tax	(549)	—	—	—	(549)
Total comprehensive income	—	—	—	—	45,278
Stock options exercised	—	—	—	—	10,207
Tax benefit associated with exercise of stock options	—	—	—	—	4,028
Employee stock purchases	—	—	—	—	3,997
Treasury shares acquired	—	(33,460)	—	—	(33,460)
Treasury shares retired	—	33,460	—	—	—
401(k) match	—	—	—	—	3,070
Unearned compensation	—	—	(8,721)	—	—
Amortization of unearned compensation	—	—	2,553	—	2,553
Equity based compensation	—	—	—	—	1,560
BALANCE AT JUNE 30, 2005	(2,251)	—	(6,168)	(1,125,253)	1,336,415
Net income	—	—	—	127,263	127,263
Unrealized loss on available-for-sale securities, net of tax	(1,015)	—	—	—	(1,015)
Unrealized gain on foreign currency translation	687	—	—	—	687
Unrealized gain on cash flow hedges, net of tax	986	—	—	—	986
Total comprehensive income	—	—	—	—	127,921
Stock options exercised	—	—	—	—	23,758
Tax benefit associated with exercise of stock options	—	—	—	—	8,907
Employee stock purchases	—	—	—	—	4,067
Treasury shares acquired	—	(33,600)	—	—	(33,600)
Treasury shares retired	—	33,600	—	—	—
401(k) match	—	—	—	—	4,054
Amortization of unearned compensation	—	—	6,168	—	—
Equity based compensation	—	—	—	—	12,113
BALANCE AT JUNE 30, 2006	(1,593)	—	—	(997,990)	1,483,635
Net Income	—	—	—	124,438	124,438
Unrealized gain (loss) on available-for-sale securities, net of tax	780	—	—	—	780
Unrealized gain (loss) on foreign currency translation	4,602	—	—	—	4,602
Unrealized gain (loss) on cash flow hedges, net of tax	107	—	—	—	107
Total comprehensive income	—	—	—	—	129,927
Stock options exercised	—	—	—	—	10,248
Tax benefit associated with exercise of stock options	—	—	—	—	4,611
Employee stock purchases	—	—	—	—	4,665
Treasury shares acquired	—	(150,000)	—	—	(150,000)
Treasury shares retired	—	150,000	—	—	—
401(k) match	—	—	—	—	2,736
Equity based compensation	—	—	—	—	10,730
Impact of vested warrants	—	—	—	—	10,950
BALANCE AT JUNE 30, 2007	\$ 3,896	—	—	\$ (873,552)	\$1,507,502

See Notes to the Consolidated Financial Statements

CHECKFREE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended June 30,		
	2007	2006	2005
	(In thousands)		
OPERATING ACTIVITIES:			
Net income	\$ 124,438	\$ 127,263	\$ 46,801
Adjustments to reconcile net income to cash provided by operating activities:			
Equity in net loss of joint venture	1,078	3,100	2,984
Depreciation and amortization	90,937	100,020	176,598
Expenses related to data center	1,021	—	—
Deferred income tax benefit	(9,229)	(8,021)	(13,701)
Gain on investments	—	—	(592)
Equity-based compensation	14,491	17,177	8,193
Vested warrants held by a customer	10,950	—	—
Gain from discontinued operations	—	(12,821)	—
Net (gain)/loss on disposition of property and equipment	(540)	418	277
Changes in certain assets and liabilities (net of acquisitions):			
Settlement assets and obligations	(963)	(3,430)	153
Accounts receivable	(26,302)	(17,367)	(11,994)
Prepaid expenses and other	(1,412)	(9,772)	(6,211)
Accounts payable	12,210	3,547	(1,750)
Accrued liabilities and other	(3,189)	7,640	4,238
Deferred revenue	20,160	5,848	1,099
Net cash provided by operating activities	233,650	213,602	206,095
INVESTING ACTIVITIES:			
Purchase of property and software	(41,179)	(48,096)	(33,893)
Proceeds from sale of business	—	18,593	—
Capitalization of software development costs	(481)	(875)	(1,706)
Purchase of property and equipment for data center facility	(29,739)	—	—
Purchase of businesses, net of cash acquired	(417,775)	(136,143)	(54,934)
Purchase of investments-Available for sale	(298,078)	(429,949)	(380,672)
Proceeds from sales and maturities of investments — Available for sale	345,092	466,011	262,704
Purchase of other investments, net	(2,296)	(411)	(197)
Investment in joint venture	—	(3,190)	(2,818)
Change in other assets	(2,305)	(4,016)	(4,339)
Net cash used in investing activities	(446,761)	(138,076)	(215,855)
FINANCING ACTIVITIES:			
Proceeds from long-term financing	334,000	—	—
Principal payments of long-term financing	(130,000)	—	—
Principal payments under capital lease and other long-term obligations	(4,384)	(2,469)	(5,108)
Proceeds from exercise of stock options	10,248	23,758	10,207
Excess tax benefit from equity-based compensation	960	3,012	—
Purchase of treasury stock	(150,000)	(33,600)	(33,460)
Proceeds from associates stock purchase plan	4,548	4,377	4,248
Payment of deferred financing fees	—	(1,095)	—
Proceeds from data center facility credit line	30,002	2,046	—
Net cash provided by (used in) financing activities	95,374	(3,971)	(24,113)
Effect of exchange rate changes on cash and cash equivalents	628	256	313
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(117,109)	71,811	(33,560)
CASH AND CASH EQUIVALENTS:			
Beginning of period	173,083	101,272	134,832
End of period	<u>\$ 55,974</u>	<u>\$ 173,083</u>	<u>\$ 101,272</u>

See Notes to the Consolidated Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All references to “we,” “us” and “our” in this Annual Report on Form 10-K mean CheckFree Corporation and all entities owned or controlled by CheckFree Corporation, except where it is made clear that the term only means the parent company.

Organization

CheckFree Corporation is the parent company of CheckFree Services Corporation (“CheckFree Services”), the principal operating company of our business. CheckFree Services was founded in 1981 and is a leading provider of financial electronic commerce products and services. See Note 19 for a description of our business segments.

Principles of Consolidation

The accompanying consolidated financial statements include the results of our operations and the results of our wholly owned subsidiaries. We have eliminated all significant intercompany accounts and transactions in consolidation.

Use of Estimates

The accompanying consolidated financial statements were prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”). The preparation of our financial statements in conformity with GAAP requires us to make estimates and assumptions that affect our reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of our financial statements and the reported amounts of revenues and expenses during our reporting period. On an ongoing basis we evaluate our estimates. Estimates are based on historical experience and various other assumptions that are believed to be reasonable under applicable circumstances. Our actual results could differ from those estimates.

Cash and Cash Equivalents

We consider all highly liquid debt instruments purchased with original maturities of three months or less to be cash equivalents.

Investments

We have certain investments in marketable debt securities that are classified as available-for-sale in accordance with Statement of Financial Accounting Standards (“SFAS”) 115, “Accounting for Certain Investments in Debt and Equity Securities” (“SFAS 115”). Our available-for-sale investments are recorded at fair value and changes in fair value are recorded as unrealized gains and losses, net of applicable taxes, in accumulated other comprehensive income (loss), a component of stockholders’ equity on our consolidated balance sheet. We regularly evaluate whether declines in fair value of our available-for-sale investments result in other-than-temporary impairments. In performing this evaluation, we assess the severity and duration of an impairment, the recovery of fair value, and our ability and intent to hold the security. If it is determined that a security suffers an other than temporary impairment, the fair value is recorded as the new cost basis.

We have certain other investments in venture capital investment portfolio funds as well as equity and debt securities that are accounted for under the cost method. Under the cost method of accounting, investments are carried at cost and are adjusted only for other-than-temporary declines in fair value, distributions of earnings and additional investments. We periodically evaluate whether declines in fair value of our other investments are other-than-temporary. In performing this evaluation, we consider various factors including any decline in market price, and where available, the investee’s financial condition, results of operations, operating trends and other financial ratios.

We have received equity instruments in connection with agreements with certain partners. In such cases, our initial cost was determined based on the estimated fair value of the equity instruments received. Subsequent changes in the fair value of these equity instruments are accounted for in accordance with the investment policies described above.

In April 2004, we entered into a joint venture, OneVu Limited (“OneVu”), with Voca Limited (“Voca”), in the United Kingdom to create an integrated electronic billing and payment network for billers and banks in the United Kingdom. We currently have a 46.6% equity interest in OneVu, therefore, we account for our interest in OneVu under the equity method of accounting. We provided 100% of OneVu’s necessary working capital requirements during its formative stage, and therefore, the equity in net loss of OneVu represents 100% of the loss incurred by OneVu through March 31, 2006. In March 2006, we entered into an additional funding arrangement with Voca related to OneVu whereby both joint venture partners contributed approximately \$0.8 million in exchange for a security interest subordinate to our previous funding. OneVu obtained a line of credit facility from a bank in the amount of approximately \$2.7 million. Accordingly, beginning in April 2006, we continued to record the operations of OneVu on the equity basis of accounting recognizing only 46.6% of the results of operations of OneVu. We have invested \$7.2 million in the joint venture. We did not invest any amount into the joint venture during the year ended June 30, 2007.

Settlement Assets and Obligations

Amounts receivable from our agents and customers, as well as amounts payable to our agents and customers associated with our walk-in payment services, are classified as settlement assets and obligations. The majority of these assets and obligations result from timing differences between our agents collecting funds from the consumers making the payments and depositing the funds collected into our bank accounts. Settlement assets and obligations arise due to our reporting of transactions to our customers prior to fulfilling the payment obligation.

Concentrations of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk consist of cash, investments and trade accounts receivable. Excess cash is invested through banks, mutual funds and brokerage houses primarily in highly liquid securities. We have investment policies and procedures that limit any concentration of credit risk with single issuers. With respect to accounts receivable, we do not generally require collateral and believe that any credit risk is substantially mitigated by the nature of our customers and reasonably short collection terms. We maintain reserves for potential credit losses on customer accounts when deemed necessary.

Derivative Financial Instruments

On July 1, 2000, we adopted SFAS 133, “Accounting for Derivative Instruments and Hedging Activities,” as amended (“SFAS 133”), which requires that all derivative financial instruments be recognized as either assets or liabilities on the balance sheet at fair value. Derivatives that are not hedges are adjusted to fair value through our consolidated statement of operations. If the derivative qualifies as a hedge, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against the change in fair value of assets, liabilities, or firm commitments through earnings or recognized in accumulated other comprehensive income (loss), a component of stockholders’ equity of our consolidated balance sheet, until the hedged item is recognized in earnings. The ineffective portion of a derivative’s change in fair value is immediately recognized in earnings. We do not enter into derivative financial instruments for speculative or trading purposes.

Property and Equipment

Property and equipment are stated at cost. Property and equipment are depreciated using the straight-line method over the estimated useful lives as follows: land improvements, building and building improvements, 15 to 30 years; computer equipment, software and furniture, 18 months to seven years. Equipment under capital leases is amortized using the straight-line method over the lesser of their estimated useful lives or the terms of the leases. Leasehold improvements are amortized over the lesser of the estimated useful lives or remaining lease periods.

Capitalized Software

Capitalized software includes purchased technology associated with acquisitions and capitalized internal development costs. Purchased technology is initially recorded based on the fair value allocated at the time of acquisition. Internal development costs are capitalized in accordance with the provisions of either SFAS 86, "Accounting for the Costs of Computer Software to Be Sold, Leased, or Otherwise Marketed" ("SFAS 86") or Statement of Position ("SOP") 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use" ("SOP 98-1"). Unamortized capitalized software costs in excess of estimated future net realizable values from a particular product are written down to estimated net realizable value. We determine whether software costs fall under the provisions of SFAS 86 or SOP 98-1 and account for them as follows:

- *SFAS 86* — Software development costs incurred prior to the establishment of technological feasibility are expensed as incurred. Software development costs incurred after the technological feasibility of the subject software product has been established are capitalized in accordance with SFAS 86. Capitalization continues until the related products are available for distribution to customers. Capitalized software costs are amortized on a product-by-product basis using either the estimated economic life of the product on a straight-line basis over three to five years, or the current year gross product revenue to the current and anticipated future gross product revenue, whichever produces the greater annual amortization.
- *SOP 98-1* — Software costs incurred in the preliminary project stage are expensed as incurred. Software costs incurred after the preliminary project stage is complete, we have committed to the project, and it is probable the software will be used to perform the function intended are capitalized in accordance with SOP 98-1. Capitalized software costs are amortized on a product-by-product basis using the estimated economic life of the product on a straight-line basis, generally three to five years. Capitalized software costs not expected to be completed and placed in service are written down to estimated fair value.

Goodwill and Other Intangible Assets

Goodwill represents the excess of the purchase price over the fair value of net assets acquired in business combinations accounted for under the purchase method of accounting. Other intangibles represent identifiable intangible assets purchased in connection with business combinations. The costs of identified intangible assets are generally amortized on a straight-line basis over periods from eight months to ten years.

We perform our annual goodwill impairment review at least annually on April 30 of each year. No indicators for impairment were evident during our review for fiscal years 2007 or 2006.

Impairment of Long-Lived Assets

In accordance with SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"), we review long-lived assets for impairment whenever events indicate that their carrying amount may not be recoverable. In such reviews, estimated undiscounted future cash flows associated with these assets or operations are compared with their carrying value to determine if a write-down to fair value is required (normally measured by the expected present value technique). There were no indicators of impairment during our review for fiscal years 2007 or 2006.

Transaction Processing

In connection with the timing of our financial transaction processing, we are exposed to credit risk in the event of nonperformance by other parties, such as returns. We utilize credit analysis and other controls to manage our credit risk exposure. We also maintain a reserve for future returns. This reserve is included in accounts receivable on our consolidated balance sheet.

Comprehensive Income (Loss)

We report comprehensive income (loss) in accordance with SFAS 130, "Reporting Comprehensive Income" ("SFAS 130"). This Statement requires disclosure of total non-shareowner changes in equity and its components. Total non-shareowner changes in equity include all changes in equity during a period except those resulting from investments by and distributions to shareowners. The components of accumulated other comprehensive income (loss), a component of stockholders' equity on our consolidated balance sheet, applicable to us are unrealized gains or losses of available-for-sale securities and derivative instruments, as well as unrealized foreign currency translation differences. As of June 30, 2007, unrealized foreign currency translation gains of \$4.3 million, gross unrealized gains of \$1.4 million offset by gross unrealized loss of \$2.4 million from our available-for-sale securities, net of deferred taxes of \$0.4 million have been recorded in accumulated other comprehensive income loss, a component of stockholders' equity of our consolidated balance sheet.

Stock-Based Compensation

On July 1, 2005, we adopted, SFAS 123(R), "Share Based Payment" ("SFAS 123(R)") using the modified prospective method. SFAS 123(R) requires all share-based payments to employees to be recognized in the financial statements based on their fair values and did not change the accounting guidance for share-based payment transactions with parties other than employees provided in SFAS 123, "Accounting for Stock Based Compensation" ("SFAS 123"), as originally issued and Emerging Issues Task Force ("EITF") 96-18, "Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services" ("EITF 96-18").

Upon our adoption of SFAS 123(R), we began recording compensation cost related to equity-based awards that were unvested as of July 1, 2005, as well as for all new equity-based awards after our adoption date. The compensation cost to be recorded is based on the fair value at the grant date. The adoption of SFAS 123(R) did not have an effect on our recognition of compensation expense relating to the vesting of restricted stock grants. SFAS 123(R) required the elimination of unearned compensation (contra-equity account) related to earlier awards against the appropriate equity accounts of our consolidated balance sheet.

Prior to the adoption of SFAS 123(R), cash flows resulting from the tax benefit related to equity-based compensation was presented in our operating cash flows, along with other tax cash flows, in accordance with the provisions of EITF 00-15, "Classification in the Statement of Cash Flows of the Income Tax Benefit Received by a Company upon Exercise of a Nonqualified Employee Stock Option" ("EITF 00-15"). SFAS 123(R) superseded EITF 00-15, amended SFAS 95, "Statement of Cash Flows" and requires tax benefits relating to excess equity-based compensation deductions to be prospectively presented in our statement of cash flows as financing cash inflows.

Had compensation cost for our stock-based compensation plans been determined based on the fair value at the grant dates for awards under those plans in accordance with the provisions of SFAS 123(R), our net income (loss) and net income (loss) per share for the year ended June 30, 2005 would have been as follows (in thousands, except per share data):

	Year Ended June 30, 2005
Net income, as reported	\$ 46,801
Stock-based compensation included in net income	3,677
Stock-based compensation under SFAS 123(R)	<u>(9,281)</u>
Pro forma net income	\$ 41,197
Pro forma earnings per share	
Basic and diluted	<u>\$ 0.45</u>

Stock-Related Transactions With Third Parties

We account for stock warrants issued to third parties, including customers, in accordance with the provisions of SFAS 123(R), EITF 96-18, "Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services" ("EITF 96-18") and EITF 01-9, "Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)" ("EITF 01-9"). Under the provisions of EITF 96-18, because none of the agreements have a disincentive for non-performance, we record a charge for the fair value of the portion of the warrants earned from the point in time when vesting of the warrants becomes probable. Final determination of fair value of the warrants occurs upon actual vesting. EITF 01-9, requires that the fair value of certain types of warrants issued to customers be recorded as a reduction of revenue to the extent of cumulative revenue recorded from that customer.

Basic and Diluted Earnings Per Share

We report basic and diluted earnings per share in accordance with the provisions of SFAS 128, "Earnings Per Share" ("SFAS 128"). Basic earnings per common share is determined by dividing net income available to common shareholders by the weighted average number of common shares outstanding. Diluted per common share amounts assume the issuance of common stock for all potentially dilutive equivalent shares outstanding.

Foreign Currency Translation

The financial statements of our foreign subsidiaries are measured using the local currency as the functional currency. Operations using a local currency other than the U.S. dollar are located in the United Kingdom, Canada, European Union, and Australia. Foreign currency denominated assets and liabilities for these operations are translated into U.S. dollars based on exchange rates prevailing at the end of the period, and revenues and expenses are translated at average exchange rates during the period. The effects of foreign exchange gains and losses arising from the remeasurement of assets and liabilities of those entities from the functional currency to the U.S. dollar are included in accumulated other comprehensive income (loss), a component of stockholders' equity of our consolidated balance sheet. Recognized gains and losses from currency exchange transactions are recorded in operating expenses in our consolidated statements of operations and were not material to our consolidated results of operations for fiscal years 2007, 2006 and 2005.

