

SCHEDULE 14A INFORMATION  
Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No.     )

Filed by the Registrant /X/  
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Check the appropriate box:

// Preliminary Proxy Statement / /Confidential, for Use of the  
Commission Only (as permitted by  
Rule 14a-6(e)(2))

/X/ Definitive Proxy Statement

// Definitive Additional Materials

// Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

Fiserv, Inc.

-----  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):  
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 1) Title of each class of securities to which transaction applies:

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

Fiserv  
255 Fiserv Drive  
Brookfield, Wisconsin 53045

February 17, 1997

To Our Shareholders:

You are cordially invited to attend the Annual Meeting of Shareholders of Fiserv, Inc. (the "Company"), to be held at the Company's corporate offices at 10:00 a.m., Central Standard Time, Thursday, March 20, 1997, in the Company's Education Center located on the second floor.

Information about the meeting and the matters on which shareholders will act is

set forth in the accompanying Notice of Meeting and Proxy Statement. Following action on these matters, management will present a current report on the activities of the Company. At the meeting, we will welcome your comments on or inquiries about the business of the Company that would be of interest to shareholders generally.

At your earliest convenience, please review the information on the business to come before the meeting.

It is very important that you be represented at the Annual Meeting regardless of the number of shares you own or whether you are able to attend the Annual Meeting in person. Whether or not you plan to attend the meeting, please mark, sign and return your proxy card promptly in the enclosed envelope which requires no postage if mailed in the United States. This will not prevent you from voting in person, but will ensure that your vote is counted if you are unable to attend.

Thank you for your prompt attention.

Sincerely,

/S/ GEORGE D. DALTON

George D. Dalton  
Chairman,  
Chief Executive Officer

Fiserv

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD MARCH 20, 1997

CUSIP # 337738-10-8

To the Shareholders of Fiserv, Inc.:

The Annual Meeting of Shareholders of Fiserv, Inc. (the "Company") will be held at the Corporate Offices on Thursday, March 20, 1997, at 10:00 a.m., Central Standard Time, for the following purposes, all of which are set forth more completely in the accompanying Proxy Statement:

1. To elect two Directors to serve for a three-year term expiring in 2000, and in each case until their successors are elected and qualified;
2. To approve certain amendments to the Fiserv, Inc. Stock Option Plan (the "Plan") as discussed in detail herein;
3. To approve the appointment of Deloitte & Touche LLP, Milwaukee, Wisconsin, as independent auditors of the Company and its subsidiaries for the fiscal year ending December 31, 1997; and
4. To transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

The Board of Directors has fixed the close of business on February 3, 1997, as the record date for determining shareholders entitled to notice of and to vote at the Annual Meeting and at any adjournments or postponements thereof.

In the event there are not sufficient votes for a quorum or to approve or ratify any of the foregoing proposals at the time of the Annual Meeting, the Annual Meeting may be adjourned or postponed in order to permit further solicitation of proxies by the Company.

By Order of the Board of Directors

/S/ CHARLES W. SPRAGUE

Charles W. Sprague  
Secretary  
February 17, 1997

YOUR VOTE IS IMPORTANT. THE PROXY STATEMENT IS INCLUDED WITH THIS NOTICE. TO VOTE YOUR SHARES, PLEASE MARK, SIGN, DATE AND RETURN YOUR PROXY CARD AS SOON AS POSSIBLE. A RETURN ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE. SHAREHOLDERS ATTENDING THE MEETING MAY WITHDRAW THEIR PROXIES AT ANY TIME PRIOR TO THE EXERCISE THEREOF AS FURTHER DESCRIBED HEREIN.

## PROXY STATEMENT

### Solicitation of Proxies

This Proxy Statement is being mailed on or about February 17, 1997, to the holders of record as of February 3, 1997, of common stock, \$.01 par value per share ("Common Stock"), of Fiserv, Inc. (the "Company") in connection with the solicitation by the Board of Directors of proxies in the enclosed form for the Annual Meeting of Shareholders (the "Annual Meeting") to be held at the Company's offices, 255 Fiserv Drive, Brookfield, Wisconsin 53045, on March 20, 1997, and at any and all adjournments or postponements thereof. Pursuant to the Wisconsin Business Corporation Law, a shareholder may revoke a writing appointing a proxy either by giving notice to the Company in writing or in open meeting. Any shareholder giving a proxy has the power to revoke it at any time before it is exercised by (i) filing with the Secretary written notice thereof (Charles W. Sprague, Executive Vice President, General Counsel and Secretary, Fiserv, Inc., 255 Fiserv Drive, Brookfield, Wisconsin 53045); (ii) submitting a duly-executed proxy bearing a later date; or (iii) appearing at the Annual Meeting and giving the Secretary notice of his or her intention to vote in person.

The cost of solicitation of proxies by mail on behalf of the Board of Directors will be borne by the Company. Proxies also may be solicited by personal interview or by telephone, in addition to the use of the mail, by directors, officers and regular employees of the Company, without additional compensation therefor. The Company also has made arrangements with brokerage firms, banks, nominees and other fiduciaries to forward proxy solicitation materials for shares of Common Stock held of record by the beneficial owners of such shares. The Company will reimburse such holders for their reasonable out-of-pocket expenses.

Proxies solicited hereby will be returned to the Board of Directors, and will be tabulated by inspectors of election designated by the Board of Directors, who will not be employed by or a director of the Company, or any of its affiliates.

### Purposes of Annual Meeting

The Annual Meeting has been called for the purposes of (i) electing two Directors to serve for a three-year term expiring in 2000; (ii) approving certain amendments to the Fiserv, Inc. Stock Option Plan (the "Plan"); (iii) approving the appointment of Deloitte & Touche LLP, Milwaukee, Wisconsin, as the independent auditors of the Company and its subsidiaries for the fiscal year ending December 31, 1997; and (iv) transacting such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

The persons named as proxies in the enclosed proxy have been selected by the Board of Directors and will vote shares represented by valid proxies. They have indicated that, unless otherwise specified in the Proxy, they intend to vote (i) to elect as Directors for their respective terms the nominees noted herein; (ii) for approval of the amendments to the Plan; and (iii) for approval of the appointment of Deloitte & Touche LLP, Milwaukee, Wisconsin, as the independent auditors of the Company and its subsidiaries for the fiscal year ending December 31, 1997. The Board of Directors has no reason to believe that any of the nominees will be unable to serve as a Director. In the event, however, of the death or unavailability of any nominee or nominees, the proxy to vote in favor of the election of such nominee or nominees will be voted for such other person as the Board of Directors may recommend.

The Company has no knowledge of any other matters to be presented at the Annual Meeting. In the event other matters are properly brought before the Annual Meeting or any adjournments or postponements thereof, the persons named in the proxy will vote in accordance with their best judgment on such matters.

