

FISERV INC  
Form DEF 14A  
February 27, 2004

OMB APPROVAL	
OMB Number:	3235-0059
Expires:	July 31, 2004
Estimated average burden hours per response . . .	14.73

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934  
(Amendment No. \_\_)**

Filed by the Registrant  Filed by a Party other than the Registrant

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 §240.14a-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):

- x No fee required.
- .. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

---

(2) Aggregate number of securities to which transaction applies:

---

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

---

(4) Proposed maximum aggregate value of transaction:

---

(5) Total fee paid:

Edgar Filing: FISERV INC - Form DEF 14A

---

.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

---

(2) Form, Schedule or Registration Statement No.:

---

(3) Filing Party:

---

(4) Date Filed:

---

255 Fiserv Drive  
Brookfield, Wisconsin 53045

February 27, 2004

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 time on Tuesday, April 6, 2004, 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 vote as soon as possible. You can vote your shares by marking your vote on your proxy card, signing and dating it and returning it promptly in the enclosed envelope, which requires no postage if mailed in the United States. If your shares are registered directly with the Company's transfer agent, then you can vote your shares by using the Internet or a toll free telephone number. Instructions for these convenient voting methods are set forth on your proxy card. Voting by proxy 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,

---

Leslie M. Muma  
President and Chief Executive Officer

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD APRIL 6, 2004**

**To the Shareholders of Fiserv, Inc.:**

The Annual Meeting of Shareholders of Fiserv, Inc. (the Company) will be held at the Company's corporate offices at 255 Fiserv Drive, Brookfield, Wisconsin 53045, on Tuesday, April 6, 2004, at 10:00 a.m. Central time for the following purposes, which are set forth more completely in the accompanying Proxy Statement:

1. To elect three Directors to serve for a three-year term expiring in 2007, and in each case until their successors are elected and qualified;
2. To ratify the selection of Deloitte & Touche LLP as independent auditors of the Company for 2004;
3. To approve the Company's Stock Option and Restricted Stock Plan, as amended and restated to permit grants of restricted stock; 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 13, 2004, 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 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**

---

Charles W. Sprague  
Secretary  
February 27, 2004

**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 or vote by Internet or telephone as soon as possible. A return envelope is enclosed for your convenience if you vote by mail. 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 27, 2004, to the holders of record as of February 13, 2004, of Common Stock ( Common Stock ) of Fiserv, Inc. (the Company ) in connection with the solicitation by the Board of Directors of proxies for the Annual Meeting of Shareholders (the Annual Meeting ). The Annual Meeting will be held at the Company s corporate offices, 255 Fiserv Drive, Brookfield, Wisconsin 53045, at 10:00 a.m. Central time, on April 6, 2004, and at any and all adjournments or postponements thereof. Any shareholder appointing 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, Secretary and Chief Administrative Officer, Fiserv, Inc., 255 Fiserv Drive, Brookfield, Wisconsin 53045); (ii) appointing a new proxy; 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, telephone or electronic communication, in addition to the use of the mail, by Directors, officers and other 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 to 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 employees or Directors of the Company, or any of its affiliates.

**Purposes of Annual Meeting**

The Annual Meeting has been called for the purposes of: (i) electing three Directors to serve for a three-year term expiring in 2007; (ii) ratifying the selection of Deloitte & Touche LLP as independent auditors of the Company for 2004; (iii) approving the Company s Stock Option and Restricted Stock Plan, as amended and restated to permit grants of restricted stock; 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 card 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 card, they intend to vote (i) to elect as Directors the nominees noted herein; (ii) to ratify the selection of Deloitte & Touche LLP as independent auditors; and (iii) to approve an amendment to the Company s Stock Option and Restricted Stock Plan, as amended and restated to permit grants of restricted stock. 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 card 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 13, 2004, as the record date (the "Voting Record Date") for determining shareholders entitled to notice of and to vote at the Annual Meeting. On the Voting Record Date, there were 194,634,891 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, the approval of the Stock Option and Restricted Stock Plan and all other 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 will be counted in determining whether a proposal has been approved. In the event there are not sufficient votes for a quorum or to approve 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.