Revenue Recognition

Our sources of revenue and methodology of recognition is as follows:

- *Processing and Servicing* — Processing and servicing includes revenues from transaction processing, electronic funds transfer and monthly service fees on consumer funds transfer services. We recognize revenues when the services have been performed. Certain customer agreements include minimum monthly revenue commitments to us and, of those agreements, some have provisions that allow these minimum commitments to be credited against future services, as defined. We defer any portion of the minimum revenue commitments that we expect to be credited against future services until the future services are performed or the credits expire unused. Our estimate of minimums to be credited against future services is primarily based on customer specific historical experience and volume and growth experience with other customers. Transaction fees related to our walk-in payment operations are recorded gross of agent commissions if we are required to invoice our customers for such fees and remit the commission to our agents. As part of processing certain types of transactions, we earn interest from the time money is collected from our customers until the time payment is made to the applicable merchants. These revenues, which are generated from trust account balances not included on our consolidated balance sheets, are included in our processing and servicing revenues and totaled \$40.0 million, \$41.6 million and \$26.6 million for the years ended June 30, 2007, 2006 and 2005, respectively.
- *License Fees* — We recognize revenues on software transactions in accordance with SOP 97-2, "Software Revenue Recognition" ("SOP 97-2"), as amended by SOP 98-9, "Modification of SOP 97-2, Software Revenue Recognition, With Respect to Certain Transactions" and SOP 81-1, "Accounting for Performance of Construction-Type and Certain Production-Type Contracts," based on the terms and conditions in the contract. In accordance with the provisions of SOP 97-2, revenues

from software license agreements are recognized when there is persuasive evidence that an arrangement exists, the fee is fixed or determinable, collectibility is probable and the software has been delivered, provided that no significant obligation remains under the contract. We have multiple-element software arrangements which in addition to software licensing typically also include professional services and maintenance services. For these arrangements, we recognize revenue using the residual method. Under the residual method, the fair value of the undelivered elements, based on vendor specific objective evidence of fair value, is deferred. The difference between the total arrangement fee and the amount deferred for the undelivered elements is recognized as revenue related to the delivered elements. We determine the fair value of the undelivered elements based on the amounts charged when those elements are sold separately. Contracts accounted for under the percentage-of-completion method are generally measured based on the ratio of labor costs incurred to total estimated labor costs to be incurred. Changes in estimates to complete and revisions in overall profit estimates on these contracts are charged to earnings in the period in which they are determined. We accrue for contract losses if and when the current estimate of total contract costs exceeds total contract revenue. Where a customer enters into arrangements to purchase software and services on a subscription basis, we recognize revenue in accordance with Staff Accounting Bulletin (SAB) No. 104, Revenue Recognition in Financial Statements. Under these arrangements, we defer recognition of the implementation and license revenue and recognize them ratably over the greater of the initial life of the customer contract or the estimated life of the customer service relationship. Costs associated with implementation are deferred and recognized ratably over the life of the arrangements.

- *Maintenance Fees* — We recognize maintenance fee revenues ratably over the term of the related contractual support period, generally 12 months.
- *Professional Fees* — Other revenues consist primarily of consulting and training services. We recognize consulting revenues as services are performed and training revenues are recognized upon delivery of the related services.

Our customers are billed in accordance with contract terms. We do not record deferred revenue until all contractual obligations are met. Maintenance is generally billed in advance on an annual basis. We record any unrecognizable portion of billed fees as deferred revenue until such time as revenue recognition is appropriate. Credit losses, if any, are contemplated in the establishment of the allowance for doubtful accounts.

Advertising Costs

We expense advertising costs as incurred in accordance with SOP 93-7, "Reporting on Advertising Costs" ("SOP 93-7"). Advertising expense for the years ended June 30, 2007, 2006 and 2005 was \$5.8 million, \$6.0 million and \$6.1 million, respectively. Advertising expenses are included in sales and marketing costs in our consolidated statements of operations.

Income Taxes

We account for income taxes in accordance with SFAS 109, "Accounting for Income Taxes" ("SFAS 109"), which requires an asset and liability approach to financial accounting and reporting for income taxes. In accordance with SFAS 109, deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Income tax expense (benefit) is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

Business Segments

We report information about our business segments in accordance with SFAS 131, "Disclosures about Segments of an Enterprise and Related Information" ("SFAS 131"). The Statement defines how operating segments are determined and requires disclosure of certain financial and descriptive information about a company's operating segments. See Note 19 for our segment information.

Related Parties

We consider certain entities to be related parties as defined by SFAS 57, "Related Party Disclosures" ("SFAS 57"), based on the ability to designate for election a director to our board of directors as well as the level of share ownership. First Data Corporation ("FDC") was considered a related party until the beginning of our quarter ended September 30, 2004. On August 29, 2006, we entered into an agreement with Microsoft terminating its stockholder agreement, dated September 1, 2000, that gave Microsoft Corporation the right to designate for election a director to our board. As a result of the termination, Microsoft is no longer considered a related party for financial statement purposes.

Recent Accounting Pronouncements

In February 2007, the Financial Accounting Standards Board ("FASB") issued Statement of Accounting Standards 159, "The Fair Value Option for Financial Assets and Liabilities — Including an Amendment of FASB Statement No. 115" ("SFAS 159"), which permits an entity to choose to measure many financial instruments and certain other items at fair value. Most of the provisions of SFAS 159 are elective; however, the amendment to FASB Standard No. 115 applies to all entities with available-for-sale and trading securities. The FASB's stated objective in issuing this standard is to improve financial reporting by entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently, without having to apply complex hedging accounting provisions. The provisions of SFAS 159 are effective as of the beginning of our fiscal year 2009, and we are currently evaluating the impact of the adoption of SFAS 159 on our consolidated financial statements.

In September 2006, the FASB issued SFAS 157, "Fair Value Measurements" ("SFAS 157"), which is intended to provide guidance for using fair value to measure assets and liabilities. In general, this pronouncement is intended to establish a framework for determining fair value and to expand the disclosures regarding the determination of fair value. With certain financial instruments, a cumulative effect of a change in accounting principle may be required with the impact of the change recorded as an adjustment to beginning retained earnings. The provisions of SFAS 157 are effective as of the beginning of our fiscal year 2008, and we are currently evaluating the impact of the adoption of SFAS 157 on our consolidated financial statements.

In July 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"), an interpretation of SFAS 109, which is intended to increase comparability in the financial reporting of income taxes. FIN 48 provides additional guidance regarding the recognition and measurement of uncertain tax positions in a company's consolidated financial statements by establishing a "more-likely-than-not" recognition threshold. Once the threshold has been met, companies are required to recognize the largest amount of the benefit that is greater than 50 percent likely (on an accumulated basis) of being realized upon ultimate settlement with the taxing authority. The provisions of FIN 48 are effective as of the beginning of our fiscal year 2008, and we are currently evaluating the impact of the adoption of FIN 48 on our consolidated financial statements.

In September 2006, the SEC released Staff Accounting Bulletin No. 108, codified as SAB Topic 1.N, "Considering the Effects of Prior Year Misstatements When Quantifying Misstatements in Current Year Financial Statements" ("SAB 108"). SAB 108 states that registrants should use both a balance sheet approach and an income statement approach when quantifying and evaluating the materiality of a misstatement. SAB 108 also contains guidance on correcting misstatements under the dual approach and provides transition guidance for correcting misstatements in prior years. Adjustments required upon adoption of SAB 108 must be disclosed in the notes to the financial statements. The adoption of SAB No. 108 did not have a material effect on our results of operations and financial condition.

NOTE 2. ACQUISITIONS AND DIVESTITURES

Fiscal 2007:

Upstream Technologies LLC Acquisition

In May 2007, we completed the purchase of substantially all of the assets of Upstream Technologies LLC ("Upstream"), a provider of advanced investment decision support and trade order management tools, for approximately \$28.0 million in cash. We anticipate Upstream will enhance our Investment Services Division with their technology and experience in the industry. Based on our preliminary purchase price allocation, we recorded goodwill of approximately \$26.8 million, which is deductible for tax purposes. We are in the process of determining whether there are any other intangibles to which the purchase price must be allocated to. We expect to complete this analysis by the end of our second quarter of fiscal year 2008.

Corillian Corporation Acquisition

In May 2007, we completed the acquisition of Corillian Corporation ("Corillian"), a provider of online banking software and services, for approximately \$245.0 million in cash. The addition of Corillian expands our ability to provide a fully integrated, secure and scalable online banking, electronic billing, and payment platform. In determining the preliminary purchase price allocation, we are using a third-party valuation specialist to assist us in determining the fair value intangible assets. We preliminarily recorded goodwill of approximately \$155.1 million, which is not deductible for tax purposes. Corillian is a part of our Electronic Commerce Division. The components of the purchase price were (in thousands):

Cash paid	\$ 245,349
Direct costs	485
Liabilities assumed	15,587
	<u>\$ 261,421</u>

As noted above, our preliminary allocation of the Corillian purchase price is as follows (in thousands):

Current assets	\$ 43,490
Property and equipment	4,188
Intangibles and other non-current assets	213,743
Total assets	<u>\$ 261,421</u>
Current liabilities	\$ 13,303
Other non-current liabilities	2,284
Total liabilities	<u>\$ 15,587</u>

The preliminary values allocated to other acquired intangible assets and their respective future lives are as follows (in thousands):

	<u>Intangible Asset</u>	<u>Useful Life</u>
Customer base	\$ 30,300	10 yrs
Current technology	13,370	3-5 yrs
Tradenames	1,000	2 yrs

Carreker Corporation Acquisition

In April 2007, we completed the acquisition of Carreker Corporation ("Carreker"), a provider of technology and consulting services for the financial services industry, for approximately \$206.0 million in cash. The acquisition of Carreker expands our ability to provide tools that assist global financial institutions with payments processing, fraud and risk management, cash logistics and expert consultancy in the areas of float management and the convergence of check and electronic payments. In determining the preliminary purchase price allocation, we are using a third-party valuation specialist to assist us in determining the fair value of intangible assets.

We preliminarily recorded goodwill of approximately \$105.8 million, which is not deductible for tax purposes. Carreker operations are split among our Software and Electronic Commerce Divisions based on product offerings. The components of the purchase price were (in thousands):

Cash paid	\$ 206,312
Direct costs	800
Liabilities assumed	33,934
	<u>\$ 241,046</u>

As noted above, our preliminary allocation of the Carreker purchase is as follows (in thousands):

Current assets	\$ 76,832
Property and equipment	3,252
Intangibles and other non-current assets	160,962
Total assets	\$ 241,046
Current liabilities	<u>\$ 33,934</u>

The preliminary values allocated to other acquired intangible assets and their respective future lives are as follows (in thousands):

	Intangible Asset	Useful Life
Customer base	\$ 31,300	7 yrs
Current technology	19,900	5 yrs
Tradenames	1,600	1 yr

The following represents our results on a pro forma basis as if these three acquisitions on a combined basis occurred on the first day of our fiscal year 2006 (In thousands, except per share data).

Pro Forma Consolidated Statements of Operations

	For the Year Ended June 30,	
	2007	2006
Total Revenues	<u>\$ 1,107,000</u>	<u>\$ 1,021,000</u>
Income from continuing operations before other income and expense	182,000	153,000
Net income	<u>\$ 109,000</u>	<u>\$ 95,000</u>
Net income per share:		
Basic	\$ 1.23	\$ 1.04
Diluted	\$ 1.19	\$ 1.01

Fiscal 2006:

PhoneCharge, Inc. Acquisition

In January 2006, we completed the acquisition of PhoneCharge, Inc. ("PhoneCharge"), a provider of telephone and Internet-based bill payment services, for approximately \$100.0 million in cash. Along with additional biller relationships, PhoneCharge brought us telephone bill payment capabilities with credit card based payment funding capability. We recorded goodwill of approximately \$67.8 million, which is deductible for tax purposes. PhoneCharge is a part of our Electronic Commerce Division. The values allocated to other acquired intangible assets and their respective future lives are as follows (in thousands):

	Intangible Asset	Useful Life
Customer base	\$ 25,000	5 yrs
Current technology	4,400	5 yrs
Tradenames	1,700	3 yrs

Aphelion, Inc. Acquisition

In October 2005, we completed the acquisition of substantially all of the assets of Aphelion, Inc. ("Aphelion"), a provider of health club management software and services for approximately \$18.1 million in cash. The addition of Aphelion expanded the number of clubs we served, strengthened our presence in the mid-sized and independent club markets, and brought us prospective electronic funds transfer customers. We recorded goodwill of approximately \$10.7 million, which is deductible for tax purposes. Aphelion is a part of our Electronic Commerce Division. The values allocated to other acquired intangible assets and their respective future lives are as follows (in thousands):

	<u>Intangible Asset</u>	<u>Useful Life</u>
Customer base	\$ 5,000	5 yrs
Current technology	1,300	5 yrs
Tradenames	600	3 yrs
Covenants not to compete	320	2 yrs

Integrated Decision Systems, Inc. Acquisition

In September 2005, we completed the purchase of substantially all of the assets of Integrated Decision Systems, Inc. ("IDS"), a provider of enterprise portfolio management solutions to the financial services industry, for approximately \$18.0 million in cash. The acquisition of IDS extends our client base to include more participants in the investment management industry. We recorded goodwill of approximately \$8.0 million, which is deductible for tax purposes. The business was integrated with our Investment Services Division. The values allocated to other acquired intangible assets and their respective future lives are as follows (in thousands):

	<u>Intangible Asset</u>	<u>Useful Life</u>
Customer base	\$ 7,000	6 yrs
Current technology	1,831	3 yrs
Tradenames	500	3 yrs

Disposition of M-Solutions

On February 6, 2006, we completed the sale of the assets of the M-Solutions business unit, which was part of our Investment Services Division, for \$18.6 million in cash, subject to post-closing adjustments. The sale was the result of an unsolicited offer and resulted in a gain on disposal of \$12.8 million. As a result of this disposition, the operating results of the M-Solutions business for the current and prior periods through the disposition date have been reclassified as discontinued operations in the Consolidated Financial Statements and related notes. M-Solutions generated revenue of \$5.0 million during the year ended June 30, 2006 prior to its disposition. The estimated carrying amount of the major classes of assets and liabilities included as part of our disposal group as of February 6, 2006, were as follows (in thousands):

Total current assets	\$ 1,174
Property and equipment, net	369
Goodwill	7,250
Other intangible assets, net	1,305
Total other assets	<u>8,555</u>
Total assets	\$ 10,098
Total liabilities	<u>\$ 4,326</u>

Fiscal 2005:**Accurate Software Limited Acquisition**

In April 2005, we completed the acquisition of Accurate Software Limited (“Accurate”), a United Kingdom-based provider of reconciliation, exception management, workflow and business intelligence solutions, for approximately \$57.0 million in cash. We completed the acquisition of Accurate to further solidify our leadership in financial software and services, expand our global presence and client base, and drive continued product innovation in operational risk management solutions for banks, brokerages and corporations.

Accurate is part of our Software Division. We recorded assets and liabilities based on their fair market values at the date of the acquisition. Based on the purchase price allocation, we recorded goodwill of approximately \$40.1 million, which is not deductible for tax purposes. As a direct result of our acquisition of Accurate, we recorded a charge in the amount of \$1.0 million to write down the value of previously capitalized software due to technology redundancy. This charge is included in depreciation and amortization within our consolidated statement of operations for the year ended June 30, 2005. The values allocated to other acquired intangible assets and their respective future lives are as follows (in thousands):

	<u>Intangible Asset</u>	<u>Useful Life</u>
Customer relationships	\$ 11,000	6 yrs
Current technology	1,860	2 to 5 yrs
Covenants not to compete	2,490	1 yr
Tradenames	2,026	1.5 to 3 yrs

NOTE 3. REORGANIZATION CHARGES

We are committed to a plan of integration of certain activities with our fiscal 2007 acquisitions. These activities are accounted for in accordance with EITF 95-3, “Recognition of Liabilities in Connection with a Purchase Business Combination” (“EITF 95-3”). These activities include primarily employee severance and related costs. In connection with those acquisitions, we accrued reorganization charges totaling approximately \$10.3 million. A charge of \$6.1 million was recorded in our 2007 Statement of Income as a result of severance and related costs associated with termination of a number of our associates in connection with our integration plans. The balance of the costs were included in the determination of the purchase price as they related to the acquired companies’ associates.

A summary of our reorganization charge recorded by us during our fiscal year ended June 30, 2007 by reportable segment is as follows (in thousands):

	Year-Ended June 30, 2007
Reorganization charge:	
Electronic Commerce	\$ 3,095
Investment Services	955
Software	6,203
Corporate	17
Total	<u>\$ 10,270</u>

On June 16, 2005, we terminated the employment of a number of our associates as part of an internal reorganization. As part of the action, we moved our Electronic Billing and Payment operations at our Waterloo, Ontario, Canada facility to our headquarters in Norcross, Georgia.

A summary of activity in the accrual related to our integration and reorganization activities is as follows (in thousands):

	Severance and Other Employee Costs	Office Closure and Business Exit Costs	Total
Balance as of June 30, 2005	\$ 5,200	\$ 156	\$ 5,356
Cash payments, year ended June 30, 2006	(5,200)	(156)	(5,356)
Balance as of June 30, 2006	—	—	—
Reorganization charge	10,270	—	10,270
Cash payments, year ended June 30, 2007	(3,352)	—	(3,352)
Balance as of June 30, 2007	<u>\$ 6,918</u>	<u>\$ —</u>	<u>\$ 6,918</u>

NOTE 4. INVESTMENTS

Our investments consist of the following (in thousands):

	June 30, 2007	June 30, 2006
Available-for-sale	\$217,776	\$ 378,678
Other investments	4,539	1,329
Restricted cash	461	453
Less: amounts classified as cash equivalents	(36,233)	(157,371)
Total investments	<u>\$186,543</u>	<u>\$ 223,089</u>

Available-for-Sale

The following is a summary of our available-for-sale investment securities (in thousands):

	Cost or Amortized Cost	Gross Unrealized		Estimated Fair Value
		Gains	Losses	
June 30, 2007:				
Corporate bonds	\$ 6,145	\$ 2	\$ (38)	\$ 6,109
Asset-backed securities	16,646	3	(31)	16,618
Collateralized mortgage obligations	10,759	37	(223)	10,573
U.S. Government and federal agency obligations	24,638	—	(176)	24,462
Municipal bonds	101,425	—	—	101,425
Money market mutual funds and other	36,233	—	—	36,233
Mortgage pass-through securities	22,858	—	(504)	22,354
Available-for-sale investments	218,704	42	(972)	217,774
Less: amounts classified as cash equivalents	(36,233)	—	—	(36,233)
Net available-for-sale investments	<u>\$ 182,471</u>	<u>\$ 42</u>	<u>\$ (972)</u>	<u>\$ 181,541</u>
June 30, 2006:				
Corporate bonds	\$ 19,734	\$ 2	\$ (193)	\$ 19,543
Asset-backed securities	31,267	3	(132)	31,138
Collateralized mortgage obligations	14,928	81	(370)	14,639
Commercial paper	44,659	—	—	44,659
Certificates of Deposit	10,000	—	—	10,000
U.S. Government and federal agency obligations	62,459	—	(764)	61,695
Municipal bonds	67,197	—	(11)	67,186
Money market mutual funds and other	103,254	—	—	103,254
Mortgage pass-through securities	27,430	—	(866)	26,564
Available-for-sale investments	380,928	86	(2,336)	378,678
Less: amounts classified as cash equivalents	(157,371)	—	—	(157,371)
Net available-for-sale investments	<u>\$ 223,557</u>	<u>\$ 86</u>	<u>\$(2,336)</u>	<u>\$ 221,307</u>

The fair value of available-for-sale securities is based on quoted market values or estimates from independent pricing services. We have determined that the unrealized losses in our available-for-sale investments, comprised of 74 and 140 securities, are deemed to be temporary impairments as of June 30, 2007 and 2006, respectively. We believe that the unrealized losses generally are caused by increases in market interest rates rather than adverse changes in cash flows or a fundamental weakness in the credit quality of the issuer or underlying assets. We believe that the investment's full principal will be returned to us at maturity.