### Voting Securities

The Board of Directors has fixed the close of business on February 3, 1997, as the record date (the "Voting Record Date") for determining shareholders entitled to notice of and to vote at the Annual Meeting. On January 29, 1997, there were 45,359,963 shares of Common Stock outstanding and entitled to vote, and the Company had no other class of securities outstanding. All of these shares are to be voted as a single class, and each holder is entitled to one vote for each share held of record on all matters submitted to a vote of shareholders. The presence, in person or by proxy, of at least a majority of the outstanding shares of Common Stock entitled to vote at the Annual Meeting, shall constitute a quorum for the transaction of business. A quorum being present, all matters, other than the election of directors, shall require the affirmative vote of a majority of the total votes cast in person or by proxy in order to be approved. Directors will be elected by a plurality of votes cast at the Annual Meeting. Abstentions will be included in the determination of shares present and voting for purposes of determining whether a quorum exists. Broker non-votes will not be so included. Neither abstentions nor broker non-votes are counted in determining whether a proposal has been approved. In the event there are not

sufficient votes for a quorum or to approve or ratify any proposal at the time of the Annual Meeting, the Annual Meeting may be adjourned or postponed in order to permit the further solicitation of proxies.

#### Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information with respect to the beneficial ownership of Common Stock as of December 31, 1996 (except as otherwise noted below) by (i) each shareholder known to the Company to own beneficially more than 5% of the shares of Common Stock outstanding, as disclosed in certain reports regarding such ownership filed with the Company and with the Securities and Exchange Commission (the "Commission"), in accordance with Sections 13(d) and 13(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); (ii) each Director and Director nominee of the Company; (iii) each of the executive officer(s) of the Company appearing in the Summary Compensation Table below; and (iv) all Directors and executive officers as a group.

Name	Number of Shares of Common Stock Beneficially Owned (1)(2)	Options Exercisable Within 60 Days After December 31, 1996	Percent of Class*
George D. Dalton.....	560,182	50,018	1.2%
Leslie M. Muma.....	487,305	43,420	1.0%
Donald F. Dillon.....	2,618,577	5,552	5.6%
Kenneth R. Jensen.....	366,399	33,345	**
Gerald J. Levy.....	47,177	5,475	**
L. William Seidman.....	21,225	5,475	**
Thekla R. Shackelford.....	5,300	2,100	**
Roland D. Sullivan.....	45,040	5,375	**
Dean C. Schmelzer.....	57,660	4,062	**
All Directors and executive officers as a group (16 persons).....	4,985,563	205,880	10.7%

\* As of the Voting Record Date.

\*\* Amount represents less than 1% of the total number of shares of Common Stock outstanding on the Voting Record Date.

(1) Unless otherwise indicated, includes shares of Common Stock held directly by the individuals as well as by members of such individuals' immediate family who share the same household, shares held in trust and other indirect forms of ownership over which shares the individuals exercise sole or shared voting and/or investment power. Each person on the above table disclaims beneficial ownership of shares owned by his or her spouse, minor children or other relatives.

(2) Includes shares which are subject to outstanding options exercisable within 60 days after December 31, 1996, as set forth above.

#### MATTERS TO BE VOTED ON AT THE ANNUAL MEETING

##### Matter 1. Election of Directors

The following is a summary of certain information concerning the nominees for Director and continuing Directors of the Company. There are no family relationships among any of the directors and/or executive officers of the Company. No person being nominated as a director is being proposed for election pursuant to any agreement or understanding between any person and the Company.

Nominees for three-year term expiring in 2000:

George D. Dalton (age 68) has been Chairman of the Board of Directors since it was established in 1984. From 1964 to 1984, Mr. Dalton was President of one of the Company's predecessors, First Data Processing, Inc., a subsidiary of First Bank System, Inc. Mr. Dalton has over 40 years of data processing experience. He also serves as a Director of ARI Network Services, Inc. (sales network software), Milwaukee, Wisconsin, and APAC TeleServices, Inc. (telemarketing), Deerfield, Illinois.

Principal Occupation: Chairman of the Board of Directors and  
Chief Executive Officer of the Company.

L. William Seidman (age 75) has been a Director of the Company since 1992. Mr. Seidman became Chairman of the Federal Deposit Insurance Corporation in October 1985 and Chairman of the Resolution Trust Company in 1989, and held such positions until October 1991. From 1982 to 1985, he was Dean of the College of Business at Arizona State University, Tempe, Arizona. From 1977 to 1982, he was Vice Chairman and Chief Financial Officer of Phelps Dodge Corporation. Mr. Seidman was President Gerald Ford's Assistant for Economic Affairs from 1974 to 1977. From 1968 to 1974, he was managing partner of Seidman & Seidman, Certified Public Accountants. He served as Chairman in 1970 and Director of the Detroit Branch of the Federal Reserve Bank of Chicago from 1966 to 1970. He also was

Special Assistant for Financial Affairs to Michigan Governor George Romney from 1963 to 1966.

Principal Occupation: Chief Commentator for CNBC, Washington, D.C., and Publisher of Bank Director Magazine, Brentwood, Tennessee.

The affirmative vote of a plurality of the votes cast is required for the election of directors. Unless otherwise specified, the shares of Common Stock represented by the proxies solicited hereby will be voted in favor of the above-described nominees.

The Board of Directors recommends that you vote FOR the election of the nominees for director.

#### Information With Respect to Continuing Directors

##### Continuing terms expiring in 1998:

Kenneth R. Jensen (age 53) has been Executive Vice President, Chief Financial Officer, Treasurer, Assistant Secretary and a Director of the Company since it was established in 1984. He became Senior Executive Vice President of the Company in 1986. In 1983, Mr. Jensen was Chief Financial Officer of SunGard Data Systems, Inc., a computer services company. From 1968 to 1982, Mr. Jensen was a founder and Chief Financial Officer of Catallactics Corporation, a financial services company, and from 1974 to 1980, also was Chief Financial Officer of Market Research Corporation of America. Mr. Jensen has over 30 years of experience in the data processing industry.

Principal Occupation: Senior Executive Vice President, Chief Financial Officer, Treasurer and Assistant Secretary of the Corporation.

Roland D. Sullivan (age 77) has been a Director of the Company since 1986. Mr. Sullivan was the Myers Regents Professor of Management at St. Johns University from 1983 to 1990. He has an extensive background in strategic planning and management, and is known throughout the financial industry. From 1938 to 1983, Mr. Sullivan served First Bank System, Inc. in various capacities, including Vice President - Strategic Information Systems and Technology Planning; and as Executive Vice President of Research and Planning - First Computer Corporation, a subsidiary of First Bank System, Inc. From 1991 to 1996, Mr. Sullivan was associated with Sendero Corporation, a wholly owned subsidiary of the Company, most recently as Chairman and Chief Executive Officer. During 1995 and 1996, he also served as Midwest Region Executive, Savings & Community Bank Group of the Company. He presently serves as a consultant to the Company.