Shareholders who own shares registered directly with the Company's transfer agent can appoint a proxy (i) by marking their vote on their proxy card, signing and dating it and returning it promptly in the enclosed envelope, which requires no postage if mailed in the United States, (ii) by telephone by calling a toll free number in accordance with the instructions on their proxy card or (iii) by using the Internet in accordance with the instructions on their proxy card. Shareholders who hold shares through a bank, broker or other record holder may vote by the methods that their bank or broker makes available, in which case the bank or broker will include instructions with this proxy statement. Shareholders voting via the Internet should understand that there may be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies, that the shareholders must bear.

An individual who has a beneficial interest in shares allocated to his or her account under the 401(k) Savings Plan of Fiserv, Inc. and Its Participating Subsidiaries (the "Plan") is being sent this Proxy Statement and a proxy card to provide instructions to vote the shares of Common Stock allocated to his or her account. A participant may use the proxy card to give directions to the Trustee of the Plan as to how his or her allocated shares should be voted by completing, signing, dating and returning the proxy card. If the participant does not sign and return this card, or if the participant does not attend the meeting and vote by ballot, the Trustee of the Plan will vote the shares in the same manner and in the same proportion as the shares for which voting instructions are received from other participants, except that the Trustee, in the exercise of their fiduciary duties, may determine that they must vote the shares in some other manner.

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

The following tables set forth information with respect to the beneficial ownership of Common Stock as of December 31, 2003 (except as otherwise noted below) by: (i) each Director and Director nominee of the Company; (ii) each of the executive officers of the Company appearing in the Summary Compensation Table on page 17; and (iii) all Directors and executive officers as a group; and (iv) 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). Except as otherwise indicated, persons listed have sole voting and investment power over shares beneficially owned.

The following table sets forth information furnished to the Company as of December 31, 2003, with respect to the beneficial ownership of the Company's Common Stock by each Director and nominee, certain named executive officers and by all Directors and executive officers as a group.

Name	Number of Shares of	
	Common Stock Beneficially Owned <sup>(1)(2)</sup>	Percent of Class
Leslie M. Muma	2,060,350	1.1%
Norman J. Balthasar	954,536	*
Kenneth R. Jensen	1,701,955	*
Thomas A. Neill	160,319	*
Dean C. Schmelzer	381,626	*
Bruce K. Anderson	530,000	*
Donald F. Dillon	7,422,003	3.8%
Daniel P. Kearney	17,000	*
Gerald J. Levy	208,670	*
Glenn M. Renwick	4,492	*
Kim M. Robak	0	*
L. William Seidman	139,471	*
Thekla R. Shackelford <sup>(3)</sup>	106,974	*
Thomas C. Wertheimer	200	*
All Directors and executive officers as a group (23 persons)	14,941,238	7.7%

\* Amount represents less than 1% of the total number of shares of Common Stock outstanding on December 31, 2003.

(1) 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 stock options, which, as of December 31, 2003, were exercisable currently or within 60 days as follows: Mr. Muma 1,556,469; Mr. Balthasar 610,599; Mr. Jensen 1,196,011; Mr. Neill 153,288; Mr. Schmelzer 336,989; Mr. Dillon 1,149,851; Mr. Kearney 17,000; Mr. Levy 115,009; Mr. Renwick 3,492; Mr. Seidman 101,889; Ms. Shackelford 103,599; and all Directors and executive officers as a group 5,956,466.

(3) Effective April 6, 2004, Ms. Shackelford will retire from the Fiserv Board of Directors.



The following table sets forth information as reported to the Commission as of February 16, 2004, with respect to each person known to the Company to be the beneficial owner of more than 5% of the Company's Common Stock.