The following table summarizes the aggregate amount of cost or amortized cost, gross unrealized losses, and estimated fair values of these investments classified as available-for-sale as of June 30, 2007 and 2006 (in thousands):

	Cost or Amortized Cost	Gross Unrealized Losses	Estimated Fair Values
June 30, 2007:			
Corporate bonds	\$ 4,764	\$ (38)	\$ 4,726
Asset-backed securities	3,968	(31)	3,937
Collateralized mortgage obligations	9,246	(223)	9,023
U.S. Government and federal agency obligations	22,638	(176)	22,462
Mortgage pass-through securities	22,858	(504)	22,354
Impaired available-for-sale investments	<u>\$ 63,474</u>	<u>\$ (972)</u>	<u>\$ 62,502</u>
June 30, 2006:			
Corporate bonds	\$ 16,830	\$ (193)	\$ 16,637
Asset-backed securities	13,946	(132)	13,814
Collateralized mortgage obligations	13,990	(370)	13,620
U.S. Government and federal agency obligations	48,420	(764)	47,656
Municipal bonds	1,073	(11)	1,062
Mortgage pass-through securities	27,430	(866)	26,564
Impaired available-for-sale investments	<u>\$121,689</u>	<u>\$ (2,336)</u>	<u>\$ 119,353</u>

The following table summarizes the unrealized losses on our available-for-sale investment securities for which other-than-temporary impairments have not been recognized as of June 30, 2007 and 2006 (in thousands):

	Less than 12 Months Impaired		Equal or Greater than 12 Months Impaired		Total Estimated Fair Values	Total Unrealized Losses
	Estimated Fair Values	Unrealized Losses	Estimated Fair Values	Unrealized Losses		
June 30, 2007:						
Corporate bonds	\$ 406	\$ (1)	\$ 4,320	\$ (37)	\$ 4,726	\$ (38)
Asset-backed securities	—	—	3,937	(31)	3,937	(31)
Collateralized mortgage obligations	225	(1)	8,798	(222)	9,023	(223)
U.S. Government and federal agency obligations	—	—	22,462	(176)	22,462	(176)
Mortgage pass-through securities	—	—	22,354	(504)	22,354	(504)
Impaired available-for-sale investments	<u>\$ 631</u>	<u>\$ (2)</u>	<u>\$ 61,871</u>	<u>\$ (970)</u>	<u>\$ 62,502</u>	<u>\$ (972)</u>
June 30, 2006:						
Corporate bonds	\$ 7,433	\$ (49)	\$ 9,204	\$ (144)	\$ 16,637	\$ (193)
Asset-backed securities	7,381	(53)	6,433	(79)	13,814	(132)
Collateralized mortgage obligations	7,520	(95)	6,100	(275)	13,620	(370)
U.S. Government and federal agency obligations	12,087	(108)	35,569	(656)	47,656	(764)
Municipal bonds	1,062	(11)	—	—	1,062	(11)
Mortgage pass-through securities	14,343	(338)	12,221	(528)	26,564	(866)
Impaired available-for-sale investments	<u>\$ 49,826</u>	<u>\$ (654)</u>	<u>\$ 69,527</u>	<u>\$ (1,682)</u>	<u>\$ 119,353</u>	<u>\$ (2,336)</u>

The following table summarizes the contractual maturities of our debt securities classified as available-for-sale investments using estimated fair values as of June 30, 2007 (in thousands):

	Contractual Maturities			
	Within One Year	After One Year through Five Years	After Five Years through Ten Years	After Ten Years
Corporate bonds	\$ 4,534	\$ 1,575	\$ —	\$ —
Asset-backed securities	—	4,004	499	12,115
Collateralized mortgage obligations	225	546	984	8,818
U.S. Government and federal agency obligations	16,057	8,405	—	—
Municipal bonds	—	11,800	4,900	84,725
Mortgage pass-through securities	—	642	479	21,233
Total debt securities classified as available-for-sale investments	<u>\$20,816</u>	<u>\$ 26,972</u>	<u>\$ 6,862</u>	<u>\$126,891</u>

The following table summarizes the contractual maturities of our debt securities classified as available-for-sale investments as of June 30, 2007 (in thousands):

	Cost or Amortized Cost	Estimated Fair Values
Contractual Maturities		
Due in one year or less	\$ 20,941	\$ 20,816
Due after one year through five years	27,104	26,972
Due after five years through ten years	6,876	6,862
Due after ten years	127,550	126,891
Total	<u>\$ 182,471</u>	<u>\$ 181,541</u>

Expected maturities may differ from contractual maturities because debt issuers may have the right to call or prepay obligations with or without call or prepayment penalties. We classify, in our consolidated balance sheet, our investments based on their expected maturities rather than contractual maturities. During the quarter ended March 31, 2005, we began classifying our auction rate preferred and debt instruments as available-for-sale rather than as cash and cash equivalents in our consolidated balance sheet. As of June 30, 2007 and 2006, we had approximately \$111.4 million and \$78.0 million in auction rate securities, respectively.

In 2007, available-for-sale investments of approximately \$345.0 million matured, and we recognized no gross gains or gross losses on these maturities. In 2006, available-for-sale investments of approximately \$466.0 million, and we recognized no gross gains or gross losses on these maturities. In 2005, we sold available-for-sale securities of approximately \$262.7 million. We recognized gross gains of \$4,000 and gross losses of \$40,000 on those sales.

The amount of the net unrealized holding gains or (losses) on available-for-sale securities included in accumulated other comprehensive income (loss) as of June 30, 2007, 2006 and 2005 was \$(0.6 million), \$(1.4 million) and \$(0.4 million), respectively. The amount of losses reclassified out of accumulated other comprehensive income (loss) into earnings for the fiscal years ended June 30, 2007, 2006 and 2005 was \$9,000, \$0 and \$24,000, respectively. We use the specific identification method to determine the basis on which the cost of a security is sold or the amount that we reclassify out of the accumulated other comprehensive income (loss), a component of stockholders' equity of our consolidated balance sheet, into earnings.

In the quarter ended March 31, 2005, we recorded a \$0.6 million gain on the sale of stock. While we do not typically invest in equity securities, we received shares of stock from an insurance vendor that demutualized. We sold the shares shortly after we received them, and recorded the proceeds as a gain on investments.

Other investments

We account for other investments under the cost method. Our other investments include common stock, warrants and venture capital initiatives. The common stocks and warrants consist of preferred stock warrants in a non-publicly traded electronic billing related company. The fair value of our investments was approximately \$2.6 million and \$0.1 million as of June 30, 2007 and 2006, respectively.

Our venture capital investments are in early to mid-stage financial solutions and technology companies. We have made a commitment to invest \$1.0 million and \$4.0 million in two separate venture capital initiatives. Actual contributions are made at the point in time a specific company in which venture capital will be invested is identified. The fair value of our venture capital initiative with a \$1.0 million commitment was approximately \$0.7 million and \$0.6 million as of June 30, 2007 and 2006, respectively. The cost and fair value of our venture capital initiative with a \$4.0 million commitment was approximately \$1.3 million and \$0.6 million as of June 30, 2007 and 2006, respectively.

Pledged investments

We have pledged certain available-for-sale investments as collateral for payments due under our operating leases and have three standby letters of credit related to our operating leases. In conjunction with our operating leases, the total amount of our collateralized available-for-sale investments and standby letters of credit at June 30, 2007 and 2006 was approximately \$0.7 million and \$2.4 million, respectively. The standby letters of credit associated with our operating leases expire at various dates through February 2008 but automatically renew yearly through the underlying lease expiration dates. Our operating leases expire at various dates through October 2017.

NOTE 5. ACCOUNTS RECEIVABLE

The components of our accounts receivable consist of the following (in thousands):

	June 30,	
	2007	2006
Trade accounts receivable	\$ 192,062	\$ 128,462
Unbilled trade accounts receivable	20,997	4,685
Other receivables	11,364	14,967
Total	224,423	148,114
Less: allowance for doubtful accounts	3,103	1,509
Accounts receivable, net	<u>\$ 221,320</u>	<u>\$ 146,605</u>

Trade accounts receivable represents amounts billed to our customers. We recognize revenues and bill customers under service agreements as we perform services. Unbilled trade accounts receivable result primarily from extended payment terms not in excess of one year on software license agreements. For software contracts, we recognize revenues under the provisions of SOP 97-2 as described in Note 1, and unbilled amounts under those software contracts are billed on specific dates according to contractual terms. Other receivables are comprised primarily of interest receivable. The allowance for doubtful accounts represents our estimate of uncollectible accounts receivable.

NOTE 6. PROPERTY AND EQUIPMENT

The components of our property and equipment are as follows (in thousands):

	June 30,	
	2007	2006
Land and land improvements	\$ 4,944	\$ 4,944
Building and building improvements	60,886	55,684
Computer equipment and software licenses	321,182	279,490
Furniture and equipment	23,974	21,772
Construction in progress	45,959	2,046
Total	456,945	363,936
Less: accumulated depreciation	300,832	263,719
Property and equipment, net	<u>\$ 156,113</u>	<u>\$ 100,217</u>

Depreciation expense totaled \$44.2 million, \$40.4 million, and \$37.5 million for the years ended June 30, 2007, 2006 and 2005, respectively.

NOTE 7. GOODWILL AND OTHER INTANGIBLE ASSETS

As of June 30, 2007 and 2006, our only non-amortizing intangible asset is goodwill. The impact of changes in foreign currency exchange rates is not significant to our recorded goodwill. The changes in the carrying value of goodwill by segment were as follows (in thousands):

	Electronic Commerce	Software	Investment Services	Total
Balance as of June 30, 2005	\$ 581,239	\$ 63,548	\$ 11,387	\$ 656,174
Goodwill acquired through acquisition of PhoneCharge	67,800	—	—	67,800
Goodwill acquired through acquisition of Aphelion	10,666	—	—	10,666
Goodwill acquired through acquisition of Integrated Decision Systems	—	—	8,019	8,019
Disposition of business	—	—	(7,250)	(7,250)
Purchase price adjustments	—	(818)	—	(818)
Balance as of June 30, 2006	659,705	62,730	12,156	734,591
Goodwill acquired through acquisition of Upstream	—	—	26,820	26,820
Goodwill acquired through acquisition of Corillian	155,103	—	—	155,103
Goodwill acquired through acquisition of Carreker	32,154	73,638	—	105,792
Purchase price adjustments	714	—	—	714
Foreign currency adjustment	—	4,492	—	4,492
Balance as of June 30, 2007	<u>\$ 847,676</u>	<u>\$ 140,860</u>	<u>\$ 38,976</u>	<u>\$ 1,027,512</u>

The components of our various amortized intangible assets are as follows (in thousands):

	June 30,	
	2007	2006
Capitalized software:		
Product technology from acquisitions and strategic agreement	\$ 167,458	\$ 167,108
Internal development costs	34,773	32,970
Total	202,231	200,078
Less: accumulated amortization	198,563	196,323
Capitalized software, net	<u>\$ 3,668</u>	<u>\$ 3,755</u>
Strategic agreements:		
Strategic agreements(1)	\$ 744,423	\$ 744,423
Less: accumulated amortization	663,360	638,418
Strategic agreements, net	<u>\$ 81,063</u>	<u>\$ 106,005</u>
Other intangible assets:		
Tradenames	\$ 54,937	\$ 53,176
Customer base	151,868	89,639
Current technology	43,662	10,290
Money transfer licenses	1,700	1,700
Convenants not to compete	5,828	5,670
Total	257,995	160,475
Less: accumulated amortization	117,191	98,059
Other intangible assets, net	<u>\$ 140,804</u>	<u>\$ 62,416</u>

(1) Strategic agreements primarily include certain entity-level covenants not to compete.

Amortization of all of our intangible assets totaled \$44.5 million, \$60.0 million and \$139.0 million for the years ended June 30, 2007, 2006 and 2005, respectively.

Amortization of capitalized software costs, which is a subset of our total intangible asset amortizations, totaled \$2.2 million, \$3.3 million and \$5.7 million for the years ended June 30, 2007, 2006 and 2005, respectively.

Amortization expense for the next five fiscal years is estimated to be as follows (in thousands):

Fiscal Year Ending June 30,	
2008	\$ 56,993
2009	52,817
2010	51,956
2011	26,448
2012	12,411

NOTE 8. ACCRUED LIABILITIES

The components of our accrued liabilities are as follows (in thousands):

	June 30,	
	2007	2006
Compensation and benefits	\$ 46,520	\$ 36,433
Other	47,506	37,933
Reorganization reserves	6,918	—
Total	<u>\$ 100,944</u>	<u>\$ 74,366</u>

NOTE 9. FINANCING AGREEMENTS

In August 2003, our wholly owned subsidiaries, CheckFree Services and Bastogne, Inc., a bankruptcy-remote, special purpose entity (“Bastogne”), entered into a Master Agreement with SunTrust Banks, Atlanta, Georgia (“SunTrust”) with respect to activities in our Electronic Commerce Division. Under this Master Agreement, SunTrust provides us with Automated Clearing House (“ACH”) and other electronics funds transfer services, on behalf of Bastogne in connection with the receipt, investment, custody and transmission of subscriber funds. In addition, SunTrust and its affiliates provide us with various deposit accounts and investment accounts and services to Bastogne. CheckFree Services provides processing and administrative services to Bastogne to facilitate transactions under the Master Agreement.

SunTrust has agreed to provide a facility to Bastogne to cover overdrafts occurring from time to time due to timing differences between transmission of subscriber funds and movement of funds from Bastogne’s investment accounts to the zero balance demand deposit account maintained by Bastogne with SunTrust. In addition, SunTrust provides ACH services, and maintains and permits Bastogne to use SunTrust’s MasterCard ICA transit number and VISA bank identification numbers to facilitate transactions in the MasterCard and VISA systems. The obligations of Bastogne under the Master Agreement to SunTrust are guaranteed by CheckFree Services.

Revolving Credit Facility

On April 13, 2006, we entered into a revolving credit facility with SunTrust that provides for up to \$300.0 million in revolving credit loans, swingline loans and the issuance of letters of credit. The credit facility terminates on April 13, 2011, unless terminated earlier. Any borrowings will bear interest at certain rates based upon our then current ratio of total debt to consolidated EBITDA. The credit facility also requires the payment of a commitment fee, expressed as a percentage per annum on any unused commitment. As of June 30, 2007, the amount outstanding under the facility was \$204.0 million at an average rate of 5.87%. The interest charged on the facility fluctuates with changes in short-term interest rates.

The credit facility contains certain financial covenants requiring us to meet certain financial ratios and contains certain operating covenants which, among other things, impose certain limitations with respect to additional indebtedness, investments, dividends and prepayments of subordinated indebtedness, transactions with affiliates, asset sales, mergers and consolidations, liens and other matters customarily addressed in such agreements. The credit facility also contains customary events of default, including payment defaults, material inaccuracies in representations and warranties, covenant defaults, cross-defaults to certain other agreements, certain events of bankruptcy and insolvency, certain ERISA events, judgment defaults in excess of specified amounts, failure of any guaranty supporting the credit facility to be in full force and effect, and a change in control.

Data Center Facility

On April 13, 2006, we entered into a series of financing and leasing arrangements (the “Agreements”) with a consortium of banks for the purpose of funding the construction of up to two data centers. We record the construction of the data centers as construction in progress during the construction period and will begin to record depreciation once we have assumed occupancy. Pursuant to the terms of the Agreements, SunTrust purchased a fee simple interest in two parcels of real property (the “Properties”) specified by CheckFree

Services, and CheckFree Services, as construction agent for SunTrust, is required to construct data center facilities (the "Facilities") on the Properties. The funding for the acquisition of the Properties and the construction of the Facilities will be provided by SunTrust and certain financial institutions. The aggregate limit on the funding to be provided by SunTrust and the financial institutions is \$100.0 million. As of June 30, 2007, the amount outstanding under the facility was \$40.1 million at an average rate of 6.03%. The interest charged on the facility fluctuates with changes in short-term interest rates.

During construction and after completion of the Facilities, SunTrust will lease the Properties and the Facilities to CheckFree Services pursuant to the terms of the Agreements. CheckFree Services will make minimum lease payments, representing the interest charge on the outstanding balance, beginning upon completion of construction that will vary based on the London Interbank Offered Rate ("LIBOR") plus a spread. The lease agreements will expire on April 15, 2013, unless terminated earlier pursuant to the terms of the lease agreements.

Upon expiration of the Agreements, CheckFree Services must elect to: (i) purchase the Facilities and Properties from SunTrust for a defined amount; (ii) request a five year renewal of the lease agreements (maximum of two such five year renewals provided for), subject to the approval and consent of SunTrust and the Lenders; or (iii) sell the Facilities and Properties as agent for SunTrust, provided that certain conditions are satisfied (the "Remarketing Option").

If CheckFree Services chooses the Remarketing Option, various outcomes may occur under the Agreements, but if the net cash proceeds of any sale are less than an amount equal to the aggregate sum of the outstanding amounts funded by SunTrust and all other lenders, all accrued and unpaid interest on the loans, all unpaid fees owing to SunTrust and any other lender under the operative documents, and all other amounts owing to SunTrust and all other lenders under the lease agreements (the "Outstanding Amounts"), CheckFree Services will be required to pay SunTrust the difference between the sale proceeds and the Outstanding Amounts, but in no event more than approximately eighty-three percent (83%) for the property in Texas and approximately eighty-five percent (85%) for property in Georgia of the Outstanding Amounts. If the net proceeds received from a third party for the Properties and Facilities, or a given Property and Facility, are in excess of the Outstanding Amounts or the Outstanding Amounts related to the specific Property and Facility, the excess shall be paid to CheckFree Services. SunTrust or the Agent may reject a third party purchase offer for the Properties and Facilities or a given Property and Facility under certain conditions.