Principal Occupation: Financial Consultant.

Thekla R. Shackelford (age 62) was appointed a Director of the Company in 1994. Ms. Shackelford is an Educational Consultant and served as President of the National Professional Association for Education Consultants from 1987-1988. Prior to 1987, she was Director of Development of the Buckeye Boys Ranch located in Columbus, Ohio. She currently is serving as Chairman of the I KNOW I CAN scholarship board in Columbus, Ohio, and is a director of Banc One Corporation (banking) and Wendy's International, Inc. (restaurants), both Columbus, Ohio. Ms. Shackelford is the recipient of numerous awards for community service and educational achievements.

Principal Occupation: Educational Consultant.

##### Continuing terms expiring in 1999:

Leslie M. Muma (age 52) has been a Director of the Company since it was established in 1984, and was named Vice Chairman of the Board of Directors in 1995. From 1971 to 1984, Mr. Muma was the President of one of the Company's predecessors, Data Management Resources, Inc., a wholly owned subsidiary of Freedom Savings & Loan Association, Tampa, Florida. Mr. Muma has over 30 years of data processing experience. He also serves as a Director of MGIC Investment Corporation (mortgage insurance), Milwaukee, Wisconsin.

Principal Occupation: Vice Chairman of the Board of Directors of the Company, President and Chief Operating Officer of the Company.

Gerald J. Levy (age 64) has been a Director of the Company since 1986. He is known nationally for his involvement in various financial industry memberships and organizations. Mr. Levy is a past Director and Chairman of the United States League of Savings Institutions, and served as Chairman of its Government Affairs Policy Committee. Since 1959, Mr. Levy has served Guaranty Bank, S.S.B., Milwaukee, Wisconsin, in various capacities, including Chief Executive Officer from 1973 to the present. He also serves as Director of Guaranty Bank, S.S.B., Guaranty Financial Mutual Holding Corp., the holding company of Guaranty Bank, S.S.B., and Republic Mortgage Insurance Company, all Milwaukee, Wisconsin.

Principal Occupation: Chief Executive Officer of Guaranty Bank, S.S.B. since 1984.

Donald F. Dillon (age 56) was elected to and named Vice Chairman of the Board of Directors of the Company in May 1995. In 1976, Mr. Dillon and an associate founded Information Technology, Inc. ("ITI"), a turnkey software company, which has grown to become a leading national provider of banking software and services. ITI was acquired by the Company in May 1995, and Mr. Dillon continues in his position as Chairman and President of ITI. From 1966 to 1976, Mr. Dillon was with the National Bank of Commerce, Lincoln, Nebraska, and

served most recently as Senior Vice President - Information Management Division. Mr. Dillon has over 30 years of experience in the financial and data processing industries. He also serves as Secretary of the Board of Trustees and Executive Committee Member for Doane College in Crete, Nebraska, and is a Member of the Board of Trustees for the University of Nebraska and a Member of the University of Nebraska's Directors Club.

Principal Occupation: Vice Chairman of the Board of Directors of the Company, Chairman and President, ITI.

## Matter 2. Approval of Amendments to the Fiserv, Inc. Stock Option Plan

### Description of Proposed Material Amendments to the Plan

On February 11, 1997, the Board of Directors of the Company adopted, subject to shareholder approval at the Annual Meeting, amendments to the Fiserv, Inc. Stock Option Plan (the "Plan") that, among other things, will (i) provide that the Plan be administered by "Non-Employee Directors" (within the meaning of Rule 16b-3 promulgated under the Exchange Act) and (ii) eliminate mandatory grants of options to Non-Employee Directors.

### Description of Material Features of the Amended Plan

The following summary of certain material features of the Plan, as it was amended, does not purport to be complete and is qualified in its entirety by reference to the text of the Plan, a copy of which is set forth as Exhibit A to this Proxy Statement. Unless otherwise indicated, all references are to the Plan as proposed to be amended.

### Shares Subject to the Plan and Eligibility

The Plan authorizes the grant of options to purchase shares of Common Stock (subject to adjustment as provided below) to employees (including officers and directors who are employees) and Non-Employee Directors of the Company. Upon expiration, cancellation or termination of exercised options granted under the Plan, the shares of Common Stock subject to such options will again be available for the grant of options under the Plan. As of December 31, 1996, all four Non-Employee Directors of the Company and all employees of the Company were eligible to participate in the Plan. The shares of Common Stock to be issued by the Company upon the exercise of options by optionees may be acquired either through open market purchases by the Company, or issued from authorized but unissued shares of Common Stock.

As of December 31, 1996, options to purchase 2,601,300 shares of Common Stock were granted under the Plan and a total of 4,035,000 options were available for granting under the Plan.

### Type of Options

Options granted under the Plan may be either incentive stock options ("ISOs") within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), or non-qualified stock options which do not qualify as ISOs ("NQSOs"). ISOs, however, may only be granted to employees.

### Administration

The Plan is administered by a committee of the Board of Directors (the "Committee") consisting of at least two members of the Board, each of whom is a Non-Employee Director, and also an "outside director" within the meaning of Section 162 (m) of the Code. The Committee members currently are those persons listed as comprising the Compensation Committee on Page 11.

On May 31, 1996, the Commission adopted the final revisions to the rules and forms promulgated under Section 16 of the Exchange Act (the "Final Section 16 Rules") which govern the reporting obligations and short-swing profit liability of statutory insiders of public companies. Under the former Section 16 rules, one of the requirements was that administration of stock plans be "disinterested" in order to exempt transactions thereunder from short-swing profit liability. This requirement has been eliminated under the Final Section 16 Rules, and now one method of exempting option grants from short-swing profit liability is for each grant to be approved in advance by either the entire Board or a committee of two or more "Non-Employee Directors" (as defined under the new rules). Accordingly, to comply with the Final Section 16 Rules and ensure future option grants to participants subject to Section 16 are exempt from short-swing profit liability, the Plan, as amended, provides for general administration by a committee of Non-Employee Directors, with grants to Non-Employee Directors to be approved by the full Board of Directors and grants to participants other than Non-Employee Directors to be approved by the committee of Non-Employee Directors.

Among other things, the Board of Directors (with respect to grants to Non-Employee Directors) and the Committee (with respect to grants to participants other than Non-Employee Directors) are empowered to determine in accordance with various Plan provisions: (i) the persons to whom options are granted; (ii) the times on which options are granted; (iii) whether an option will be an ISO or an NQSO; (iv) the number of shares of Common Stock subject to a particular option and the option price therefor; (v) the term of each option; (vi) the time and conditions under which an option may be exercised in whole or in part; (vii) the form of consideration that may be used by the optionee to purchase shares upon exercise of any option; (viii) whether shares issued upon the exercise of an option are subject to certain restrictions or to repurchase by the Company; (ix) the fair market value of shares of the Common Stock; and



(xii) any other terms and conditions of the option not otherwise inconsistent with the provisions of the Plan. The Committee is also authorized to interpret the terms of the Plan and to adopt regulations relating to the Plan that are not inconsistent with the terms of the Plan. The determination of the Committee with respect to such matters is final and conclusive.