Name and Address of Beneficial Owner	Amount of Beneficial Ownership <sup>(1)</sup>	Percent of Class
T. Rowe Price Associates, Inc.  100 E. Pratt Street  Baltimore, Maryland 21202	10,771,560	5.5%

<sup>(1)</sup> These amounts represent the number of shares beneficially owned, as disclosed in certain reports regarding ownership filed with the Commission, in accordance with Sections 13(d) and 13(g) of the Exchange Act.

#### 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. The Board of Directors has determined that the following nominees for Director and continuing Directors are independent as defined under Nasdaq Stock Market, Inc. ( Nasdaq ) rules: Bruce K. Anderson, Daniel P. Kearney, Gerald J. Levy, Glenn M. Renwick, Kim M. Robak, L. William Seidman and Thomas C. Wertheimer. 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 2007*

**Kenneth R. Jensen** (age 60) 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 40 years of experience in the data processing industry. He also serves as a Director of Alliance Data Systems Corporation (credit card processing), Dallas, Texas. *Principal Occupation: Senior Executive Vice President, Chief Financial Officer, Treasurer and Assistant Secretary of the Company.*

**Kim M. Robak** (age 48) has been a Director of the Company since September of 2003. She was recommended by a non-management director. Ms. Robak has been Vice President for External Affairs and Corporation Secretary at the University of Nebraska since 1999. Previously, Ms. Robak served the State of Nebraska as Lieutenant Governor from 1993 to 1999, as Chief of Staff from 1992 to 1993, and as Legal Counsel from 1991 to 1992. During her tenure in state government, she chaired the Governor's Information Resources Cabinet and led the Information Technology Commission of Nebraska. She also serves as Director of First Ameritas Life Insurance Corporation of New York, the Advisory Board of Wells Fargo Bank of Lincoln, and the Lincoln Partnership for Economic Development. *Principal Occupation: Vice President for External Affairs and Corporation Secretary at the University of Nebraska.*

**Thomas C. Wertheimer** (age 63) has been a Director of the Company since May of 2003. He was recommended by a non-management director. Mr. Wertheimer has extensive experience in financial audit and accounting matters. Mr. Wertheimer is a Certified Public Accountant and a retired Senior Audit Partner of PricewaterhouseCoopers ( PwC ). He served as lead audit partner for a number of PwC 's key multinational and national clients including publicly-held automotive manufacturing, financial services and retail companies. He also held technical accounting and audit quality positions including Director of Accounting, Auditing and SEC for the Midwest Region of Coopers & Lybrand. He was designated SEC review partner for nineteen years and has extensive experience with clients' public offerings of securities and other SEC filings. Mr. Wertheimer also served on the Board of Partners at Coopers & Lybrand from 1995 until its merger with Price Waterhouse in 1998. Mr. Wertheimer presently is consulting with the Public Company Accounting Oversight Board, assisting in designing and executing its program of inspection of registered accounting firms. *Principal Occupation: Financial Consultant.*

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 2005:*

**Donald F. Dillon** (age 63) has been Chairman of the Board of Directors since July 2000. Mr. Dillon served as Vice Chairman of the Board of Directors from May 1995 to June 2000. In 1976, Mr. Dillon and an associate founded Information Technology, Inc. ( ITI ), a provider of banking software and services. ITI was acquired by the Company in May 1995, and Mr. Dillon has continued in his post as Chairman of ITI. From 1966 to 1976, Mr. Dillon was with the National Bank of Commerce, Lincoln, Nebraska, and served as Senior Vice President - Information Management Division. Mr. Dillon has over 35 years of experience in the financial and data processing industries. He also serves as Chairman 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: Chairman of the Board of Directors of the Company.*