The Agreements contain certain financial covenants requiring us to meet certain financial ratios and contains certain operating covenants which, among other things, impose certain limitations with respect to additional indebtedness, investments, dividends and prepayments of subordinated indebtedness, transactions with affiliates, asset sales, mergers and consolidations, liens and other matters customarily addressed in such agreements. We are in compliance with our covenants as of June 30, 2007.

NOTE 10. CAPITAL LEASE AND OTHER LONG-TERM OBLIGATIONS

We lease certain equipment under capital leases and purchase certain software licenses under long-term agreements. We are required to pay certain taxes, insurance and other expenses related to the leased property.

The components of our capital leases included in our consolidated balance sheets are as follows (in thousands):

	June 30,	
	2007	2006
Equipment and software licenses	\$ 19,948	\$ 15,830
Less: accumulated depreciation and amortization	<u>11,899</u>	<u>12,080</u>
Property under capital leases, net	<u>\$ 8,049</u>	<u>\$ 3,750</u>

Future minimum lease payments required by our capital leases are as follows:

2008	\$ 2,159
2009	<u>2,051</u>
Total future minimum lease payments	4,210
Less: amount representing interest	<u>325</u>
Net future minimum payments	<u>\$ 3,885</u>

Additionally, we have purchased software licenses under agreements with extended payment terms. Total amounts due under these agreements are not significant at June 30, 2007.

On April 2, 2004, we received a \$25.0 million deposit from a customer in connection with a contract modification relating to the timing of transaction settlements. The agreement has an initial term of four years and automatically renews thereafter unless terminated with 180 days notice. We expect the agreement to be renewed beyond April 2008. During the term of the agreement, we are required to pay the customer a variable rate of interest on a monthly basis equal to the then current overnight repurchase agreement rate. The deposit is reflected as a long-term liability in our consolidated balance sheets. There are no restrictions on the deposit, and the funds are available to us for general use. The deposit will be refunded to our customer upon termination of the agreement.

NOTE 11. COMMITMENTS AND CONTINGENCIES**Operating Leases**

We lease office space and equipment under operating leases. Certain leases contain renewal options and generally provide that we are required to pay for insurance, taxes and maintenance. In addition, certain leases include rent escalations throughout the terms of the lease. Total expense under all operating lease agreements for the years ended June 30, 2007, 2006 and 2005 was \$25.0 million, \$21.0 million and \$20.0 million, respectively.

Future minimum rental payments as of June 30, 2007 under these leases are as follows (in thousands):

Fiscal Year Ending June 30,	
2008	\$ 27,806
2009	25,024
2010	20,904
2011	11,517
2012	9,100
Thereafter	<u>25,887</u>
Future minimum lease payments	<u>\$ 120,238</u>

As previously explained in Note 4, Pledged Investments, we have pledged certain available-for-sale investments as collateral for payments due under our operating leases and have three standby letters of credit related to our operating leases.

Guarantees

FASB Interpretation 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" ("FIN 45"), requires that a guarantor recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee.

We warrant that our software products will perform in all material respects in accordance with our standard published specifications in effect at the time of delivery of the licensed products to the customer for 90 days. Additionally, we warrant that our services will be performed consistent with generally accepted industry standards or specific service levels through completion of the agreed upon services. If necessary, we would provide for the estimated cost of product and service warranties based on specific warranty claims and claim history, however, we have not incurred significant recurring expense under our product or service warranties. As a result, we believe the estimated liabilities related to these agreements are not material.

We have entered into the following guarantees related to our walk-in payment operations. The transmittal of consumer funds for three customers is guaranteed. As of June 30, 2007, we have secured deposits and have issued surety bonds and letters of credit totaling \$25.3 million on behalf of consumers in the event that consumer funds are not remitted to billers. Historically, payments made related to settling claims under these arrangements have not been significant. As a result, we believe the estimated fair value of any unsettled claims is nominal. Accordingly, we have no liabilities recorded for these arrangements as of June 30, 2007.

OneVu, our joint venture, has a line of credit facility from a bank in the amount of approximately \$2.7 million, which we have guaranteed. See further discussion on our joint venture with OneVu in Note 1.

In connection with our MSFDC, L.L.C. ("TransPoint") acquisition in 2001, we entered into commercial agreements with Microsoft and FDC to provide payment processing services. These agreements included minimum guaranteed revenue commitments totaling \$180.0 million over five years. The monthly minimum commitments from Microsoft and FDC increased over the five year term of the agreements and expired during the fiscal year 2006.

Litigation

On or about April 10, 2007, the first of two related shareholder securities putative class actions was filed against CheckFree and Messrs. Peter J. Kight and David E. Mangum in federal court in Atlanta styled as follows: Skubella v. CheckFree Corporation, et al., Civil Action No. 1:07-CV-0796-TWT, United States District Court for the Northern District of Georgia, Atlanta Division; Gattellaro v. CheckFree Corporation, et al., Civil Action No. 1:07-CV-0945-TWT, United States District Court for the Northern District of Georgia, Atlanta Division. The actions were filed on behalf of a putative class of all purchasers of CheckFree common stock between April 4, 2006 and August 1, 2006 and allege violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder against CheckFree and the individual defendants, as well as of Section 20(a) against the individual defendants, related to CheckFree's disclosures concerning its Electronic Commerce and Payment Services business. Plaintiffs seek undisclosed damages. On June 29, 2007, the Court entered an order that, among other things, consolidated these two actions and appointed Southwest Carpenters Pension Trust as the Lead Plaintiff. We anticipate that the Lead Plaintiff will file a consolidated complaint in the near future.

A related derivative action was filed on or about June 14, 2007 in federal court in Atlanta styled as follows: Borroni v. Peter Kight, et al., Civil Action No. 1:07-CV-1382-TWT, United States District Court for the Northern District of Georgia, Atlanta Division. The complaint names the following as defendants: Peter Kight, Mark Johnson, William Boardman, James D. Dixon, C. Kim Goodwin, Eugene F. Quinn, Jeffrey M. Wilkins, and David Mangum. The complaint also names CheckFree Corporation as a nominal defendant. The complaint alleges breach of fiduciary duty, aiding and abetting, and contribution and indemnification against the individual

defendants as well as unjust enrichment against one of the individual defendants. Following CheckFree's announcement of its proposed acquisition by Fiserv, Inc., the plaintiffs filed a Corrected Verified First Amended Shareholder Derivative and Class Action Complaint on August 6, 2007, which added C. Beth Cotner as a defendant and also added a claim on behalf of a putative class of all holders of CheckFree common stock for breach of fiduciary duty against all the individual defendants related to their approval of the proposed acquisition.

We believe these actions are without merit and intend to defend vigorously. We intend to move to dismiss these lawsuits at the appropriate time. At this time, it is not possible to predict the outcome of these matters.

NOTE 12. CAPITAL STOCK

Our authorized capital shares consist of 500,000,000 shares of common stock, \$.01 par value, 48,500,000 shares of preferred stock, \$.01 par value, and 1,500,000 shares of Series A Junior Participating Cumulative Preferred Stock, \$.01 par value. The preferred stock may be issued in one or more series and may be established with such relative voting, dividend, redemption, liquidation, conversion and other powers, preferences, rights, qualifications, limitations and restrictions as our board of directors may determine without further stockholder approval. No preferred shares have been issued through June 30, 2007.

On December 16, 1997, our board of directors declared a dividend distribution of Preferred Share Purchase Rights ("Rights") to protect our stockholders in the event of an unsolicited attempt to acquire us. On December 19, 1997, the Rights were issued to our stockholders of record, with an expiration date of December 16, 2007. Until a person or group acquires 15% or more of our common stock, the Rights will automatically trade with our shares of common stock. Only when a person or group has acquired 15% or more of our common stock, will the Rights become exercisable and separate certificates issued. Prior to the acquisition by a person or group of beneficial ownership of 15% or more of our common stock, the Rights are redeemable for \$.001 per Right at the option of our board of directors.

On August 3, 2005, we announced that our board of directors had approved a stock repurchase program under which we could repurchase up to \$60.0 million of our common stock through July 31, 2006. During our fiscal year 2006, we repurchased a total of 707,732 shares at an average purchase price of \$47.48 per share, or approximately \$33.6 million in the aggregate. As of June 30, 2006, the dollar value of the shares that remained available for repurchase was approximately \$26.4 million. The repurchased shares were immediately retired and cancelled. This program expired on July 31, 2006, with such remaining approved repurchase amount still outstanding.

On August 1, 2006, we announced that our board of directors had approved a separate stock repurchase program under which we could repurchase up to \$100.0 million of our common stock through July 31, 2007. During the month of August 2006, we repurchased a total of 2,176,158 shares of common stock at an average purchase price of \$37.22; in September 2006, we repurchased a total of 461,589 shares at an average purchase price of \$41.15 per share, or approximately \$100.0 million in the aggregate. The repurchased shares were immediately retired and cancelled.

On November 6, 2006, we announced that our board of directors had approved a separate stock repurchase program under which we could repurchase up to \$100.0 million of our common stock through August 1, 2007. During the month of November 2006, we repurchased a total of 1,273,807 shares of common stock at an average purchase price of \$39.25 per share, or approximately \$50.0 million in the aggregate. The repurchased shares were immediately retired and cancelled.

NOTE 13. TRANSACTIONS INVOLVING EQUITY INSTRUMENTS

Employee Plans

During 1995, we adopted the 1995 Stock Option Plan (the "1995 Plan"). The options granted under the 1995 Plan may be either incentive stock options or non-statutory stock options. The terms of the options granted under the 1995 Plan are at the sole discretion of a committee of members of our board of directors, not to exceed ten years. Generally, options vest at either 33% or 20% per year from the date of grant. The 1995 Plan originally provided us with the ability of granting options for not more than 5,000,000

shares of common stock to certain of our key employees, officers and directors. In November 1998 and again in November 2000, the 1995 Plan was amended by a vote of our shareholders to extend the maximum option grants to not more than 8,000,000 shares and not more than 12,000,000 shares, respectively. Options granted under the 1995 Plan are exercisable according to the terms of each option, however, in the event of a change in control or merger as defined, the options shall become immediately exercisable.

In November 2002, our stockholders approved the 2002 Stock Incentive Plan (the "2002 Plan"). Under the provisions of the 2002 Plan, we have the ability to grant incentive or non-qualified stock options, stock appreciation rights ("SARs"), restricted stock, performance units or performance shares for not more than 6,000,000 shares of common stock (such shares to be supplied from the 12,000,000 shares approved for the 1995 Plan) to certain of our key employees, officers and non-employee directors. The terms of the options, SARs, restricted stock, performance units or performance shares granted under the 2002 Plan are determined by a committee of our Board of Directors, however, in the event of a change in control as defined in the 2002 Plan, they shall become immediately exercisable.

The 2002 Plan replaced the 1995 Plan, except that the 1995 Plan continues to exist to the extent that options granted prior to the effective date of the 2002 Plan continue to remain outstanding. At June 30, 2007, there were 2,592,599 additional shares available for grant under the 2002 Plan.

In the event that shares purchased through the exercise of incentive stock options are sold within one year of exercise, we are entitled to a tax deduction. The tax benefit of the deduction is not reflected in our consolidated statements of operations but is reflected as an increase in additional paid-in capital.

As of June 30, 2007, we have three types of share-based payment arrangements with our associates; stock options, restricted stock and associate stock purchase plan.

Stock Options

The following tables summarize the activity of stock options under our 1995 and 2002 Plans from July 1, 2004 to June 30, 2007:

	Year Ended June 30, 2007			
	Number of Options	Weighted Average Remaining Contractual Term	Weighted Average Exercise Price	Aggregate Intrinsic Value
Outstanding — Beginning of year	3,604,750		\$ 28.84	
Granted	162,584		\$ 37.31	
Exercised	(655,029)		\$ 15.75	\$13,623,000
Cancelled	(175,188)		\$ 36.54	
Outstanding — End of period	<u>2,937,117</u>	4.5 years	\$ 31.78	\$24,727,000
Options exercisable at end of period	2,582,236	4.5 years	\$ 31.52	\$22,403,000
Options vested and expected to vest at end of period	2,885,095	4.5 years	\$ 32.92	\$24,607,000
Weighted average per-share fair value of options granted during the period	\$ 20.49			

	Year Ended June 30, 2006			
	Number of Options	Weighted Average Remaining Contractual Term	Weighted Average Exercise Price	Aggregate Intrinsic Value
Outstanding — Beginning of year	4,685,572		\$ 27.44	
Granted	144,988		41.39	
Exercised	(1,056,336)		22.37	\$25,700,000
Cancelled	(169,474)		44.85	
Outstanding — End of period	<u>3,604,750</u>	4.8 years	\$ 28.84	\$74,700,000
Options exercisable at end of period	3,045,659	4.8 years	\$ 28.96	\$49,000,000
Weighted average per-share fair value of options granted during the period	\$ 23.37			

	Year Ended June 30, 2005			
	Number of Options	Weighted Average Remaining Contractual Term	Weighted Average Exercise Price	Aggregate Intrinsic Value
Outstanding — Beginning of year	5,414,603		\$ 26.18	
Granted	200,223		25.80	
Exercised	(649,864)		16.08	\$13,000,000
Cancelled	(279,390)		28.05	
Outstanding — End of period	<u>4,685,572</u>	5.3 years	\$ 27.44	\$30,800,000
Options exercisable at end of period	3,763,822	5.3 years	\$ 28.64	\$17,800,000
Weighted average per-share fair value of options granted during the period	\$ 14.39			

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for grants in the years ended June 30, 2007, 2006 and 2005, respectively: dividend yield of 0% in all periods; expected volatility of 49%, 50% and 55%; risk-free interest rates 4.90%, 4.67% and 3.15%; and expected lives of three to seven years. We have used the simplified method as provided by Staff Accounting Bulletin 107, "Share Based Payment," to estimate the expected life of stock options granted during the years ended June 30, 2007, 2006 and 2005. This method allows us to estimate the expected life using the average of the vesting period and the contractual life of the stock options granted.

As of June 30, 2007, we had approximately \$4.1 million of unearned compensation related to nonvested stock options, which we will record in our statement of operations over a weighted average recognition period of approximately 2 years.

In June 2003, we made an offer (the "Tender Offer") to certain of our employees to exchange options with exercise prices greater than or equal to \$44.00 per share outstanding under our 1983 Incentive Stock Option Plan, 1983 Non-Statutory Stock Option Plan, 1993 Stock Option Plan, Third Amended and Restated 1995 Plan, BlueGill Technologies, Inc. 1997 Stock Option Plan, BlueGill Technologies, Inc. 1998 Incentive and Non-Qualified Stock Option Plan, and 2002 Plan, for restricted stock units of our common stock, and in certain cases, cash payments.

Restricted stock units issued under the Tender Offer vest ratably over a three-year period. The offer period closed on July 17, 2003, and employees holding 1,165,035 options participated in the Tender Offer. We made cash payments totaling \$586,000 in July 2003 representing the cash consideration portion of the Tender Offer, and we issued approximately 153,000 shares of restricted stock under the 2002 Plan during July 2006. We recorded an expense of \$0, \$1.6 million and \$2.1 million for the years ended June 30, 2007, 2006 and 2005, respectively, for cash payments made and the vesting of restricted stock units. On July 19, 2004, we issued 51,143 shares relating to the portion of the Tender Offer that vested on July 17, 2004. In total, 80,588 shares actually vested, of which 29,445 shares were retained by us to fund the employees' payroll taxes associated with the vesting. On July 19, 2005, we issued 42,756 shares relating to the portion of the Tender Offer that vested on July 17, 2005. In total, 67,174 shares actually vested, of which 24,418 shares were retained by us to fund the employees' payroll taxes associated with the vesting. On July 17, 2006, we issued 38,998 shares relating to the portion of the Tender Offer that vested on July 17, 2006. In total, 62,239 shares actually vested, of which 23,241 shares were retained by us to fund the employees' payroll taxes associated with the vesting.

Restricted Stock

Beginning in fiscal year 2005, we adopted a Long-Term Incentive Compensation ("LTIC") program to replace our traditional equity based compensation program. Under the LTIC program, we grant a smaller number of options and shares of restricted stock under the 2002 Plan. We do not treat shares of restricted stock as issued and outstanding on our balance sheet until the restrictions lapse. Our disclosure of vested shares includes shares which are never issued because they are withheld to fund employees' payroll taxes. We withheld 5,875 shares under the LTIC program during the year ended June 30, 2007 to fund employees' payroll taxes. Our annual LTIC grants occur in the first quarter of each fiscal year. The shares of restricted stock granted under the LTIC program have a five-year vesting period with an accelerated vesting provision of three years based on achievement of specific goals and objectives. We recorded an expense of approximately \$6.4 million, \$2.8 million, and \$2.6 million for the years ended June 30, 2007, 2006, and 2005, respectively, related to the vesting of restricted stock under the LTIC.

The following tables summarize the activity of restricted stock under our 2002 Plan, from July 1, 2004 to June 30, 2007:

	Year Ended June 30, 2007		
	Number of Restricted Stock	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value
Outstanding — Beginning of year	603,881	\$ 31.49	
Granted	404,924	37.61	
Vested	(88,817)	29.87	\$3,795,000
Cancelled	(122,605)	34.74	
Outstanding — End of period	<u>797,383</u>	\$ 34.84	

	Year Ended June 30, 2006		
	Number of Restricted Stock	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value
Outstanding — Beginning of year	456,676	\$ 26.16	
Granted	261,361	39.04	
Vested	(82,471)	26.60	\$2,900,000
Cancelled	(31,685)	26.97	
Outstanding — End of period	<u>603,881</u>	\$ 31.49	

	Year Ended June 30, 2005		
	Number of Restricted Stock	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value
Outstanding — Beginning of year	242,678	\$ 26.54	
Granted	371,446	25.95	
Vested	(89,977)	26.53	\$2,800,000
Cancelled	(67,471)	25.94	
Outstanding — End of period	<u>456,676</u>	\$ 26.16	

As of June 30, 2007, we had approximately \$10.7 million of nonvested restricted stock which we will record in our statement of operations over a recognition period of approximately five years.

Associate Stock Purchase Plan

Under our 2006 Associate Stock Purchase Plan (the “2006 Plan”), we are authorized to issue up to 2.0 million shares of our common stock to our full-time employees, nearly all of whom are eligible to participate. On July 27, 2006, our board of directors approved the adoption of the 2006 Plan, and on November 1, 2006, at the 2006 Annual Meeting of Stockholders, stockholders approved and adopted the 2006 Plan. The 2006 Plan replaced our Third Amended and Restated Associate Stock Purchase Plan, which expired on December 31, 2006. The total number of shares available for awards increased under the 2006 Plan from 1.0 million to 2.0 million shares. Under the terms of the 2006 Plan, our employees can choose, every six months, to have up to 15% of their salary withheld to purchase our common stock.