#### Terms and Conditions of Options

Options granted under the Plan are subject to, among other things, the following terms and conditions:

(a) The option price of an option shall be fixed by the Committee in the case of grants to participants other than Non-Employee Directors and the full Board with respect to grants to Non-Employee Directors, except that in the case of an ISO, the option price cannot be less than the fair market value of the shares subject to the option on the date it is granted (110% of such fair market value if the optionee owns or is deemed to own more than 10% of the voting power of the Company's shares).

(b) Options are not transferable during the optionee's lifetime, and during his or her lifetime may only be exercised by the optionee.

(c) Options may be granted for terms determined by the Committee in the case of grants to participants other than Non-Employee Directors and the full Board with respect to grants to Non-Employee Directors, except that the term of an ISO may not exceed 10 years (five years if the optionee owns or is deemed to own more than 10% of the voting power of the Company's shares).

(d) Appropriate arrangements may be specified with respect to any federal, state, local or other tax withholding which is required in connection with the options.

(e) The maximum number of shares for which options may be granted to any person in any fiscal year is 300,000. The aggregate fair market value of shares with respect to which ISOs may be granted to an employee which are exercisable for the first time during any calendar year may not exceed \$100,000. Any option granted in excess of such amount is treated as an NQSO.

(f) No fractional shares of Common Stock may be exercised or acquired under the Plan.

The Plan previously provided that every Non-Employee Director be granted an option to purchase 250 shares of Common Stock immediately following every meeting of the Board of Directors which he or she attended. In addition, the Plan provided that immediately following each annual meeting of shareholders at which a Non-Employee Director was elected, such Non-Employee Director was to be granted an option to purchase 10,000 shares of Common Stock. The Committee did not have any discretion with respect to the selection of Non-Employee Directors to receive option grants, or the amount, price, terms or timing with respect to such grants. The exercise price of all such options granted to Non-Employee Directors was required to be equal to the fair market value of the shares of Common Stock subject to the grant on the date of grant, the term of such options was to be 10 years, and the options were to be subject to a five-year vesting period from the date of grant (with 20% of the grant vesting on the first anniversary of the date of grant and 20% vesting on each subsequent anniversary for the following four years). In addition, the Plan provided for immediate vesting if a Non-Employee Director was terminated as a director within 36 months following a change of control of the Company, and such option grants were to expire within 30 days after an individual ceased to serve as a Director of the Company or were to terminate immediately if a Director was terminated for cause.

These provisions constituted "formula award" guidelines and were included in the Plan in order to ensure that the Plan qualified for granting options to Non-Employee Directors which were exempt under the former Section 16 short-swing profit rules and regulations. Under the Final Section 16 Rules, awards to Non-Employee Directors are no longer subject to the "formula plan" restrictions of the old Section 16 rules. Therefore, the Plan, as amended, provides for grants to Non-Employee Directors, the amount, terms and conditions of which are to be determined by the entire Board of Directors.

#### Adjustments in the Event of Capital Changes

In the event the number of shares of Common Stock are increased or decreased or changed into or exchanged for a different number or kind of shares of stock or other securities of the Company through reorganization, merger or consolidation, recapitalization, stock split, split-up, combination, exchange of shares, declaration of any Common Stock dividends or similar events, the number and kind of shares of stock and the option price per share subject to the unexercised portion of any option, the number and kind of shares of stock subject to the Plan and the maximum number of shares which may be granted to a person in any fiscal year is to be appropriately adjusted by the Board of Directors.

#### Duration and Amendment of the Plan

No ISO may be granted under the Plan after February 27, 2006. The Board

of Directors may amend the Plan from time to time, except that without shareholder approval no amendment may increase the maximum number of shares with respect to which options may be granted under the Plan (except in the case of the events for which adjustment authority has been granted to the Board of Directors as described above), materially increase the benefits accruing to optionees under the Plan, change the eligibility requirements for optionees or make any change for which applicable law requires shareholder approval.

#### Federal Income Tax Treatment

The following is a general summary of the federal income tax consequences under the current tax law of NQSOs and ISOs. It does not purport to cover all the special rules, or the state or local income or other tax consequences inherent in the ownership and exercise of stock options and the ownership and disposition of the underlying shares. An optionee will not recognize taxable income for federal income tax purposes upon the grant of an NQSO or ISO.

Upon the exercise of an NQSO, the optionee will recognize ordinary income in an amount equal to the excess, if any, of the fair market value of the shares acquired on the date of exercise over the option price thereof, and the Company will generally be entitled to a deduction for such amount at that time. If the optionee later sells shares acquired pursuant to the exercise of an NQSO, he or she will recognize long-term or short-term capital gain or loss, depending on the period for which the shares were held. Long-term capital gain is generally subject to more favorable tax treatment than ordinary income or short-term capital gain.

Upon the exercise of an ISO, the optionee will not recognize taxable income. If the optionee disposes of the shares acquired pursuant to the exercise of an ISO more than two years after the date of grant and more than one year after the transfer of the shares to him or her, the optionee will recognize long-term capital gain or loss and the Company will not be entitled to a deduction. However, if the optionee disposes of such shares within the required holding period, all or a portion of the gain will be treated as ordinary income and the Company will generally be entitled to deduct such amount.

In addition to the federal income tax consequences described above, an optionee may be subject to the alternative minimum tax.

The affirmative vote of a majority of the shares represented in person or by proxy at the Annual Meeting is required for approval of the above described amendments to the Plan. Unless otherwise specified, the proxies solicited hereby will be voted in favor of the above proposal.

The Board of Directors recommends that shareholders vote FOR the amendments to the Plan.

#### Matter 3. Appointment of Auditors

The Company's independent auditors for the fiscal year ended December 31, 1996, were Deloitte & Touche LLP, Milwaukee, Wisconsin. The Board of Directors of the Company has recommended that Deloitte & Touche LLP be reappointed to perform the audit of the Company's financial statements for the fiscal year ending December 31, 1997. A representative of Deloitte & Touche LLP is expected to be present at the meeting with an opportunity to make a statement if so desired and to answer appropriate questions with respect to that firm's audit of the Company's financial statements and records for the fiscal year ended December 31, 1996.