**Gerald J. Levy** (age 71) has been a Director of the Company since 1986. He is known nationally for his involvement in various financial industry 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, Milwaukee, Wisconsin, in various capacities, including as Chairman since 2002 and Chief Executive Officer from 1973 to 2002. He also serves as a Director of Guaranty Bank and Guaranty Financial M.H.C., the holding company of Guaranty Bank, both in Milwaukee, Wisconsin, and Republic Mortgage Insurance Company, Winston-Salem, North Carolina. *Principal Occupation: Chairman of Guaranty Bank.*

**Glenn M. Renwick** (age 48) has been a Director of the Company since 2001. Mr. Renwick is President and Chief Executive Officer of The Progressive Corporation, an insurance company. Prior to being named Chief Executive Officer in January 2001, Mr. Renwick served as Chief Executive

Officer Insurance Operations and Business Technology Process Leader from 1998 through 2000. Prior to that, he led Progressive's Consumer Marketing group, and before that he served as President of various divisions within Progressive. Mr. Renwick joined Progressive in 1986 as Auto Product Manager for Florida. He also serves as a Director of The Progressive Corporation, Mayfield Village, Ohio. *Principal Occupation: President and Chief Executive Officer of The Progressive Corporation.*

*Continuing terms expiring in 2006:*

**Bruce K. Anderson** (age 63) has been a Director of the Company since February 2004 and previously served as a Director from 1984 to 1996. In 1979, Mr. Anderson co-founded Welsh, Carson, Anderson & Stowe ( WCAS ) which focuses on investments in the information & business services industry. Prior to co-founding WCAS, Mr. Anderson spent nine years at Automatic Data Processing ( ADP ). At the time of his departure from ADP, he was Executive Vice President, President of ADP International and a member of the Board of Directors. Before joining ADP, Mr. Anderson spent four years in consulting and graduated from the University of Minnesota in 1962. Mr. Anderson also serves as a Director of Alliance Data Systems Corporation (credit card processing), Dallas, Texas and AmDocs Limited (customer relationship services), St. Louis, Missouri. *Principal Occupation: General Partner of the sole general partners of numerous Welsh, Carson, Anderson & Stowe partnerships.*

**Daniel P. Kearney** (age 64) has been a Director of the Company since 1999. Mr. Kearney is a Financial Consultant and served as Chief Investment Officer of Aetna, Inc. from 1991 to 1998. In 1995, he assumed the additional responsibility of President of Aetna's annuity, pension and life insurance division, retiring in 1998. Prior to joining Aetna, Mr. Kearney was President and Chief Executive Officer of the Resolution Trust Corporation Oversight Board. Before that, he was a principal at Aldrich, Eastman and Waltch, Inc., a Boston-based pension fund advisor. From 1977 to 1988, Mr. Kearney was with Salomon Brothers, Inc. as Managing Director of its Real Estate Financing Department and a founder of its Mortgage Securities Department, and from 1976 to 1977 he was Associate Director of the Office of Management and Budget for the U.S. federal government. He served as President of the Government National Mortgage Association (Ginnie Mae) from 1974 to 1976, Deputy Assistant Secretary of the Department of Housing and Urban Development from 1973 to 1974, and as Executive Director of the Illinois Housing Development Authority from 1969 to 1973. Previously, he was in private law practice in Chicago, Illinois. Mr. Kearney has over 30 years of experience in the banking, insurance and legal industries. Mr. Kearney also serves as a Director of MGIC Investment Corporation (mortgage insurance), Milwaukee, Wisconsin; MBIA, Inc. (insurance), Armonk, New York; and Great Lakes Real Estate Investment Trust (real estate), Oak Brook, Illinois. *Principal Occupation: Financial Consultant.*

**Leslie M. Muma** (age 59) has been a Director of the Company since it was established in 1984. He was named Chief Executive Officer in 1999. Mr. Muma served as President and Chief Operating Officer of the Company from 1984 to 1999. 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 35 years of data processing experience. He also serves as a Director of MGIC Investment Corporation (mortgage insurance), Milwaukee, Wisconsin. *Principal Occupation: President and Chief Executive Officer of the Company.*