The purchase price of the stock is 85% of the end-of-period market price. On June 13, 2005, we amended our Associate Stock Purchase Plan to remove a look-back feature which established the purchase price as 85% of the lower of the beginning-of-period and end-of-period market price. Participation in the plan by eligible employees has ranged from 25% to 50% in any given six-month period. Under the Associate Stock Purchase Plan, we issued 70,576 shares in January 2007, 53,066 shares in July 2006, 54,390 in January 2006, 67,204 shares in July 2005, 92,805 in January 2005, 72,293 in July 2004 and 74,952 in January 2004 from our employees’ salary withholdings from the respective previous six-month period. As of June 30, 2007, there are 1,929,424 shares available for future issuance to our employees under our Associate Stock Purchase Plan. In July 2007, we issued an additional 60,566 shares. For the year ended June 30, 2007, we recorded an expense of approximately \$0.8 million under the provisions of SFAS 123(R) for our Associate Stock Purchase Plan.

401 (k) Plan

In January 1997, our board of directors approved an amendment to our 401(k) plan, which authorized up to 1.0 million shares of our common stock to be used by us to match our employee contributions to our 401(k) plan. Our board of directors authorized an additional 1.0 million shares of our common stock for the matching contribution in November 2002. We issued 68,102 shares in January 2007, 108,785 shares in August 2006, 82,242 shares in August 2005 and 108,484 shares in August 2004 to fund our 401(k) match that had accrued during the years ended June 30, 2006, 2005 and 2004, respectively.

Effective January 1, 2007, our 401 (k) plan fiscal year changed from June 30 to December 31. This resulted in a short 6-month fiscal year for the 401 (k) plan beginning July 1, 2006 and ending December 31, 2006. Prior to January 1, 2007, we made an annual employer match to the 401 (k) plan in the form of CheckFree common stock, which was calculated and distributed into participants' accounts at the end of each fiscal year. Beginning January 1, 2007, we will no longer match contributions with our common stock, but rather, will make our employer match in cash, on a semi-monthly basis. The employer match, effective January 1, 2007, is guaranteed at 50% of the employee's semi-monthly contribution, up to 6% of eligible earnings in that period.

Stock Related Transactions With Third Parties

In October 2000, we completed an agreement to acquire various electronic billing and payment assets from Bank of America in exchange for 10.0 million shares of our common stock, \$35.0 million in cash and warrants to acquire an additional 10.0 million shares of our common stock. In connection with a December 2003 modification of the terms of our processing services agreement with Bank of America, the amount of shares available under the warrants was reduced to 5.0 million. Bank of America has the ability to earn warrants for up to 5.0 million shares, 3.0 million of which vest upon achievement of specific levels of active subscriber adoption of electronic billing and payment services and 2.0 million of which vest upon achievement of specific levels of electronic bills delivered, as defined. The warrants have a strike price of \$32.50 and expire on September 30, 2010.

In February 2007, Bank of America achieved the first level of active subscriber adoption of electronic billing and paying services and as a result 1.0 million warrants vested. Prior to February 2007, we did not believe it was probable that any of the warrants would vest. Accordingly, during February 2007, we recorded an \$11.0 million charge for the fair value of the 1,000,000 warrants earned to date. The charge for these warrants was recorded as a reduction of processing and service revenue received from Bank of America. Fair value was determined based on a Black-Scholes option pricing model valuation. We currently believe it is not probable that the warrants for the remaining 4.0 million unvested shares will vest, and as a result, no charge for the fair value of these warrants has been recorded.

In October 1999, we entered into an agreement with one of our customers. Under the terms of the agreement, the customer purchased 250,000 shares of our common stock and has been issued warrants on 1.0 million shares. All warrants reflect a strike price of \$39.25 and became exercisable on September 15, 2002. Fair value was determined based on a Black-Scholes option pricing model valuation. Warrants to acquire 1.0 million shares of our common stock remain outstanding at June 30, 2007.

In January 1998, we entered into a ten-year processing agreement with a strategic partner. Under the terms of the agreement, the partner acquired ten-year warrants for 10.0 million shares of our common stock exercisable at \$20 15/16. 3.0 million warrants vested upon the execution of a related processing outsourcing agreement in March 1998. Of the vested warrants, only 1.5 million remain outstanding at June 30, 2007.

NOTE 14. EARNINGS PER SHARE

The following table reconciles the differences in earnings per share and shares outstanding between basic and dilutive for the periods indicated (in thousands, except per share data):

	Year Ended June 30, 2007			Year Ended June 30, 2006			Year Ended June 30, 2005		
	Net Income (Numerator)	Shares (Denominator)	Earnings per Share	Net Income (Numerator)	Shares (Denominator)	Earnings per Share	Net Income (Numerator)	Shares (Denominator)	Earnings per Share
Basic EPS	\$ 124,438	88,313	\$ 1.41	\$ 127,263	90,984	\$ 1.40	\$ 46,801	90,767	\$ 0.52
Effect of dilutive securities:									
Options and warrants	—	2,583		—	2,724		—	2,148	
Diluted EPS	\$ 124,438	90,896	\$ 1.37	\$ 127,263	93,708	\$ 1.36	\$ 46,801	92,915	\$ 0.50

Our diluted weighted average common shares outstanding for the years ended June 30, 2007, 2006 and 2005, also exclude the effect of approximately 1.9 million, 0.2 million and 2.6 million of out-of-the-money options and warrants, respectively.

NOTE 15. EMPLOYEE BENEFIT PLANS

Retirement Plan

We have a defined contribution 401(k) retirement plan covering substantially all of our U.S.-based employees. Under the plan, eligible employees may contribute a portion of their salary until retirement and we match a portion of our employee's contribution (See Note 13). Total expense under this plan amounted to \$5.5 million, \$4.1 million and \$3.0 million for the years ended June 30, 2007, 2006 and 2005, respectively.

Pension Plan

We have a defined contribution pension plan for our eligible United Kingdom employees. Total contributions amounted to \$1.0 million, \$0.8 million and \$0.4 million for the years ended June 30, 2007, 2006 and 2005, respectively.

Deferred Compensation Plan

In January 1999, we established a deferred compensation plan (the "DCP"), covering our highly compensated employees as defined by the DCP. Under the plan, eligible employees may contribute a portion of their salary on a pre-tax basis. The DCP is a non-qualified plan; therefore, the associated liabilities are included in our consolidated balance sheets as of June 30, 2007 and 2006. In addition, we have established a rabbi trust to finance our obligations under the DCP with corporate-owned life insurance policies on participants. The cash surrender value of such policies is also included in our consolidated balance sheets as of June 30, 2007 and 2006. Total net income (expense) under the DCP for the years ended June 30, 2007, 2006 and 2005 amounted to \$84,000, (\$74,000) and (\$229,000), respectively.

Group Medical Plans

Since 2000, all of our U.S.-based employees receive medical coverage under a group medical self-insurance plan. We have employed an administrator to manage this plan. Under terms of this plan, both we and eligible employees are required to make contributions. The administrator reviews all claims filed and authorizes the payment of benefits. We have stop-loss insurance coverage on all individual claims exceeding \$300,000. We provide supplemental medical insurance coverage to our non U.S.-based employees. Total expenses for medical insurance coverage including premiums amounted to \$18.4 million, \$17.2 million and \$16.1 million for the years ended June 30, 2007, 2006 and 2005, respectively. Under the self-insurance plan, we expense amounts as claims are incurred and liabilities are recorded for incurred but not reported claims. At June 30, 2007 and 2006, we accrued \$3.8 million and \$2.9 million, respectively, as a liability for costs incurred but not paid under this plan.

NOTE 16. DERIVATIVE FINANCIAL INSTRUMENTS

From time to time we have entered into derivative financial instruments to manage our exposure to the variability associated with the interest rate sensitive portion of our processing and servicing revenue, specifically, to effectively fix the interest rate on a portion of our interest rate sensitive revenue. At inception, we formally designate and document our swaps as cash flow hedges of the variability in interest rate sensitive revenue and state the risk management objectives and strategies for undertaking the hedge transaction. In 2004 and 2005, we entered into various interest rate swaps with aggregate notional amounts of \$75 million. All of these swaps have expired at June 30, 2007. Each of these swaps were considered effective and had no material effect on our financial results during each of the years in which they were in place.

NOTE 17. INCOME TAXES

Our income (loss) from continuing operations before income taxes consists of the following (in thousands):

	Year Ended June 30,		
	2007	2006	2005
Domestic	\$ 207,526	\$ 197,382	\$ 74,208
Foreign	(8,072)	(1,910)	(3,885)
Total income before income taxes	<u>\$ 199,454</u>	<u>\$ 195,472</u>	<u>\$ 70,323</u>

Our income tax expense (benefit) consists of the following (in thousands):

	Year Ended June 30,		
	2007	2006	2005
Current:			
Federal	\$ 75,743	\$ 75,913	\$ 35,998
State and local	8,762	5,418	2,450
Foreign	603	683	(187)
Total current	<u>85,108</u>	<u>82,014</u>	<u>38,261</u>
Deferred:			
Federal	(9,118)	(9,684)	(13,620)
State and local	(444)	2,595	505
Foreign	(530)	(470)	(586)
Total deferred	<u>(10,092)</u>	<u>(7,559)</u>	<u>(13,701)</u>
Total income tax expense	<u>\$ 75,016</u>	<u>\$ 74,455</u>	<u>\$ 24,560</u>
Effective income tax rate	<u>37.6%</u>	<u>38.1%</u>	<u>34.9%</u>

Our income tax expense differs from the amounts computed by applying the U.S. federal statutory income tax rate of 35 percent to income before income taxes as a result of the following (in thousands):

	Year Ended June 30,		
	2007	2006	2005
Federal statutory tax expense	\$ 69,809	\$ 68,415	\$ 24,613
State and local tax expense, net of federal income tax benefits	5,341	6,306	1,766
Deemed dividend from foreign affiliate	—	151	136
Tax exempt interest	(1,545)	(1,597)	(1,070)
Tax credits	(1,039)	(571)	(2,102)
Valuation allowances	2,939	376	503
Other, net	(489)	1,375	714
Total income tax expense	<u>\$ 75,016</u>	<u>\$ 74,455</u>	<u>\$ 24,560</u>

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at June 30, 2007 and 2006 are as follows (in thousands):

	June 30,	
	2007	2006
Deferred tax assets:		
Federal, state, and foreign net operating loss carryforwards	\$ 53,912	\$ 2,613
Federal, state, and foreign tax credit carryforwards	7,201	2,839
Allowance for bad debts and returns	376	279
Accrued compensation and related items	5,720	2,520
Stock warrants	18,716	10,282
Property and equipment	4,100	3,657
Other investments	4,303	8,737
Deferred revenue	(9,081)	985
Reserve accruals	10,227	5,136
Capitalized software	5,781	872
Other intangible assets	568	22,649
Deferred tax assets	<u>101,823</u>	<u>60,569</u>
Deferred tax liabilities:		
Intangible assets	(14,055)	(6,261)
Prepaid expenses	(2,926)	(1,373)
Deferred tax liabilities	(16,981)	(7,634)
Valuation allowances	(10,691)	(3,348)
Net deferred tax assets	<u>\$ 74,151</u>	<u>\$49,587</u>

As of June 30, 2007, we had federal net operating loss carryforwards of approximately \$131.8 million and federal tax credit carryforwards of approximately \$3.5 million. The net operating loss carryforwards are subject to the limitations of Internal Revenue Code Section 382, and expire between the years 2022-2027; the credit carryforwards expire in the years 2012- 2026. We have approximately \$0.6 million of valuation allowance related to our SFAS 123(R) deferred tax assets that we do not expect to be realized. In addition, we had state net operating loss carryforwards of approximately \$223.5 million and state tax credits of approximately \$1.8 million; these carryforwards expire over various periods based on jurisdiction. Because we do not generate sufficient taxable income in certain jurisdictions, it is our opinion that it is more likely than not that the benefit of the deferred tax assets related to certain state net operating losses and credits will not be realized. Accordingly, a valuation allowance of approximately \$5.5 million has been recorded for the year ended June 30, 2007. Of this balance, approximately \$2.0 million of the future tax benefit, if realized, from the reversal of the valuation allowance would be allocable as a reduction of goodwill. In addition, we have tax credits of approximately \$2.5 million and net operating loss carryforwards of approximately \$16.4 million in various foreign jurisdictions as of June 30, 2007. The credit carryforwards begin to expire in 2013; the net operating loss carryforwards have an indefinite life. Based on historical and future income projections, it is our opinion that it is more likely than not that the benefit of tax credits and net operating loss carryforwards in certain foreign jurisdictions will not be realized; therefore, a valuation allowance totaling approximately \$4.6 million as of June 30, 2007 has been recorded against these deferred tax assets. Of this balance, approximately \$2.4 million of the future tax benefit, if realized, from the reversal of the valuation allowance would be allocable as a reduction of goodwill.

In the normal course of business, our tax returns are subject to examination by various taxing authorities. Such examinations may result in future tax and interest assessments by these taxing authorities and we have accrued a liability when we believe it is probable that it will be assessed. The Internal Revenue Service ("IRS") has completed an examination of our June 30, 2004 tax returns with no material assessment made and has commenced an examination of our June 30, 2005 tax returns. The tax attributes of certain

positions we have taken on our statutory tax filings are complex and may be challenged by the taxing authorities. Therefore, we have provided a reserve of approximately \$7.8 million and \$9.6 million for future resolution of our uncertain tax matters, as of June 30, 2007 and 2006, respectively. While we believe the tax reserve is adequate, the ultimate resolution of these tax matters may exceed or be below the reserve.

We entered into a strategic transaction in fiscal year 1999 whereby we recorded a one time tax deduction of approximately \$30.0 million and additional tax deductions of approximately \$38.0 million over the next five years. We believe that this transaction was executed appropriately and in accordance with the prevailing tax law. Such deductions will not be finalized until an examination of our June 30, 2005 tax returns has been completed. The IRS examination currently in process may result in assessments of additional taxes that are resolved either with the IRS or potentially through the courts.

We do not provide for U.S. federal and state income taxes on the cumulative undistributed earnings of our foreign subsidiaries because such earnings are reinvested and will continue to be reinvested indefinitely. At June 30, 2007 we had not provided for federal income taxes on earnings of approximately \$0.8 million from our foreign subsidiaries. Should these earnings be distributed in the form of dividends or otherwise, we would be subject to both U.S. income taxes and withholding taxes in various international jurisdictions. These taxes could potentially be partially offset by U.S. foreign tax credits. Determination of the amount of unrecognized deferred U.S. tax liability is not practical because of the complexities associated with this hypothetical calculation.

NOTE 18. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Year Ended June 30,		
	2007	2006	2005
Interest paid	\$ 1,894	\$ 93	\$ 970
Income taxes paid	\$ 74,770	\$ 87,127	\$ 41,109
Supplemental disclosure of non-cash investing and financing activities:			
Capital lease and other long-term asset additions	\$ 9,815	\$ 1,821	\$ 710
Additions under data center facility	\$ 13,934	\$ 1,285	\$ —
Stock funding of 401(k) match	\$ 2,736	\$ 4,055	\$ 3,100
Stock funding of Associate Stock Purchase Plan	\$ 4,665	\$ 4,068	\$ 3,997

NOTE 19. BUSINESS SEGMENTS

We operate in three business segments — Electronic Commerce, Software and Investment Services. These reportable segments are strategic business units that offer different products and services. A further description of each of our business segments along with the Corporate services area follows:

- *Electronic Commerce* — Our Electronic Commerce products and services enable consumers to:
 - review bank accounts;
 - receive and pay bills over the Internet; and
 - pay billers directly through biller-direct sites, by telephone or through our walk-in retail agent network.

Consumers using our services access CheckFree's system primarily through CSPs, billers and retail agents. CSPs are organizations, such as banks, credit unions, brokerage firms and Internet portals. Consumers can also access our system through CheckFree hosted biller direct sites, www.mycheckfree.com, a network of retail agents for walk-in bill payments, or by phone on hosted interactive voice response applications.

-
- *Software* — Software provides software and services, including software, maintenance, support and consulting services, through four product lines. These product lines are Global Treasury, Reconciliation and Exception Management, Transaction Process Management (encompassing financial messaging and corporate actions), and Electronic Billing. Through our acquisition of Carreker in April 2007, we expanded our offerings into four additional product lines: Payments, Risk, Cash and Logistics and Global Payments Consulting (“GPC”).
 - *Investment Services* — Investment Services Division provides a range of portfolio management services to financial institutions, including broker dealers, money managers, investment advisors, banks and insurance companies, deliver portfolio management, enhanced trading solutions, performance measurement and reporting services to their clients.
 - *Corporate* — Corporate services include human resources, legal, finance and accounting and various other of our unallocated overhead charges.

The accounting policies of the segments are the same as those described in Note 1 “Summary of Significant Accounting Policies.” We evaluate the performance of our segments based on total revenues and operating income (loss) of the respective segments. Segment operating income (loss) excludes acquisition-related intangible asset amortization related to various business and asset acquisitions, the impact of warrants issued a customer, the impact of purchase accounting on deferred revenue, integration costs associated with acquisitions, reorganization charges, the write-off of capitalized software and the SFAS 123(R) equity-based compensation expense related to stock options granted before the implementation of our current incentive compensation philosophy beginning July 1, 2004, which significantly reduces overall participation and focuses on restricted stock awards with limited stock option grants.