The affirmative vote of a majority of the shares represented, in person or by proxy, at the Annual Meeting is required for approval of the appointment of Deloitte & Touche LLP as the Company's independent auditors. Although shareholders are not legally required to approve the appointment of the Company's auditors, the Company nonetheless has traditionally permitted shareholders to approve the appointment. In the event this proposal is not approved, the Board of Directors will re-evaluate its recommendation. Unless otherwise specified, the shares of Common Stock represented by the proxies solicited hereby will be voted in favor of the above proposal.

The Board of Directors recommends that shareholders vote FOR the proposal to reappoint Deloitte & Touche LLP as the Company's independent auditors.

#### Meetings of the Board of Directors and Committees of the Board of Directors

The Board of Directors held four regular meetings during fiscal 1996. During fiscal 1996, each director attended at least 75% of the meetings of the Board of Directors and committees of the Board of Directors ("Committees") held during his or her tenure as a director or Committee member. The Board of Directors has standing Compensation and Audit Committees.

The Compensation Committee evaluates the performance of the Company's executive officers, approves executive officer compensation and reviews management's recommendations as to the compensation of other key personnel, acts as the nominating committee for officers and directors and makes recommendations

to the Board of Directors regarding the types, methods and levels of director compensation, administers the compensation plans for the officers, directors and key employees, and discharges certain other responsibilities of the Board of Directors when so instructed by the Board. The members of the Compensation Committee are Messrs. Levy (Chairman) and Seidman, and Ms. Shackelford. The Compensation Committee held one meeting during the year ended December 31, 1996.

The Audit Committee reviews the scope and timing of the audit of the Company's financial statements by the Company's independent public accountants and reviews with these accountants the Company's management policies and procedures with respect to auditing and accounting controls. The Audit Committee also reviews with the independent accountants the financial statements, auditor's reports and management letter of the independent accountants. The Audit Committee reviews and evaluates Conflict of Interest statements and discharges certain other responsibilities of the Board of Directors when so instructed by the Board of Directors. The members of the Audit Committee are Messrs. Levy (Chairman) and Seidman, and Ms. Shackelford. The Audit Committee held one meeting during the fiscal year ended December 31, 1996.

#### Compensation of Directors

Directors who are officers or employees of the Company receive no compensation for service as members of the Board of Directors of the Company or for service on committees of the Board of Directors. A director who is not an officer or employee of the Company receives an annual fee of \$12,000 for service on the Board of Directors of the Company, plus \$1,000 for attendance at Board of Director meetings. In addition, each outside director is granted 10,000 stock options, at fair market value, upon election to each new three-year term and 250 stock options for attendance at Board of Director meetings. The options granted may be exercised 20% per year and expire 10 years from the date of the award. If the proposal to amend the Plan is approved by shareholders, the mandatory formula awards to outside directors will be eliminated and the entire Board shall determine the amount, timing and terms of any options granted to outside directors in the future.

#### Compensation of Executive Officers

The following table sets forth in summary form all compensation, as defined in regulations of the Commission, paid or accrued by the Company and its subsidiaries during each of the three years ended December 31, 1996, to the Company's Chief Executive Officer and the next four highest paid executive officers whose total annual salary and bonus for the fiscal year ended December 31, 1996, exceeded \$100,000.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation(3)		Long-Term Compensation Number of Shares Subject to Options	All Other Compensation(4)
		Salary(1)	Bonus(2)		
George D. Dalton Chairman of the Board, Chief Executive Officer	1996	\$560,000	\$ 90,000	61,763	\$ 11,145
	1995	525,000	90,000	61,763	11,145
	1994	460,000	100,000	65,813	10,500
Leslie M. Muma Vice Chairman of the Board, President, Chief Operating Officer	1996	500,000	50,000	53,663	11,145
	1995	475,000	80,000	53,663	11,145
	1994	410,000	90,000	57,039	10,500
Kenneth R. Jensen Senior Executive Vice President, Chief Financial Officer and Treasurer	1996	395,000	75,000	41,175	11,145
	1995	370,000	60,000	41,175	11,145
	1994	325,000	80,000	43,875	10,500
Donald F. Dillon(5) Vice Chairman of the Board, Chairman and President of Information Technology, Inc.	1996	211,000	150,000	27,759	11,145
	1995	191,800	200,000	--	--
Dean C. Schmelzer Executive Vice President, Marketing and Sales	1996	240,000	111,000	12,825	11,145
	1995	228,000	41,300	1,175	11,145
	1994	213,000	64,140	2,250	10,500

(1) Includes compensation earned and deferred by the named executive officers in each of the fiscal years indicated.

(2) Bonus payments are discretionary.

(3) Perquisites provided to the named executive officers by the Company did not exceed the lesser of \$50,000 or 10% of each named executive

officer's total annual salary and bonus during the fiscal years indicated, and accordingly, are not included.

- (4) Amounts shown in this column represent the Company's contributions on behalf of the named executive officers under the Company's 401(k) Plan for the fiscal years ended December 31, 1994 and 1995. The amount shown for fiscal 1996 is estimated.
- (5) Information Technology, Inc. was acquired by the Company on May 17, 1995. Amounts shown for 1995 represent annualized salary amounts.

The following table sets forth certain information concerning individual grants of stock options to those individuals listed in the Summary Compensation Table during the fiscal year ended December 31, 1996.

# OPTION GRANTS IN LAST FISCAL YEAR

## Individual Grants

Name	Options Granted(1)	% of Total Options Granted to Employees in Fiscal Year(2)	Exercise Price (\$/Sh)	Expiration Date	Potential Realizable Value at Assumed Rates of Stock Price Appreciation for Option Term(3)	
					5%	10%
George D. Dalton	61,763	18.51%	\$30.50	2/27/06	\$1,184,694	\$3,002,247
Leslie M. Muma	53,663	16.08	30.50	2/27/06	1,029,325	2,608,513
Kenneth R. Jensen	41,175	12.34	30.50	2/27/06	789,789	2,001,482
Donald F. Dillon	27,759	8.32	30.50	2/27/06	532,453	1,349,341
Dean C. Schmelzer	12,825	3.84	30.50	2/27/06	246,000	623,412

(1) The Company's Stock Option Plan provides for grants of Common Stock to employees and directors. In general, the options are granted with an option price not less than the fair market value of the underlying shares on the date of grant, with 20% of the options becoming exercisable annually and expiring five to 10 years from the date of the grant.

(2) Options to purchase 333,700 shares of Common Stock were granted to employees under the Company's stock option plan during the fiscal year ended December 31, 1996.

(3) Amount shown represents the potential realizable value, net of the option exercise price, assuming that the underlying market price of the Common Stock appreciates in value from the date of grant to the end of the option term at annualized rates of 5% and 10%. These amounts represent certain assumed rates of appreciation only. Actual gains, if any, on stock option exercises are dependent upon the future performance of the Common Stock and overall market conditions. There can be no assurance that the amounts reflected in this table will be achieved.

The following table sets forth certain information concerning the exercise of stock options granted under the Company's stock option plans by each of the executive officers named in the Summary Compensation Table during the fiscal year ended December 31, 1996.

## AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTION VALUES

Name	Number of Shares Acquired on Exercise	Value Realized	Number of Unexercised Options at Fiscal Year End		Value of Unexercised In-the-Money Options at Fiscal Year End(1)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
George D. Dalton	0	0	190,958	124,943	\$3,396,770	\$1,525,050
Leslie M. Muma	0	0	219,307	108,490	4,385,502	1,323,903
Kenneth R. Jensen	0	0	168,480	83,295	3,368,996	1,016,693
Donald F. Dillon	0	0	5,552	22,207	34,699	138,795
Dean C. Schmelzer	0	0	52,632	12,677	1,061,176	104,546

(1) The value of Unexercised In-the-Money Options is based upon the difference between the fair market value of the stock options and the exercise price of the options at December 31, 1996.

## Compensation Committee Report on Executive Compensation

The Compensation Committee of the Board of Directors is responsible for establishing compensation for the Company's Chief Executive Officer, President and Chief Operating Officer and its Senior Executive Vice President and Chief Financial Officer (the Executives). In so doing, the Committee has developed and implemented compensation policies and programs which seek to enhance the long-term profitability of the Company, thereby contributing to the value of shareholders' investment.

In addition to annual cash compensation, the Committee establishes criteria pursuant to which the Executives may also qualify for the award of options to acquire the Company's common stock at a price equal to market value on the date of grant. Awards are based 75% on growth in earnings per share (EPS) and 25% on revenue growth. If the revenue growth percentage exceeds that for EPS, the EPS growth percentage will replace the revenue growth percentage in determining awards. The range of growth used to calculate awards is from 10% to 25% and the maximum annual award to any executive is 300,000 shares.

Mr. Dalton's 1996 Compensation. Compensation for the Chief Executive Officer aligns with the philosophy and practices discussed above for the other senior executive officers. At the beginning of each year, the Compensation Committee sets a target bonus amount for the Chief Executive Officer. For 1996, as in 1995, Mr. Dalton's performance goals were established based on strategic and financial measurements, including a target level of earnings per share and implementation of the Company's acquisition and internal growth strategies. Of these factors, the Company's target level of earnings per share carried a significantly greater weight than the aggregate weight assigned to the remaining factors. Based on the evaluation, the Compensation Committee awarded an incentive payment of 16% of Mr. Dalton's compensation level for 1996.

The Compensation Committee awarded Mr. Dalton stock options in accordance with the criteria described above for other senior executives.

Based upon the Company's performance over the past five years when compared to companies comprising the S&P 500 and its S&P industry group, it appears that the level of executive compensation is commensurate with that which is being paid to senior executives by other companies in similar businesses.

Committee Members:            Gerald J. Levy, Chairman  
                                     L. William Seidman  
                                     Thekla R. Shackelford

### COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURN AMONG FISERV, INC., S&P 500 INDEX AND S&P COMPUTER SOFTWARE AND SERVICES INDEX (Assumes initial investment of \$100 and reinvestment of dividends.)

MEASUREMENT PERIOD (FISCAL YEAR COVERED)	COMPUTER		
	FISERV, INC.	S&P 500 INDEX	SOFTWARE & SERVICES INDEX
MEASUREMENT PT-12/31/91	\$100	\$100	\$100
FYE 12/31/92	\$100	\$108	\$118
FYE 12/31/93	\$115	\$118	\$151
FYE 12/31/94	\$128	\$120	\$179
FYE 12/31/95	\$179	\$165	\$251
FYE 12/31/96	\$219	\$203	\$390

Assume \$100 invested on December 31, 1991, in each of Company Common Stock, S&P 500 Index and Industry Index and the reinvestment of all dividends paid during the five-year period ending December 31, 1996.

## Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's officers and directors and persons owning in excess of 10% of the shares of the Common Stock outstanding to file reports of ownership and changes in ownership with the Commission. Officers, directors and 10% shareholders are also required to furnish the Company with copies of all Section 16(a) forms they file.

Based upon a review of the information furnished to the Company, the Company believes that during the fiscal year ended December 31, 1996, its officers and directors complied with all applicable Section 16(a) filing requirements.

## Shareholder Proposals for the 1998 Annual Meeting

Any proposal which a shareholder wishes to have included in the proxy materials of the Company relating to the next annual meeting of shareholders, which is scheduled to be held in March 1998, must be received at the corporate offices of the Company, 255 Fiserv Drive, Brookfield, Wisconsin 53045, Attention: Charles W. Sprague, Executive Vice President, General Counsel and Secretary, no later than October 21, 1997. If such proposal is in compliance with Rule 14a-8 under the Exchange Act, it will be included in the proxy statement and set forth on the form of proxy issued for such annual meeting of shareholders. It is urged that any such proposals be sent certified mail, return receipt requested.

## Annual Report

The Annual Report of the Company for the fiscal year ended December 31, 1996, will be mailed to each shareholder on or about February 17, 1997. The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1996, filed by the Company with the SEC, will be furnished without charge to any person requesting a copy thereof in writing and stating such person is a beneficial holder of shares of Common Stock of the Company on the record date for the Annual Meeting.

Requests and inquiries should be addressed to Charles W. Sprague.

By Order of the Board of Directors,

/S/ CHARLES W. SPRAGUE

Charles W. Sprague  
Secretary

Brookfield, Wisconsin  
February 17, 1997

## APPENDIX A

Fiserv, Inc.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.

The undersigned hereby appoints George D. Dalton, Leslie M. Muma and Charles W. Sprague as Proxies, each with the power to appoint his substitute, and hereby authorizes them to represent and to vote as designated below, all the shares of Common Stock of Fiserv, Inc. (the "Corporation") held of record by the undersigned on February 3, 1997, at the Annual Meeting of Shareholders to be held on March 20, 1997, or any adjournment thereof.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED SHAREHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR PROPOSALS 1, 2, and 3.

## FISERV, INC. ANNUAL MEETING OF SHAREHOLDERS

### 1. ELECTION OF TWO DIRECTORS TO SERVE FOR A THREE-YEAR TERM EXPIRING IN 2000:

1-G.D. Dalton, 2-L.W. Seidman

FOR            WITHHOLD

(Instructions: To withhold authority to vote for any Individual nominee, write the number(s) of the nominee, as set forth next to the names above, in the box provided to the right.)

### 2. PROPOSAL TO AMEND the Fiserv, Inc. Non-Qualified Stock Option

Plan, in certain respects:

FOR            AGAINST        ABSTAIN

3. PROPOSAL TO APPROVE THE REAPPOINTMENT OF Deloitte & Touche LLP, Milwaukee, Wisconsin, as the Independent auditors of the Corporation and subsidiaries for 1997:

FOR            AGAINST        ABSTAIN

4. In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting.

DATE:\_\_\_\_\_ NO. OF SHARES:\_\_\_\_\_

- -----  
Signature(s)

Signature(s) in Box

PLEASE SIGN exactly as name appears hereon. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership, please sign in partnership name by authorized person.