The following sets forth certain financial information attributable to our business segments for the years ended June 30, 2007, 2006 and 2005:

	Year Ended June 30,		
	2007	2006	2005
Revenues:			
Electronic Commerce, gross	\$ 736,745	\$ 662,728	\$ 580,696
Impact of warrants to customer	(10,950)	—	—
Impact of purchase accounting on deferred revenue	(2,664)	—	—
Electronic Commerce, net	723,131	662,728	580,696
Software, gross	135,207	109,386	81,072
Impact of purchase accounting on deferred revenue	(9,723)	—	—
Software, net	125,484	109,386	81,072
Investment Services	124,029	107,288	88,079
Total revenue	<u>\$ 972,644</u>	<u>\$ 879,402</u>	<u>\$ 749,847</u>
Income from continuing operations before other income and expenses:			
Segment operating income:			
Electronic Commerce	\$ 258,621	\$ 247,918	\$ 207,796
Software	24,871	20,858	17,748
Investment Services	24,646	16,356	17,121
Corporate	(41,437)	(37,845)	(37,595)
Purchase accounting amortization	(44,691)	(57,037)	(133,446)
Impact of warrants to a customer	(10,950)	—	—
Impact of purchase accounting on deferred revenue	(12,387)	—	—
Impact of SFAS 123(R)	(1,619)	(4,133)	—
Integration costs associated with acquisitions	(6,116)	—	—
Reorganization charge	—	—	(5,585)
Write off of capitalized software	—	—	(1,039)
Income from continuing operations before other income and expenses	<u>\$ 190,938</u>	<u>\$ 186,117</u>	<u>\$ 65,000</u>
Identifiable assets:			
Electronic Commerce	\$ 1,473,181	\$ 1,170,209	\$ 1,028,511
Investment Services	98,758	59,902	43,161
Software	308,202	110,278	118,252
Corporate	251,137	417,640	379,992
Total	<u>\$ 2,131,278</u>	<u>\$ 1,758,029</u>	<u>\$ 1,569,916</u>
Capital Expenditures:			
Electronic Commerce	\$ 80,985	\$ 38,785	\$ 26,783
Investment Services	9,692	8,206	6,246
Software	3,507	2,023	651
Corporate	483	903	923
Total	<u>\$ 94,667</u>	<u>\$ 49,917</u>	<u>\$ 34,603</u>
Depreciation and amortization:			
Electronic Commerce	\$ 69,869	\$ 78,907	\$ 157,756
Investment Services	10,626	10,146	7,919
Software	7,425	8,270	7,076
Corporate	3,017	2,697	3,847
Total	<u>\$ 90,937</u>	<u>\$ 100,020</u>	<u>\$ 176,598</u>

Revenue by product or service type for the years ended June 30 is as follows (in thousands):

	2007	2006	2005
Electronic Commerce			
Payment transactions	\$ 630,018	\$ 587,809	\$ 523,031
e-bill delivery	37,371	29,438	22,776
Other	55,742	45,481	34,889
Total Electronic Commerce	723,131	662,728	580,696
Investment Services			
Portfolio management services	124,029	107,288	88,079
Software			
License	43,617	35,122	28,457
Maintenance	47,587	38,093	30,701
Professional fees	34,280	36,171	21,914
Total Software	125,484	109,386	81,072
Total consolidated revenue	\$ 972,644	\$ 879,402	\$ 749,847

For the years ended June 30, 2007, 2006 and 2005, one customer accounted for \$189.5 million, \$173.7 million and \$134.5 million of our consolidated revenues, respectively. Revenues for that customer were generated through our Electronic Commerce, Software and Investment Services segments. Foreign sales based on the location of our customers, for the years ended June 30, 2007, 2006 and 2005 were \$51.3 million, \$44.4 million and \$17.3 million, respectively. Long-lived assets by geographic area are as follows (in thousands):

	Year Ended June 30,	
	2007	2006
United States	\$ 1,343,905	\$ 939,442
Other	65,255	67,425
Total	\$ 1,409,160	\$ 1,006,867

NOTE 20. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

The following quarterly financial information for the years ended June 30, 2007 and 2006 includes all adjustments necessary for a fair presentation of our quarterly results of operations (in thousands, except per share data):

	Quarter Ended			
	September 30	December 31	March 31	June 30
FISCAL 2007				
Total revenues, continuing operations	\$ 228,619	\$ 237,160	\$ 230,208	\$ 276,657
Income from continuing operations	\$ 48,203	\$ 53,921	\$ 44,559	\$ 44,255
Net income	\$ 31,217	\$ 35,277	\$ 30,020	\$ 27,924
Basic earnings per share:				
Net income per common share	\$ 0.35	\$ 0.40	\$ 0.34	\$ 0.32
Weighted average number of shares	89,962	87,976	87,437	87,855
Diluted earnings per share:				
Net income per common share	\$ 0.34	\$ 0.39	\$ 0.33	\$ 0.31
Weighted average number of shares	92,599	90,624	89,858	90,481
	Quarter Ended			
	September 30	December 31	March 31	June 30
FISCAL 2006				
Total revenues, continuing operations	\$ 213,693	\$ 213,844	\$ 226,927	\$ 224,938
Income from continuing operations	\$ 40,307	\$ 51,606	\$ 48,863	\$ 45,341
Net income	\$ 26,357	\$ 33,765	\$ 37,656	\$ 29,485
Basic earnings per share:				
Net income per common share	\$ 0.29	\$ 0.37	\$ 0.41	\$ 0.32
Weighted average number of shares	90,578	90,820	91,257	91,287
Diluted earnings per share:				
Net income per common share	\$ 0.28	\$ 0.36	\$ 0.40	\$ 0.31
Weighted average number of shares	92,818	93,589	94,199	94,232

The sum of our quarterly earnings per common share does not always equal the year-to-date earnings per common share for the respective fiscal periods, due to changes in the weighted average number of shares outstanding at each quarter-end.

NOTE 21. SUBSEQUENT EVENTS**Pending Acquisition**

On August 2, 2007, we entered into an Agreement and Plan of Merger (“Merger Agreement”) pursuant to which Fiserv, Inc. (“Fiserv”) will acquire all of our outstanding shares of common stock and common stock equivalents for \$48.00 per share in cash. Fiserv is a publicly traded NASDAQ company headquartered in Brookfield, Wisconsin and is a provider of technology solutions. We expect the transaction to close by December 31, 2007, subject to approval by our stockholders and certain regulatory agencies.

In addition, on August 2, 2007, we and Wells Fargo Bank, National Association, (the “Rights Agent”) executed a fourth amendment to the Rights Agreement, dated as of December 16, 1997 (the “Rights Agreement”), by and between us and the Rights Agent (as successor to The Fifth Third Bank), as amended (the “Fourth Amendment”). The Fourth Amendment provides that, among other things, neither the execution of the Merger Agreement nor the consummation of the Merger or the other transactions contemplated by the Merger Agreement will trigger the separation or exercise of the Rights or any adverse event under the Rights Agreement.

Sale-Leaseback Transaction

During the first quarter of our fiscal year 2008 we closed on a sale-leaseback transaction related to a property we own in Dublin, Ohio. Under the terms of the agreement, we received net proceeds of approximately \$22 million from the sale and agreed to a 12-year lease of the facility.

CHECKFREE CORPORATION AND SUBSIDIARIES
Unaudited Consolidated Balance Sheets
(In thousands, except per share data)

	September 30, 2007	June 30, 2007
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 102,374	\$ 55,974
Settlement assets	141,182	127,661
Investments	66,392	139,153
Accounts receivable, net	220,891	221,320
Prepaid expenses and other assets	45,972	42,759
Deferred income taxes	10,189	10,189
Total current assets	<u>587,000</u>	<u>597,056</u>
PROPERTY AND EQUIPMENT, NET	<u>143,636</u>	<u>156,113</u>
OTHER ASSETS:		
Capitalized software, net	3,266	3,668
Goodwill	1,020,985	1,027,512
Strategic agreements, net	74,827	81,063
Other intangible assets, net	142,069	140,804
Investments and restricted cash	44,750	47,390
Other noncurrent assets	12,149	11,426
Deferred income taxes	69,596	66,246
Total other assets	<u>1,367,642</u>	<u>1,378,109</u>
Total assets	<u>\$ 2,098,278</u>	<u>\$ 2,131,278</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 23,262	\$ 35,868
Settlement obligations	137,772	123,302
Accrued liabilities	81,968	100,944
Current portion of long-term obligations	123,915	206,022
Deferred revenue	78,252	79,391
Total current liabilities	<u>445,169</u>	<u>545,527</u>
ACCRUED RENT AND OTHER	<u>12,336</u>	<u>4,663</u>
DEFERRED INCOME TAXES	<u>2,284</u>	<u>2,284</u>
DEFERRED REVENUE	<u>4,277</u>	<u>3,281</u>
LIABILITY FOR UNRECOGNIZED TAX BENEFITS	<u>26,476</u>	<u>—</u>
CAPITAL LEASE AND LONG-TERM OBLIGATIONS, less current portion	<u>75,300</u>	<u>68,021</u>
STOCKHOLDERS' EQUITY:		
Preferred stock - 50,000,000 authorized shares, \$0.01 par value; no amounts issued or outstanding	—	—
Common stock - 500,000,000 authorized shares, \$0.01 par value; issued and outstanding 88,410,735 and 87,974,284 shares, respectively	884	880
Additional paid-in-capital	2,386,279	2,376,278
Accumulated other comprehensive gain	4,958	3,896
Accumulated deficit	(859,685)	(873,552)
Total stockholders' equity	<u>1,532,436</u>	<u>1,507,502</u>
Total liabilities and stockholders' equity	<u>\$ 2,098,278</u>	<u>\$ 2,131,278</u>

See Notes to the Interim Unaudited Consolidated Financial Statements

CHECKFREE CORPORATION AND SUBSIDIARIES
Consolidated Statements of Operations
Unaudited
(In thousands, except per share data)

	Three Months Ended	
	September 30,	
	2007	2006
REVENUES:		
Processing and servicing	\$ 218,114	\$ 195,478
License fees	15,412	9,074
Maintenance fees	21,988	11,530
Professional fees	29,150	12,537
Total revenues	<u>284,664</u>	<u>228,619</u>
EXPENSES:		
Cost of processing, servicing and support	118,237	92,849
Research and development	31,975	26,738
Sales and marketing	27,869	21,275
General and administrative	30,710	17,749
Depreciation and amortization	26,868	21,805
Total expenses	<u>235,659</u>	<u>180,416</u>
INCOME FROM OPERATIONS	49,005	48,203
OTHER:		
Equity in net loss of joint venture	(423)	(458)
Interest income	2,121	3,581
Interest expense	<u>(2,795)</u>	<u>(287)</u>
INCOME BEFORE INCOME TAXES	47,908	51,039
INCOME TAX EXPENSE	<u>18,061</u>	<u>19,822</u>
NET INCOME	<u>\$ 29,847</u>	<u>\$ 31,217</u>
BASIC EARNINGS PER SHARE:		
Basic income per share	<u>\$ 0.34</u>	<u>\$ 0.35</u>
Weighted average number of shares	<u>88,231</u>	<u>89,962</u>
DILUTED EARNINGS PER SHARE:		
Diluted income per share	<u>\$ 0.33</u>	<u>\$ 0.34</u>
Weighted average number of shares	<u>89,956</u>	<u>92,599</u>

See Notes to the Interim Unaudited Consolidated Financial Statements

CHECKFREE CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Unaudited
(In thousands)

	Three Months Ended	
	September 30,	
	2007	2006
OPERATING ACTIVITIES:		
Net income	\$ 29,847	\$ 31,217
Adjustments to reconcile net income to cash provided by operating activities:		
Equity in net loss of joint venture	423	458
Depreciation and amortization	26,868	21,805
Expenses related to data center	—	1,021
Deferred income tax benefit	140	(860)
Equity-based compensation	3,061	3,865
Net loss on disposition of property and equipment	292	13
Changes in certain assets and liabilities (net of acquisitions):		
Settlement assets and obligations	949	(1,074)
Accounts receivable	219	(9,692)
Prepaid expenses and other	3,939	7,484
Accounts payable	(11,930)	39
Accrued liabilities and other	(14,576)	(5,199)
Deferred revenue	(184)	(1,513)
Net cash provided by operating activities	<u>39,048</u>	<u>47,564</u>
INVESTING ACTIVITIES:		
Purchase of property and software	(12,728)	(11,573)
Capitalization of software development costs	—	(236)
Purchase of property and equipment for data center facility	(4,100)	(526)
Purchase of investments-Available for sale	—	(99,527)
Proceeds from sales and maturities of investments—Available for sale	75,658	175,574
Proceeds from sale of long-lived assets	22,157	—
Purchase of other investments, net	224	(227)
Change in other assets	(9,823)	(4,902)
Net cash provided by investing activities	<u>71,388</u>	<u>58,583</u>
FINANCING ACTIVITIES:		
Proceeds from revolving credit facility	6,000	—
Principal payments on revolving credit facility	(88,000)	—
Principal payments under capital lease and other long-term obligations	(634)	(361)
Proceeds from exercise of stock options	6,567	620
Excess tax benefit from equity-based compensation	2,399	521
Purchase of treasury stock	—	(100,000)
Proceeds from associates stock purchase plan	1,603	1,530
Proceeds from data center facility credit line	7,813	643
Net cash used in financing activities	<u>(64,252)</u>	<u>(97,047)</u>
Effect of exchange rate changes on cash and cash equivalents	216	426
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>46,400</u>	<u>9,526</u>
CASH AND CASH EQUIVALENTS:		
Beginning of period	55,974	173,083
End of period	<u>\$102,374</u>	<u>\$ 182,609</u>

See Notes to the Interim Unaudited Consolidated Financial Statements

CHECKFREE CORPORATION
NOTES TO THE INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation and Summary of Significant Accounting Policies

Unaudited Interim Financial Information

Our unaudited consolidated financial statements and notes included in this Quarterly Report on Form 10-Q (“Form 10-Q”), are prepared in accordance with the rules and regulations of the United States Securities and Exchange Commission (“SEC”) and include all of the information and disclosures required by generally accepted accounting principles in the United States of America for interim financial reporting. Our results of operations for the three months ended September 30, 2007 and 2006, are not necessarily indicative of our projected results for the full year.

Please read our consolidated financial statements in this Form 10-Q in conjunction with our consolidated financial statements, our significant accounting policies and our notes to the consolidated financial statements included in our Annual Report on Form 10-K for our fiscal year ended June 30, 2007, which we filed with the SEC on August 24, 2007. In our opinion, our accompanying unaudited consolidated financial statements reflect all adjustments (consisting only of normal recurring adjustments), which are necessary for a fair representation of our financial results for the presented interim periods.

Recent Accounting Pronouncements

In February 2007, the Financial Accounting Standards Board (“FASB”) issued Statement of Accounting Standards 159, “The Fair Value Option for Financial Assets and Liabilities—Including an Amendment of FASB Statement No. 115” (“SFAS 159”), which permits an entity to choose to measure many financial instruments and certain other items at fair value. Most of the provisions of SFAS 159 are elective; however the amendment to FASB Standard No. 115 applies to all entities with available-for-sale and trading securities. The FASB’s stated objective in issuing this standard is to improve financial reporting by entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently, without having to apply complex hedging accounting provisions. The provisions of SFAS 159 are effective as of the beginning of our fiscal year 2009, and we are currently evaluating the impact of the adoption of SFAS 159 on our consolidated financial statements.

In September 2006, the FASB issued SFAS 157, “Fair Value Measurements” (“SFAS 157”), which is intended to provide guidance for using fair value to measure assets and liabilities. In general, this pronouncement is intended to establish a framework for determining fair value and to expand the disclosures regarding the determination of fair value. With certain financial instruments, a cumulative effect of a change in accounting principle may be required with the impact of the change recorded as an adjustment to beginning retained earnings. The provisions of SFAS 157 are effective as of the beginning of our fiscal year 2009, and we are currently evaluating the impact of the adoption of SFAS 157 on our consolidated financial statements.

2. Investments

Our investments consist of the following (in thousands):

	<u>September 30, 2007</u>	<u>June 30, 2007</u>
Available-for-sale	\$ 183,264	\$217,776
Other investments	4,312	4,539
Restricted cash	464	461
Less: amounts classified as cash equivalents	<u>(76,898)</u>	<u>(36,233)</u>
Total investments	<u>\$ 111,142</u>	<u>\$186,543</u>

The fair value of our available-for-sale securities is based on quoted market values or estimates from independent pricing services. We classify, in our consolidated balance sheet, our investments based on their expected maturities rather than contractual maturities. We classify auction rate preferred and debt instruments as available-for-sale rather than as cash and cash equivalents in our consolidated balance sheet. As of September 30, 2007 and June 30, 2007, we had approximately \$46.0 million and \$111.4 million in auction rate securities, respectively.

In the three month periods ended September 30, 2007 and 2006, available-for-sale investments matured in the amount of \$75.7 million and \$175.6 million respectively. We incurred no gross gains or losses on these sales during the three month periods ended September 30, 2007 and 2006, respectively.

3. Goodwill and Other Intangible Assets

As of September 30, 2007, our only non-amortizing intangible asset is goodwill. The changes in the carrying value of goodwill by segment from June 30, 2007, to September 30, 2007, were as follows (in thousands):

	Electronic Commerce	Software	Investment Services	Total
Balance as of June 30, 2007	\$ 847,676	\$ 140,860	\$ 38,976	\$ 1,027,512
Purchase price adjustments	(3,210)	1,637	(5,504)	(7,077)
Foreign currency adjustment	—	550	—	550
Balance as of September 30, 2007	<u>\$ 844,466</u>	<u>\$ 143,047</u>	<u>\$ 33,472</u>	<u>\$ 1,020,985</u>

The majority of the above purchase price adjustments are reallocations between our goodwill and intangible accounts. These changes occurred as we continued our valuations of our acquisitions of Upstream Technologies, LLC, Corillian Corporation, and Careker Corporation all of which occurred in the fourth quarter of our fiscal year ended June 30, 2007.

The components of our various amortized intangible assets are as follows (in thousands):

	September 30, 2007	June 30, 2007
Capitalized software:		
Product technology from acquisitions and strategic agreement	\$ 168,022	\$ 167,458
Internal development costs	34,774	34,773
Total	202,796	202,231
Less: accumulated amortization	199,530	198,563
Capitalized software, net	<u>\$ 3,266</u>	<u>\$ 3,668</u>
Strategic agreements:		
Strategic agreements ⁽¹⁾	\$ 744,423	\$ 744,423
Less: accumulated amortization	669,596	663,360
Strategic agreements, net	<u>\$ 74,827</u>	<u>\$ 81,063</u>
Other intangible assets:		
Tradenames	\$ 54,611	\$ 54,937
Customer base	154,650	151,868
Current technology	45,895	43,662
Money transfer licenses	1,700	1,700
Covenants not to compete	5,888	5,828
Total	262,744	257,995
Less: accumulated amortization	120,675	117,191
Other intangible assets, net	<u>\$ 142,069</u>	<u>\$ 140,804</u>

⁽¹⁾ Strategic agreements primarily include certain entity-level covenants not to compete.

For the three month periods ended September 30, 2007 and 2006, amortization of intangible assets totaled \$14.1 million and \$11.6 million, respectively.

4. Reorganization Charges

During our fiscal year 2007, we made three acquisitions. We are committed to a plan of integration of certain activities with these acquisitions. These activities are accounted for in accordance with EITF 95-3, "Reorganization of Liabilities in Connection with a Purchase Business Combination." These activities include primarily employee severance and related costs. In connection with those acquisitions, we accrued reorganization charges totaling approximately \$10.3 million in fiscal year 2007. A charge of \$6.1 million was recorded in our fiscal year 2007 Statement of Income as a result of severance and related costs associated with termination of a number of our associates in connection with our integration plans. The balance of the costs was included in the determination of the purchase price as it related to the acquired companies' associates.