PLEASE CHECK LOWER BOX IF APPROPRIATE

YES, I WILL ATTEND THE ANNUAL  
MEETING ON MARCH 20, 1997



FISERV, INC.

STOCK OPTION PLAN  
(as amended through February 11, 1997)

Section 1. Purpose. The purpose of the Fiserv, Inc. Stock Option Plan (the "Plan") is to promote the interest of Fiserv, Inc. (the "Company") and its Subsidiaries (the Company and each such Subsidiary being herein each referred to as a "Fiserv Group Company") by (a) providing an incentive to employees, and to directors who are not employees, of the Fiserv Group Companies which will attract, retain and motivate persons who are able to make important contributions to the Company's growth, profitability and long-term success, and (b) furthering the identity of interests of the Optionees with those of the Company's shareholders through stock ownership opportunities. Options to be issued under the Plan may be "incentive stock options" as defined in Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), or "non-qualified stock options" ("NQSOs"), which do not qualify as "incentive stock options" ("ISOs"), but the Company makes no representation or warranty as to the qualification of any Option as an incentive stock option under the Code.

Section 2. Definitions. For purposes of this Plan, the following terms used herein shall have the following meanings, unless a different meaning is clearly required by the context.

- 2.1 "Board of Directors" shall mean the Board of Directors of the Company.
- 2.2 "Committee" shall mean the committee of the Board of Directors referred to in Section 5 hereof.
- 2.3 "Common Stock" shall mean the Common Stock, \$.01 par value, of the Company.
- 2.4 "Non-Employee Director" shall mean a non-employee director, as defined in Rule 16b-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which currently defines a non-employee director as a director who (i) is not currently an officer or otherwise employed by the Company, or a parent or subsidiary of the Company, (ii) does not receive compensation for consulting services or in any other capacity from the Company or its subsidiaries in excess of \$60,000 in any one year, and (iii) does not possess an interest in and is not engaged in business relationships required to be reported under Items 404(a) or 404(b) of Regulation S-K promulgated under the Exchange Act.
- 2.5 "Option" shall mean any option granted to a person pursuant to this Plan.
- 2.6 "Optionee" shall mean a person to whom an Option is granted under this Plan.
- 2.7 "Parent" shall mean a "parent corporation" as defined in Section 424(e) of the Code.
- 2.8 "Subsidiary" shall mean a "subsidiary corporation" as defined in Section 424(f) of the Code.

Section 3. Eligible Optionees.

- 3.1 Options may be granted hereunder to any employee of any Fiserv Group Company and to any Non-Employee Director. The Committee shall have the sole authority to select employees and Non-Employee Directors to whom Options are to be granted hereunder.

Section 4. Common Stock Subject to the Plan; Special Limitations.

- 4.1 The total number of shares of Common Stock for which Options may be granted under this Plan shall not exceed in the aggregate 4,100,000 shares of Common Stock. The total number of shares of Common Stock for which Options may be granted under this Plan in any one fiscal year of the Company to any one person shall not exceed in the aggregate 300,000 shares of Common Stock.
- 4.2 The shares of Common Stock that may be subject to Options granted under this Plan may be either authorized and unissued shares or shares reacquired at any time and now or hereafter held as treasury stock as the Board of Directors may determine. In the event that any outstanding Option expires or is canceled or terminated for any reason, the shares allocable

to the unexercised portion of such Option may again be subject to an Option granted under this Plan.

## Section 5. Administration of the Plan.

- 5.1 The Plan shall be administered by a committee of the Board of Directors (the "Committee") and shall consist of not less than two directors. All members of the Committee shall be both Non-Employee Directors and "outside directors" within the meaning of Section 162(m) of the Code. The Committee shall be appointed from time to time by, and shall serve at the pleasure of, the Board of Directors. A majority of the members of the Committee shall constitute a quorum, and the acts of a majority of the members present at any meeting at which a quorum is present and the acts approved in writing by all members without a meeting shall be the acts of the Committee.
- 5.2 The Committee (the Board of Directors with respect to grants to Non-Employee Directors) shall have the sole authority and discretion to grant Options under this Plan and to determine the terms and conditions of any such Option, including, without limitation, the sole authority and discretion (i) to select the persons who are to be granted Options hereunder, (ii) to determine the times when Options shall be granted, (iii) to determine whether an Option granted to an employee will be an ISO or a NQSO, (iv) to establish the number of shares of Common Stock that may be issued under each Option and to establish the option price therefor, (v) to determine the term of each Option, (vi) to determine the time and the conditions subject to which Options may be exercised in whole or in part, (vii) to determine the form of consideration that may be used to purchase shares of Common Stock upon exercise of any Option (including the circumstances under which the Company's issued and outstanding shares of Common Stock may be used by an Optionee to exercise an Option), (viii) to determine whether to restrict the sale or other disposition of the shares of Common Stock acquired upon the exercise of an option (including the circumstances under which shares of Common Stock acquired upon exercise of any Option may be subject to repurchase by the Company) and, if so, whether to waive any such restriction, (ix) to accelerate the time when outstanding Options may be exercised, (x) to determine the amount, if any, necessary to satisfy any Fiserv Group Company's obligation to withhold taxes or other amounts, (xi) to determine the fair market value of a share of Common Stock, (xii) with the consent of the Optionee, to cancel or modify an Option, provided, however, that such Option as modified would have been permitted to have been granted under the Plan on the date of grant of the original Option and provided, further, however, that in the case of a modification (within the meaning of Section 424(h) of the Code) of an ISO, such Option as modified would be permitted to be granted on the date of such modification under the terms of the Plan, and (xiii) to establish any other terms and conditions applicable to any Option and to make all other determinations relating to the Plan and Options not inconsistent with the provisions of this Plan.
- 5.3 The Committee shall be authorized to interpret the Plan and may, from time to time, adopt such rules and regulations, not inconsistent with the provisions of the Plan, as it may deem advisable to carry out the purpose of this Plan.
- 5.4 The interpretation and construction by the Committee of any provision of the Plan, any Option granted hereunder or any option agreement evidencing any such Option shall be final and conclusive upon all parties. Any controversy or claim arising out of or relating to the Plan or any Option shall be determined unilaterally by the Committee, whose determination shall be final and conclusive upon all parties.
- 5.5 Members of the Committee may vote on any matter affecting the administration of the Plan or any agreement or the granting of Options under the Plan.
- 5.6 All expenses and liabilities incurred by the Board of Directors (or the Committee) in the administration of the Plan shall be borne by the Company. The Board of Directors (or the Committee) may employ attorneys, consultants, accountants or other persons in connection with the administration of the Plan. The Company and its officers and directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. No member or former member of the Board of Directors (or the Committee) shall be liable for any action, determination or interpretation taken or made in good faith with respect to the Plan or any Option or agreement hereunder.