A summary of activity in the accrual related to our integration and reorganization activities is as follows: (in thousands):

	Severance and Other Employee Costs
Balance as of June 30, 2007	\$ 6,918
Reorganization charges, fiscal year 2008	1,440
Cash payments, fiscal year 2008	(4,262)
Balance as of September 30, 2007	<u>\$ 4,096</u>

5. Sale-Leaseback

On August 20, 2007, we sold our Dublin, Ohio facility for \$22.2 million. Simultaneously, we entered into a twelve-year lease with the facility's new owner. The lease on the facility qualifies as an operating lease. The gain on the transaction was \$7.5 million. The profit on the sale is less than the present value of the minimum lease payments over the lease term and therefore the entire amount of the gain was deferred and will be recognized ratably over the lease term as a reduction in rent expense. Of this amount, approximately \$52,000 was recognized in the first quarter of fiscal year 2008.

The obligations for future minimum lease payments as of September 30, 2007 and the amortization of the remaining deferred gain are (in thousands):

Fiscal Year	Minimum Lease Payments	Deferred Gain Amortization	Net Rental Expense
2008	\$ 1,493	\$ (523)	\$ 970
2009	\$ 1,792	\$ (628)	\$ 1,164
2010	\$ 1,792	\$ (628)	\$ 1,164
2011	\$ 1,792	\$ (628)	\$ 1,164
2012	\$ 1,792	\$ (628)	\$ 1,164
Thereafter	\$ 12,840	\$ (4,500)	\$ 8,340

6. Common Stock

On August 1 and November 6, 2006, we announced that our board of directors had approved separate stock repurchase programs under which for each program we could repurchase up to \$100.0 million of our common stock through August 1, 2007. During the quarters ended September 30, 2006 and December 31, 2006, we repurchased a total of 2,637,747 and 1,273,807 shares of common stock for aggregate prices of \$100.0 million and \$50.0 million, respectively. The repurchased shares were immediately retired and cancelled.

7. Equity-Based Compensation

On July 1, 2005, we adopted, SFAS 123(R), "Share Based Payment" ("SFAS 123(R)") using the modified prospective method. SFAS 123(R) requires all share-based payments to employees to be recognized in the financial statements based on their fair values and did not change the accounting guidance for share-based payment transactions with parties other than employees provided in SFAS 123, "Accounting for Stock Based Compensation" ("SFAS 123"), as originally issued and Emerging Issues Task Force ("EITF") 96-18, "Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services" ("EITF 96-18").

In November 2002, our stockholders approved the 2002 Stock Incentive Plan (the "2002 Plan"). Under the provisions of the 2002 Plan, we have the ability to grant incentive or non-qualified stock options, stock appreciation rights ("SARs"), restricted stock, performance units or performance shares for not more than 6,000,000 shares of common stock (such shares to be supplied from the 12,000,000 shares approved for the 1995 Stock Option Plan (the "1995 Plan")) to certain of our key employees, officers and non-employee directors. The terms of the options, SARs, restricted stock, performance units or performance shares granted under the 2002 Plan are determined by a committee of our Board of Directors, however, in the event of a change in control as defined in the 2002 Plan, they shall become immediately exercisable. At September 30, 2007, there were 2,592,599 additional shares available for grant under the 2002 Plan.

In the event that shares purchased through the exercise of incentive stock options are sold within one year of exercise, we are entitled to a tax deduction. The tax benefit of the deduction is not reflected in our consolidated statements of operations but is reflected as an increase in additional paid-in capital.

As of September 30, 2007, we have three types of share-based payment arrangements with our associates; stock options, restricted stock and associate stock purchase plan.

Stock Options

The following table summarizes the activity of stock options under our 1995 and 2002 Plans, from July 1, 2007 to September 30, 2007:

	Number of Options	Weighted Average Remaining Contractual Term	Weighted Average Exercise Price	Aggregate Intrinsic Value
Outstanding - Beginning of year	2,937,117		\$ 31.78	
Granted	—		\$ —	
Exercised	(240,386)		\$ 27.06	\$ 2,219,000
Cancelled	(12,974)		\$ 41.15	
Outstanding - End of period	<u>2,683,757</u>	4.3 years	\$ 32.26	\$38,595,000
Options exercisable at end of period	2,478,268	4.3 years	\$ 31.93	\$36,215,000
Options vested and expected to vest at end of period	2,665,882	4.3 years	\$ 32.06	\$28,462,000

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model. We did not have any options granted during the three month period ended September 30, 2007.

In the three months ended September 30, 2007 and 2006, we recognized equity-based compensation expense of approximately \$0.6 million and \$1.2 million related to the vesting of stock options. As of September 30, 2007, we had approximately \$2.9 million of unrecognized compensation related to non-vested stock options, which we will record in our statement of operations over a weighted average recognition period of approximately 2 years.

Restricted Stock

The following table summarizes the activity of restricted stock under our 2002 Plan, from July 1, 2007 to September 30, 2007:

	Number of Restricted Stock	Weighted Average Grant Date Fair Value
Outstanding - Beginning of year	797,383	\$ 34.84
Granted	331,017	\$ 45.11
Vested	(231,856)	\$ 25.53
Cancelled	(5,653)	\$ 38.57
Outstanding - End of period	<u>890,891</u>	\$ 41.06

In the three months ended September 30, 2007 and 2006, we recognized equity-based compensation expense of approximately \$2.2 million and \$2.3 million, related to the vesting of shares of restricted stock. As of September 30, 2007, we had approximately \$20.2 million of unrecognized compensation related to non-vested shares of restricted stock which we will record in our statement of operations over a weighted average recognition period of approximately five years.

8. Earnings Per Share

The following table sets forth the calculation of basic and diluted earnings per share in accordance with SFAS 128 (in thousands, except per share amounts):

	Three Months Ended			September 30, 2006		
	September 30, 2007			September 30, 2006		
	Net Income (Numerator)	Weighted Average Shares (Denominator)	Earnings Per Share	Net Income (Numerator)	Weighted Average Shares (Denominator)	Earnings Per Share
Basic EPS	\$ 29,847	88,231	\$ 0.34	\$ 31,217	89,962	\$ 0.35
Effect of dilutive securities:						
Options and warrants	—	1,725		—	2,637	
Diluted EPS	<u>\$ 29,847</u>	<u>89,956</u>	<u>\$ 0.33</u>	<u>\$ 31,217</u>	<u>92,599</u>	<u>\$ 0.34</u>

The weighted-average diluted common shares outstanding for the three month periods ended September 30, 2007 and 2006 excludes the effect of approximately 0.4 million and 0.8 million out-of-the-money options and warrants, respectively, as their effect would be anti-dilutive.

9. Comprehensive Income

We report comprehensive income in accordance with SFAS 130, "Reporting Comprehensive Income" ("SFAS 130"). SFAS 130 requires disclosure of total non-shareowner changes in equity and its components. Total non-shareowner changes in equity include all changes in equity during a period except those resulting from investments by and distributions to shareowners. The components of accumulated other comprehensive loss, which is a component of stockholders' equity on our consolidated balance sheet, applicable to us are (i) unrealized gains or losses on our available-for-sale securities and (ii) unrealized foreign currency translation differences. As a result, we are required to report the components of our comprehensive income, which are as follows (in thousands):

	Three Months Ended	
	September 30, 2007	September 30, 2006
Net income	\$29,847	\$ 31,217
Other comprehensive income (loss):		
Foreign currency translation adjustments	580	(1)
Unrealized holding gains on investments, net of tax	482	779
Comprehensive income	<u>\$30,909</u>	<u>\$ 31,995</u>

10. Supplemental Disclosure of Cash Flow Information (in thousands)

	Three Months Ended September 30,	
	2007	2006
Interest paid	\$ 969	\$ 51
Income taxes paid	\$ 15,094	\$ 727
Supplemental disclosure of non-cash investing and financing activities:		
Capital lease and other long-term asset additions	\$ —	\$ 4,671
Additions under data center facility	\$ 7,813	\$ 7,203
Stock funding of 401(k) match	\$ —	\$ 4,054
Stock funding of Associate Stock Purchase Plan	\$ 2,070	\$ 2,236

11. Business Segments

We operate in three business segments — Electronic Commerce, Investment Services, and Software, along with a Corporate segment. These reportable segments are strategic business units through which we offer different products and services. We evaluate the performance of our segments based on their respective revenues and operating income (loss). Segment operating income (loss) includes the impact of purchase accounting on deferred revenue and excludes purchase accounting amortization, costs associated with mergers and acquisitions, and the SFAS 123(R) equity-based compensation expense related to stock options granted before the implementation of our current incentive compensation philosophy beginning July 1, 2004, which significantly reduces overall participation and focuses on restricted stock awards with limited stock option grants.

The following sets forth certain financial information attributable to our business segments for the three months ended September 30, 2007 and 2006 (in thousands):

	Three Months Ended September 30,	
	2007	2006
Revenues:		
Electronic Commerce, gross	\$ 214,216	\$ 171,029
Impact of purchase accounting on deferred revenue	(7,425)	—
Electronic Commerce, net	206,791	171,029
Software, gross	47,567	27,968
Impact of purchase accounting on deferred revenue	(4,361)	—
Software, net	43,206	27,968
Investment Services	34,667	29,622
Total	<u>\$ 284,664</u>	<u>\$ 228,619</u>
Segment income from operations:		
Electronic Commerce	\$ 74,053	\$ 59,680
Software	5,988	6,354
Investment Services	9,930	5,528
Corporate	(9,973)	(11,688)
Purchase accounting amortization	(13,727)	(10,967)
Impact of purchase accounting on deferred revenue	(11,786)	—
Impact of SFAS 123(R)	(137)	(704)
Costs associated with mergers and acquisitions	(5,343)	—
Income from operations	<u>\$ 49,005</u>	<u>\$ 48,203</u>

12. Income Taxes

We adopted the provisions of FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"), on July 1, 2007. As a result of the implementation of FIN 48, we recorded approximately \$16.0 million as a reduction in our opening accumulated deficit. Our total gross balance of unrecognized tax benefits as of July 1, 2007 was approximately \$21.0 million. Of this total, \$19.8 million (which reflects federal benefits of state taxes) represents the amount of unrecognized tax benefits that, if recognized, would favorably impact our effective tax rate.

We recognize interest and penalties accrued related to unrecognized tax benefits as a component of our income tax provision. As of July 1, 2007, we had approximately \$5.2 million accrued for the payment of interest and penalties, which does not include the federal tax benefit of interest deductions, where applicable.

We file income tax returns in the U.S. federal and various state, local and foreign jurisdictions, and with few exceptions, are no longer subject to examinations by tax authorities in these jurisdictions for years prior to fiscal year ended June 30, 2004. The Internal Revenue Service ("IRS") has completed its audit of the income tax returns for the fiscal years ended June 30, 2004 and 2005. No significant adjustments were made as a result of the fiscal year June 30, 2004 examination. The IRS has issued a proposed assessment of approximately \$15.4 million for the fiscal year ended June 30, 2005 examination related to a strategic transaction we entered into in fiscal year 1999; we are pursuing an IRS Appeal related to this issue and it is not expected that a settlement with the IRS will be reached within the next 12 months.

It is reasonably possible that the amount of unrecognized tax benefits will decrease in the next twelve months, upon issuance of the IRS's final examination report for the fiscal year ended June 30, 2005.

13. Pending Acquisition

On August 2, 2007, we entered into an Agreement and Plan of Merger ("Merger Agreement") pursuant to which Fiserv, Inc. ("Fiserv") will acquire all of our outstanding shares of common stock for \$48.00 per share in cash. Fiserv is a publicly traded Nasdaq company headquartered in Brookfield, Wisconsin and is a provider of technology solutions. On October 15, 2007, we were notified that the Federal Trade Commission and the Antitrust Division of the U.S. Department of Justice granted early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 in connection with Fiserv, Inc.'s pending acquisition of our company. On October 23, 2007, at a special stockholders meeting, our stockholders adopted the Merger Agreement with the affirmative vote of approximately 78.96% of the shares entitled to vote at the stockholders meeting. We expect the acquisition to close by December 31, 2007, subject to the receipt of other required regulatory approvals and customary closing conditions.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements present the effect of the pending acquisition of CheckFree Corporation ("CheckFree") by Fiserv, Inc. ("Fiserv") for approximately \$4.4 billion payable in cash at closing and the issuance of long-term debt by Fiserv to fund the acquisition. In addition, the following unaudited pro forma condensed combined financial statements present the effect of our pending dispositions of certain health businesses ("Fiserv Health") for approximately \$775 million payable in cash at closing and Fiserv Investment Support Services ("Fiserv ISS"), in two transactions for approximately \$355 million payable in cash at closing before payment of taxes and transaction expenses. Fiserv anticipates that the acquisition of CheckFree will close by the end of 2007. Fiserv expects the disposition of Fiserv Health to be completed by the end of 2007 or in the first quarter of 2008. Fiserv expects one of the transactions involving the disposition of Fiserv ISS to close in the fourth quarter of 2007 and the other to close in the first quarter of 2008.

Fiserv ISS has been classified as held for sale and the related results of discontinued operations are excluded from Fiserv's historical results in the unaudited pro forma condensed combined statements of income. The unaudited pro forma condensed combined statements of income presented do not reflect the anticipated net gain resulting from the sale of Fiserv ISS.

These unaudited pro forma condensed combined financial statements should be read in conjunction with the historical consolidated financial statements, including the notes thereto, of Fiserv and CheckFree, which are included in the annual and quarterly reports that we and CheckFree have filed with the SEC or as exhibits to our Current Report on Form 8-K to which these unaudited pro forma condensed financial statements are an exhibit.

The following unaudited pro forma condensed combined statements of income for the nine months ended September 30, 2007 and the year ended December 31, 2006 give effect to the CheckFree acquisition as if it had occurred at the beginning of each period and the sale of Fiserv Health as a discontinued operation and reflect a reduction of interest expense resulting from the use of the anticipated sale proceeds from Fiserv ISS and Fiserv Health primarily for the repayment of long-term debt. The following unaudited pro forma condensed combined balance sheet as of September 30, 2007, gives effect to the CheckFree acquisition, using the purchase method of accounting, and the sale of Fiserv Health and Fiserv ISS as if these transactions had occurred on September 30, 2007. The unaudited pro forma adjustments are based on available information and assumptions that we believe are reasonable under the circumstances, and actual results could differ materially from anticipated results.

Because we maintain a calendar fiscal year and CheckFree's fiscal year ends on June 30, we have combined CheckFree's results from different fiscal periods for purposes of this pro forma presentation, as described in footnote (a) to the accompanying unaudited pro forma financial statements. CheckFree's historical statements of income include the results of operations for CheckFree's acquisitions of Corillian Corporation ("Corillian") in May 2007 and Carreker Corporation ("Carreker") in April 2007 since the dates of acquisition. The unaudited pro forma condensed combined statements of income were not adjusted for the historical results of Corillian and Carreker prior to the effective date of acquisition because these acquisitions are not significant under Rule 3-05 of SEC Regulation S-X and our management does not believe they are material. In separate transactions, CheckFree acquired Corillian and Carreker for \$245 million and \$206 million in cash, respectively.

The following unaudited pro forma condensed combined statements of income for the years ended December 31, 2005 and 2004 give effect to the sale of Fiserv Health as a discontinued operation for those respective periods and do not reflect any reduction of interest expense resulting from the use of the anticipated sale proceeds from Fiserv ISS and Fiserv Health for the repayment of long-term debt.

The unaudited pro forma financial statements are presented for illustration purposes only, in accordance with the assumptions set forth below, include various estimates and are not necessarily indicative of the operating results or financial position that would have occurred had the transactions been completed at the assumed dates or of the operating results or financial position of the combined enterprise in the future. The unaudited pro forma financial statements do not reflect any adjustments to conform accounting practices, other than those mentioned in the notes thereto, or to reflect any cost savings or other synergies anticipated as a result of the acquisition, the effect of asset dispositions, if any, or any transaction related expenses.

Unaudited Pro Forma Condensed Combined Statement of Income
Nine Months Ended September 30, 2007

	<u>Fiserv</u>	<u>Acquisition of CheckFree(a)</u>	<u>Disposition of Fiserv Health(b)</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
	(In thousands, except per share information)				
Revenues:					
Processing and services	\$2,243,710	\$ 751,303	\$(271,300)	\$ (7,800)(c)	\$2,715,913
Product	<u>1,295,154</u>	<u>40,226</u>	<u>(420,731)</u>	<u>—</u>	<u>914,649</u>
Total revenues	<u>3,538,864</u>	<u>791,529</u>	<u>(692,031)</u>	<u>(7,800)</u>	<u>3,630,562</u>
Expenses:					
Cost of processing and services	1,408,577	435,989	(202,897)	(7,800)(c)	1,662,401
				28,532 (d)	
Cost of product	1,096,824	23,660	(396,748)	—	723,736
Selling, general and administrative	<u>458,523</u>	<u>194,640</u>	<u>(63,783)</u>	<u>35,900 (d)</u>	<u>625,280</u>
Total expenses	<u>2,963,924</u>	<u>654,289</u>	<u>(663,428)</u>	<u>56,632</u>	<u>3,011,417</u>
Operating income	574,940	137,240	(28,603)	(64,432)	619,145
Interest (expense) income, net	(33,209)	2,930	—	(216,000)(e)	(213,654)
				32,625 (f)	
Income from continuing operations before income taxes	<u>541,731</u>	<u>140,170</u>	<u>(28,603)</u>	<u>(247,807)</u>	<u>405,491</u>
Income tax provision	<u>208,066</u>	<u>52,379</u>	<u>(11,155)</u>	<u>(95,406)(g)</u>	<u>153,884</u>
Income from continuing operations	<u>\$ 333,665</u>	<u>\$ 87,791</u>	<u>\$ (17,448)</u>	<u>\$(152,401)</u>	<u>\$ 251,607</u>
Income from continuing operations per share:					
Basic	\$ 1.99				\$ 1.50
Diluted	\$ 1.97				\$ 1.48
Shares used in computing income per share:					
Basic	167,367				167,367
Diluted	169,728				169,728

See accompanying notes to unaudited pro forma condensed combined financial statements

Unaudited Pro Forma Condensed Combined Statement of Income
Year Ended December 31, 2006