## Section 6. Terms and Conditions of Options.

Subject to the Plan, the terms and conditions of each Option granted under the Plan shall be specified by the Committee (the Board of Directors with respect to grants to Non-Employee Directors) and shall be set forth in an option agreement between the Company and the Optionee in such form as the Committee shall approve. The terms and conditions of any Option granted hereunder need not be identical to those of any other Option granted hereunder.

The terms and conditions of each Option shall include the following:

- (a) The option price shall be fixed by the Committee, provided, however, that in the case of an ISO, the option price may not be less than the fair market value of the shares of Common Stock subject to the Option on the date the Option is granted, and provided, further, however, that if at the time an ISO is granted, the Optionee owns (or is deemed to own under Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company, any of its Subsidiaries or a Parent, the option price of such ISO shall not be less than 110% of the fair market value of the Common Stock subject to such ISO on the date of grant.
- (b) Options shall not be transferable otherwise than by will or the laws of descent and distributions, and during an Optionee's lifetime, an option shall be exercisable only by the Optionee or the Optionee's legal guardian.
- (c) The Committee shall fix the term of all Options granted pursuant to the Plan (including the date on which such Option shall expire and the conditions under which it terminates earlier), provided, however, that the term of an ISO may not exceed 10 years from the date such Option is granted, and provided, further, however, that if at the time an ISO is granted, the Optionee owns (or is deemed to own under Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company, any of its Subsidiaries or a Parent, the term of such ISO may not exceed five years from the date of grant. Each Option shall be exercisable in such amount or amounts, under such conditions, and at such times or intervals or in such installments as shall be determined by the Committee. The Committee may, in its sole discretion, establish a vesting provision for any Option relating to the time or the circumstances when the Option may be exercised by the Optionee.
- (d) In the event that any Fiserv Group Company is required to withhold any Federal, state or local taxes or other amounts in respect of any income realized by the Optionee in respect of an Option granted hereunder, in respect of any shares acquired pursuant to the exercise of an Option or in respect of the disposition of an Option or any shares acquired pursuant to the exercise of an Option, the Company may deduct (or require the Fiserv Group Company to deduct) from any payments of any kind otherwise due to such Optionee cash or with the consent of the Committee (in the stock option contract or otherwise) shares of the Company's Common Stock the aggregate amount of such Federal, state or local taxes and other amounts required to be so withheld. Alternatively, the Company may require such Optionee to pay to the Company in cash, promptly on demand, or make other arrangements satisfactory to the Company regarding payment to the Company of, the aggregate amount of any such taxes and other amounts.
- (e) The aggregate fair market value (determined at the time the Option is granted) of the shares of Common Stock for which an eligible employee may be granted ISOs under the Plan or any other plan of the Company, any of its Subsidiaries or a Parent which are exercisable for the first time by such employee during any calendar year shall not exceed \$100,000. Such limitation shall be applied by taking ISOs into account in the order in which they were granted. Any Option (or portion thereof) granted in excess of such amount shall be treated as an NQSO.
- (f) In no case may a fraction of a share be exercised or acquired pursuant to the Plan.

Section 7. Adjustments. In the event that, after the adoption of the Plan by the Board of Directors, the outstanding shares of the Company's Common Stock shall be increased or decreased or changed into or exchanged for a different number or kind of shares of stock or other securities of the Company through reorganization, merger or consolidation, recapitalization, spin-off, stock split, split-up, combination, exchange of shares, declaration of any dividends payable in Common Stock or the like, the number and kind of shares of

stock and the price per share subject to the unexercised portion of any outstanding Option, the number and kind of shares of Stock subject to the Plan and the maximum number of shares which may be granted to a person in any fiscal year shall be appropriately adjusted by the Board of Directors, and such adjustment shall be effective and binding for all purposes of this Plan. Such adjustment may provide for the elimination of fractional shares which might otherwise be subject to Options without payment therefor.

Section 8. Effect of the Plan on Employment Relationship. Neither this Plan nor any Option granted hereunder shall be construed as conferring upon any Optionee any right to continue in the employ of any Fiserv Group Company or limit in any respect any right of any Fiserv Group Company to terminate such Optionee's employment at any time without liability, or to continue as a Non-Employee Director.

Section 9. Amendment of the Plan. The Board of Directors may amend the Plan from time to time as it deems desirable, provided, however, that, without the approval of the holders of a majority of the shares of Common Stock of the Company present, or represented, and entitled to vote at any meeting duly held in accordance with the applicable laws of the State of Wisconsin, the Board of Directors may not (a) increase the maximum number of shares of Common Stock for which Options may be granted under this Plan (other than increases due to adjustment in accordance with Section 7 hereof), (b) materially increase the benefits accruing to participants under the Plan, (c) change the eligibility requirements to receive Options hereunder or (d) make any change for which applicable law requires shareholder approval.

Section 10. Termination of the Plan. The Board of Directors may terminate the Plan at any time. No Option may be granted hereunder after termination of the Plan. No ISO may be granted under the Plan more than 10 years after the date on which the Plan was adopted. The termination or amendment of the Plan shall not alter or impair any rights or obligations under any Option theretofore granted under the Plan, without the consent of the Optionee.

Section 11. Effective Date of the Plan. This Plan (as amended and restated) will become effective on the date on which it is approved by the Board of Directors. This Plan (as amended and restated) is subject to approval by the holders of the majority of the shares of Common Stock of the Company present, or represented, and entitled to vote at the next meeting duly held in accordance with the applicable laws of the State of Wisconsin. No Option granted hereunder may be exercised prior to such approval, provided, however, that the date of grant of any Option shall be determined as if the Plan had not been subject to such approval. Notwithstanding the foregoing, if the Plan (as amended and restated) is not approved by a vote of shareholders within 12 months after it is adopted by the Board of Directors, the amendment shall be null and void, the Plan as in effect prior to such amendment and restatement shall continue in full force and effect and any Options granted pursuant to such amendment and restatement shall terminate.

Section 12. Governing Law. This Plan, the Options and all related matters shall be governed by, and construed in accordance with, the laws of the State of Wisconsin, without regard to choice of law provisions. Neither the Plan nor any agreement pursuant to the Plan shall be construed or interpreted with any presumption against any Fiserv Group Company by reason of the Fiserv Group Company having drafted or adopted the Plan or agreement. The invalidity, illegality or unenforceability of any provision in the Plan or in any agreement pursuant to the Plan shall not affect the validity, legality or enforceability of any other provision, all of which shall be valid, legal and enforceable to the fullest extent permitted by applicable law.