	Fiserv	Acquisition of CheckFree(a)	Disposition of Fiserv Health(b)	Pro Forma Adjustments	Pro Forma
	(In thousands, except per share information)				
Revenues:					
Processing and services	\$2,889,340	\$ 876,433	\$(371,438)	\$ (8,000)(c)	\$3,386,335
Product	<u>1,517,691</u>	<u>41,211</u>	<u>(430,648)</u>	<u>—</u>	<u>1,128,254</u>
Total revenues	<u>4,407,031</u>	<u>917,644</u>	<u>(802,086)</u>	<u>(8,000)</u>	<u>4,514,589</u>
Expenses:					
Cost of processing and services	1,868,171	490,912	(270,366)	(8,000)(c) 37,106 (d)	2,117,823
Cost of product	1,251,261	29,071	(409,912)	—	870,420
Selling, general and administrative	<u>568,362</u>	<u>203,881</u>	<u>(66,677)</u>	<u>54,733 (d)</u>	<u>760,299</u>
Total expenses	<u>3,687,794</u>	<u>723,864</u>	<u>(746,955)</u>	<u>83,839</u>	<u>3,748,542</u>
Operating income	719,237	193,780	(55,131)	(91,839)	766,047
Interest (expense) income, net	(40,672)	13,073	—	(288,000)(e) 39,750 (f)	(275,849)
Income from continuing operations before income taxes	<u>678,565</u>	<u>206,853</u>	<u>(55,131)</u>	<u>(340,089)</u>	<u>490,198</u>
Income tax provision	<u>257,170</u>	<u>78,693</u>	<u>(21,611)</u>	<u>(130,934)(g)</u>	<u>183,318</u>
Income from continuing operations	<u>\$ 421,395</u>	<u>\$ 128,160</u>	<u>\$ (33,520)</u>	<u>\$(209,155)</u>	<u>\$ 306,880</u>
Income from continuing operations per share:					
Basic	\$ 2.41				\$ 1.75
Diluted	\$ 2.37				\$ 1.73
Shares used in computing income per share:					
Basic	174,989				174,989
Diluted	177,529				177,529

See accompanying notes to unaudited pro forma condensed combined financial statements

Unaudited Pro Forma Condensed Combined Statement of Income
Year Ended December 31, 2005

	Fiserv	Disposition of Fiserv Health(b)	Pro Forma
	(In thousands, except per share information)		
Revenues:			
Processing and services	\$2,757,144	\$ (373,181)	\$ 2,383,963
Product	<u>1,167,926</u>	<u>(271,817)</u>	<u>896,109</u>
Total revenues	<u>3,925,070</u>	<u>(644,998)</u>	<u>3,280,072</u>
Expenses:			
Cost of processing and services	1,764,522	(260,650)	1,503,872
Cost of product	942,708	(257,428)	685,280
Selling, general and administrative	<u>497,479</u>	<u>(71,547)</u>	<u>425,932</u>
Total expenses	<u>3,204,709</u>	<u>(589,625)</u>	<u>2,615,084</u>
Operating income	720,361	(55,373)	664,988
Interest expense, net	(21,015)	—	(21,015)
Realized gain from sale of investments	<u>86,822</u>	<u>—</u>	<u>86,822</u>
Income from continuing operations before income taxes	786,168	(55,373)	730,795
Income tax provision	<u>295,869</u>	<u>(21,153)</u>	<u>274,716</u>
Income from continuing operations	<u>\$ 490,299</u>	<u>\$ (34,220)</u>	<u>\$ 456,079</u>
Income from continuing operations per share:			
Basic	\$ 2.60		\$ 2.42
Diluted	\$ 2.57		\$ 2.39
Shares used in computing income per share:			
Basic	188,807		188,807
Diluted	190,967		190,967

See accompanying notes to unaudited pro forma condensed combined financial statements

Unaudited Pro Forma Condensed Combined Statement of Income
Year Ended December 31, 2004

	Fiserv	Disposition of Fiserv Health(b)	Pro Forma
	(In thousands, except per share information)		
Revenues:			
Processing and services	\$2,614,196	\$ (388,059)	\$ 2,226,137
Product	<u>990,014</u>	<u>(186,169)</u>	<u>803,845</u>
Total revenues	<u>3,604,210</u>	<u>(574,228)</u>	<u>3,029,982</u>
Expenses:			
Cost of processing and services	1,734,371	(275,052)	1,459,319
Cost of product	795,965	(180,274)	615,691
Selling, general and administrative	<u>434,864</u>	<u>(67,341)</u>	<u>367,523</u>
Total expenses	<u>2,965,200</u>	<u>(522,667)</u>	<u>2,442,533</u>
Operating income	639,010	(51,561)	587,449
Interest expense, net	<u>(23,812)</u>	<u>—</u>	<u>(23,812)</u>
Income from continuing operations before income taxes	615,198	(51,561)	563,637
Income tax provision	<u>237,466</u>	<u>(19,799)</u>	<u>217,667</u>
Income from continuing operations	<u>\$ 377,732</u>	<u>\$ (31,762)</u>	<u>\$ 345,970</u>
Income from continuing operations per share:			
Basic	\$ 1.94		\$ 1.77
Diluted	\$ 1.91		\$ 1.75
Shares used in computing income per share:			
Basic	194,981		194,981
Diluted	197,287		197,287

See accompanying notes to unaudited pro forma condensed combined financial statements

Unaudited Pro Forma Condensed Combined Balance Sheet
September 30, 2007

	<u>Fiserv</u>	<u>Acquisition of CheckFree(a)</u>	<u>Disposition of Fiserv Health(h)</u>	<u>Disposition of Fiserv ISS(i)</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
	(In thousands, except per share information)					
ASSETS						
Cash and cash equivalents	\$ 161,250	\$ 102,374	\$ 425,884	\$ 250,000	\$ 50,000 (j) (750,000)(k)	\$ 239,508
Trade accounts receivable, net	658,212	220,891	(66,137)	—	—	812,966
Prepaid expenses and other current assets	193,887	263,735	(12,170)	—	—	445,452
Assets of discontinued operations held for sale	<u>1,987,459</u>	<u>—</u>	<u>—</u>	<u>(1,987,459)</u>	<u>—</u>	<u>—</u>
Total current assets	3,000,808	587,000	347,577	(1,737,459)	(700,000)	1,497,926
Property and equipment, net	238,164	143,636	(18,643)	—	—	363,157
Intangible assets, net	591,717	220,162	(44,214)	—	1,719,838 (l)	2,487,503
Goodwill	2,386,495	1,020,985	(373,349)	—	1,829,864 (l)	4,863,995
Other long-term assets	<u>60,755</u>	<u>126,495</u>	<u>(3,340)</u>	<u>—</u>	<u>30,000 (j)</u>	<u>213,910</u>
Total assets	<u>\$6,277,939</u>	<u>\$2,098,278</u>	<u>\$ (91,969)</u>	<u>\$(1,737,459)</u>	<u>\$ 2,879,702</u>	<u>\$9,426,491</u>
LIABILITIES AND SHAREHOLDERS' EQUITY						
Trade accounts payable	\$ 245,449	\$ 23,262	\$ (116,131)	\$ —	\$ —	\$ 152,580
Accrued expenses and other current liabilities	361,890	219,740	(24,036)	—	—	557,594
Current maturities of long-term debt	60,953	123,915	(644)	—	—	184,224
Deferred revenues	251,151	78,252	(20,810)	—	—	308,593
Liabilities of discontinued operations held for sale	<u>1,817,603</u>	<u>—</u>	<u>—</u>	<u>(1,817,603)</u>	<u>—</u>	<u>—</u>
Total current liabilities	2,737,046	445,169	(161,621)	(1,817,603)	—	1,202,991
Long-term debt	911,003	75,300	(257)	—	4,500,000 (j) (750,000)(k)	4,736,046
Deferred income taxes and other long-term liabilities	<u>247,989</u>	<u>45,373</u>	<u>(27,091)</u>	<u>—</u>	<u>662,138 (l)</u>	<u>928,409</u>
Total liabilities	3,896,038	565,842	(188,969)	(1,817,603)	4,412,138	6,867,446
Shareholders' equity	<u>2,381,901</u>	<u>1,532,436</u>	<u>97,000</u>	<u>80,144</u>	<u>(1,532,436)(m)</u>	<u>2,559,045</u>
Total liabilities and shareholders' equity	<u>\$6,277,939</u>	<u>\$2,098,278</u>	<u>\$ (91,969)</u>	<u>\$(1,737,459)</u>	<u>\$ 2,879,702</u>	<u>\$9,426,491</u>

See accompanying notes to unaudited pro forma condensed combined financial statements

Notes to Unaudited Pro Forma Condensed Combined Financial Statements

(a) The unaudited pro forma condensed combined statements of income which reflect CheckFree's results of operations for the year ended December 31, 2006 have been calculated as (i) the respective amounts for the fiscal year ended June 30, 2007, (ii) the subtraction of the respective amounts for the quarters ended March 31, 2007 and June 30, 2007, and (iii) the addition of the respective amounts for the quarters ended March 31, 2006 and June 30, 2006. CheckFree's results of operations for the nine months ended September 30, 2007 have been calculated as the combination of the respective amounts for the quarters ended March 31, 2007, June 30, 2007 and September 30, 2007. Certain reclassifications have been made to the presentation of the historical financial statements of CheckFree in order to conform to the presentation of Fiserv's historical financial statements. These reclassifications had no impact on CheckFree's historical total revenue or income from continuing operations.

For the nine months ended September 30, 2007:

- (1) \$40,226 reported in CheckFree's historical consolidated statement of operations as license fees has been classified as product revenues.
- (2) \$53,751 and \$65,877 reported in CheckFree's historical consolidated statement of operations as maintenance fees and professional fees, respectively, have been classified as processing and services revenues.
- (3) \$90,991 reported in CheckFree's historical consolidated statement of operations as research and development expenses has been allocated to and classified as cost of processing and services \$70,110 and cost of product \$20,881.
- (4) \$74,693 reported in CheckFree's historical consolidated statement of operations as depreciation and amortization expenses has been allocated to and classified as cost of processing and services \$32,647, cost of product \$2,779, and selling, general and administrative expenses \$39,268.
- (5) \$579 reported in CheckFree's historical consolidated statement of operations as equity in net loss of joint venture has been classified as cost of processing and services.

For the year ended December 31, 2006:

- (6) \$41,211 reported in CheckFree's historical consolidated statement of operations as license fees has been classified as product revenues.
- (7) \$46,043 and \$50,417 reported in CheckFree's historical consolidated statement of operations as maintenance fees and professional fees, respectively, have been classified as processing and services revenues.
- (8) \$108,087 reported in CheckFree's historical consolidated statement of operations as research and development expenses has been allocated to and classified as cost of processing and services \$84,043 and cost of product \$24,044.
- (9) \$87,243 reported in CheckFree's historical consolidated statement of operations as depreciation and amortization expenses has been allocated to and classified as cost of processing and services \$36,702, cost of product \$5,027, and selling, general and administrative expenses \$45,514.
- (10) \$2,548 reported in CheckFree's historical consolidated statement of operations as equity in net loss of joint venture has been classified as cost of processing and services.

Certain reclassifications have been made to the presentation of the historical balance sheet of CheckFree to conform to the presentation of Fiserv's balance sheet as of September 30, 2007. These reclassifications, listed below, had no impact on CheckFree's historical total assets, liabilities, or stockholders' equity.

- (1) \$141,182, \$66,392, and \$10,189 reported in CheckFree's historical consolidated balance sheet as settlement assets, investments, and deferred income taxes, respectively, have been classified as prepaid expenses and other current assets.

- (2) \$44,750 and \$69,596 reported in CheckFree's historical consolidated balance sheet as investments and restricted cash and deferred income taxes, respectively, have been classified as other long-term assets.
- (3) \$3,266 and \$74,827 reported in CheckFree's historical consolidated balance sheet as capitalized software, net and strategic agreements, net, respectively, have been classified as intangible assets, net.
- (4) \$137,772 reported in CheckFree's historical consolidated balance sheet as settlement obligations has been classified as accrued expenses and other current liabilities.
- (5) \$12,336 and \$4,277 reported in CheckFree's historical consolidated balance sheet as accrued rent and other and deferred revenue have been classified as deferred income taxes and other long-term liabilities.

(b) The unaudited pro forma condensed combined statements of income presented herein reflect Fiserv Health as discontinued operations as a result of its anticipated sale and do not reflect the anticipated gain resulting from the sale of Fiserv Health. A reduction in interest expense resulting from the use of anticipated sale proceeds primarily for the repayment of long-term debt is reflected in the nine months ended September 30, 2007 and year ended December 31, 2006, but not in the years ended December 31, 2005 and 2004.

(c) To record an elimination adjustment for transactions involving the purchase and sale of services between Fiserv and CheckFree. These adjustments totaled \$8.0 million and \$7.8 million for the year ended December 31, 2006 and nine months ended September 30, 2007, respectively, and were recorded as reductions of processing and services revenue and cost of processing and services.

(d) To record an increase in amortization expense related to the recording of the fair value of acquired identifiable intangible assets, amortized over their estimated remaining useful lives. This preliminary pro forma adjustment has been calculated as the estimated annual amortization minus CheckFree's historical amortization expense, and amortization of developed technology has been allocated to cost of processing and services and amortization of customer relationships has been allocated to selling, general and administrative expenses as follows (in thousands):

	<u>Preliminary Fair Value</u>	<u>Annual Amortization</u>	<u>Estimated Useful Life</u>
Customer relationships	\$ 1,460,000	\$ 97,333	15 yrs.
Developed technology	400,000	40,000	10 yrs.
Tradenames	80,000	—	Indefinite
Total	<u>\$ 1,940,000</u>	<u>\$ 137,333</u>	
CheckFree amortization expense (Year ended December 31, 2006)		<u>(45,494)</u>	
Increase in amortization expense (Year ended December 31, 2006)		<u>\$ 91,839</u>	
Pro forma amortization expense (Nine months ended September, 2007)		\$ 103,000	
CheckFree amortization expense (Nine months ended September, 2007)		<u>(38,568)</u>	
Increase in amortization expense (Nine months ended September 30, 2007)		<u>\$ 64,432</u>	

The pro forma adjustment for amortization expense is based on the preliminary purchase price allocation discussed in footnote (l). Changes to the preliminary purchase price allocation including the finalization of appraisals of acquired assets and the finalization of estimated useful lives will result in a change to the pro forma adjustment for amortization expense. There can be no assurance that such finalizations will not result in material changes. Goodwill resulting from the acquisition is not amortized in accordance with the provisions of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142").

(e) To record pro forma interest expense on debt incurred to acquire CheckFree. The expected borrowings incurred to fund the acquisition include the financing of \$30 million of debt issuance costs and \$20 million of acquisition fees and expenses which primarily relate to legal, financial and other professional fees and expenses. The amount of incremental interest expense, calculated below, is based on the expected interest rates on the long-term financing obtained prior to closing the acquisition. The expected weighted average interest rate of 6.4% includes amortization of debt issuance costs over the life of the related debt, ranging from 5 to 10 years. This rate is a preliminary estimate and may differ from the actual interest rate available to the Company on the borrowing date. The pro forma condensed combined statements of income do not assume reductions to interest expense due to principal repayments of the initial borrowings or changes in interest rates. A change in the expected interest rate of 0.125% would impact pro forma operating income by approximately \$5.6 million on an annual basis. The pro forma adjustment for interest expense is calculated as follows (in thousands):

Borrowings to fund the acquisition	\$ 4,500,000
Expected interest rate	6.4%
Increase in interest expense (Year ended December 31, 2006)	<u>\$ 288,000</u>
Increase in interest expense (Nine months ended September 30, 2007)	<u>\$ 216,000</u>

(f) To record the reduction in incremental interest expense due to the anticipated \$750 million paydown of the existing revolving credit facility and other debt with the anticipated net proceeds from the dispositions of Fiserv ISS and Fiserv Health and the excess \$50 million from the new term loan facility borrowings discussed in footnote (j). Based on assumed interest rates of 5.8% and 5.3%, the reduction of interest expense due to the \$750 million debt paydown is \$32.6 million and \$39.8 million for the nine months ended September 30, 2007 and year ended December 31, 2006, respectively.

(g) To record the income tax provision on the pro forma adjustments based on the applicable statutory federal and state income tax rates.

(h) The unaudited pro forma condensed combined balance sheet reflects the sale of Fiserv Health. The pro forma adjustment to cash and cash equivalents represents the preliminary net proceeds of \$455 million from the sale less cash included in the businesses to be sold of \$29 million and the pro forma adjustment to shareholders' equity represents the preliminary net gain of \$97 million. The unaudited pro forma condensed combined balance sheet does not reflect the estimated final adjustments for changes in net working capital for the disposition of Fiserv Health, which we expect to increase the net proceeds by approximately \$20 million by the time of closing resulting in total anticipated net proceeds of \$475 million.

(i) The unaudited pro forma condensed combined balance sheet reflects the sale of Fiserv ISS. Preliminary net proceeds from the sale of \$250 million are reflected in cash and cash equivalents and the preliminary net gain of \$80 million is reflected in shareholders' equity. These adjustments exclude any anticipated proceeds from contingent cash consideration of up to \$100 million based on achievement of revenue targets over the twelve months subsequent to closing.

(j) To record debt incurred to acquire CheckFree of \$4.5 billion, which includes the financing of \$30 million of debt issuance costs and \$20 million of acquisition fees and expenses, which are discussed in footnote (e) above, and \$50 million to be used for the repayment of debt.

(k) To reflect the use of a portion of the anticipated net proceeds from the disposition of Fiserv ISS and Fiserv Health and the excess \$50 million from the new term loan facility borrowings discussed in footnote (j) to repay \$750 million of the existing revolving credit facility and other debt.

(l) To adjust the historical assets and liabilities of CheckFree, to record goodwill, intangible assets and deferred income taxes associated with the acquisition and to reverse CheckFree's historical goodwill and

intangible assets. The pro forma adjustments to intangible assets and goodwill represent the difference between the preliminary allocation of purchase price and the amounts on CheckFree's balance sheet at September 30, 2007. The preliminary allocation of the purchase price to the assets acquired and liabilities assumed based on their estimated relative fair values is as follows (in thousands):

Acquisition of 100% of CheckFree's issued and outstanding common stock	\$ 4,400,000
Acquisition fees and expenses	20,000
Preliminary purchase price	<u>\$ 4,420,000</u>
Current assets	\$ 587,000
Property and equipment, net	143,636
Intangible assets, net	1,940,000
Goodwill	2,850,849
Other long-term assets	126,495
Current liabilities	(445,169)
Long-term debt	(75,300)
Deferred income taxes	(664,422)
Other long-term liabilities	(43,089)
Preliminary purchase price	<u>\$ 4,420,000</u>

The above preliminary purchase price and the preliminary allocation of purchase price are preliminary because the acquisition has not yet been completed. The preliminary allocation of purchase price is based on a preliminary assessment of the fair values of the assets to be acquired and liabilities to be assumed in the acquisition and does not reflect final appraisals of assets to be acquired or final evaluation of all liabilities to be assumed in the acquisition. Goodwill is generated to the extent that the purchase price exceeds the fair value of the net assets acquired. The preliminary assessment of fair value resulted in goodwill of \$2.85 billion, which will be subject to periodic impairment testing, in accordance with SFAS 142. The preliminary assessment of the fair values of CheckFree's intangible assets are based on projections of expected future net cash flows, discounted to present value. Other assets and liabilities are valued at their historical book value. These and other preliminary estimates will change as additional information becomes available and is assessed by Fiserv after the closing of the acquisition.

(m) To eliminate CheckFree's historical shareholders' equity.