**L. William Seidman** (age 82) has been a Director of the Company since 1992. Mr. Seidman was Chairman of the Federal Deposit Insurance Corporation from October 1985 to October 1991 and Chairman of the Resolution Trust Company from 1989 to 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. Mr. Seidman also serves as a Director of Clark, Inc. (insurance/benefits), North Barrington, Illinois; IntelliData, Inc. (financial services), Herndon, Virginia; and LML Payment, Inc. (financial services), Vancouver, British Columbia. *Principal Occupation: Chief Commentator for CNBC-TV, Publisher of Bank Director magazine, and Industry Consultant.*

**Matter 2. The Ratification of the Selection of Deloitte & Touche LLP as Independent Auditors of the Company for 2004**

Deloitte & Touche LLP has been selected by the Audit Committee as the Company's independent auditors for 2004. The Board of Directors recommends to the shareholders the ratification of the selection of Deloitte & Touche LLP, independent auditors, to audit the financial statements of the Company and its subsidiaries for 2004. Deloitte & Touche LLP has served as the independent auditors for the Company or its predecessor entities since 1986. Consistent with the recently adopted regulations pursuant to the Sarbanes-Oxley Act of 2002, the lead audit partner having primary responsibility for the audit and the concurring audit partner will be rotated every five years beginning with the 2004 audit year. Unless otherwise specified, the proxies solicited hereby will be voted in favor of the ratification of Deloitte & Touche LLP as independent auditors for the Company for 2004.

In the event the shareholders fail to ratify the appointment, the Audit Committee of the Board of Directors will consider it a direction to select other auditors for the subsequent year. Even if the selection is ratified, the Audit Committee, in its discretion, may select a new independent accounting firm at any time during the year if it feels that such a change would be in the best interest of the Company and its shareholders.

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.

For 2002 and 2003, fees for services provided by Deloitte & Touche LLP were as follows:

	<u>2002</u>	<u>2003</u>
Audit Fees <sup>(1)</sup>	\$ 1,094,000	\$ 1,670,000
Audit-Related Fees <sup>(2)</sup>	250,000	549,000
Tax Fees <sup>(3)</sup>	421,000	495,000
	<u>                    </u>	<u>                    </u>
<b>Total</b>	<b>\$ 1,765,000</b>	<b>\$ 2,714,000</b>
	<u>                    </u>	<u>                    </u>

(1) Audit of annual financial statements, review of financial statements included in Forms 10-Q and foreign statutory audits.

(2) Employee benefit plan audits, service auditors reports and accounting consultations.

(3) Tax consultations and tax return preparation including out-of-pocket expenses.

The Audit Committee has concluded that Deloitte & Touche LLP's provision of the audit and permitted non-audit services described above is compatible with maintaining Deloitte & Touche LLP's independence. The Audit Committee pre-approved all such services. The Audit Committee has established pre-approval policies and procedures with respect to audit and permitted non-audit



services to be provided by its independent auditors. Pursuant to these policies and procedures, the Audit Committee may form, and delegate authority to, subcommittees consisting of one or more members, when appropriate, to grant such pre-approvals, provided that decisions of such subcommittee to grant pre-approvals are presented to the full Audit Committee at its next scheduled meeting. In addition, the Audit Committee pre-approves particular services, subject to certain monetary limits, after the Audit Committee is presented with a schedule describing the services to be approved, which is accompanied by detailed back-up information regarding the specific services to be provided. The Audit Committee's pre-approval policies do not permit the delegation of the Audit Committee's responsibilities to management.

### **Matter 3. Approval of Stock Option and Restricted Stock Plan as Amended and Restated**

On February 18, 2004, the Board of Directors of the Company adopted, subject to shareholder approval at the Annual Meeting, the Fiserv, Inc. Stock Option and Restricted Stock Plan, as amended and restated (formerly the Fiserv, Inc. Stock Option Plan) (the Plan) to permit grants of restricted stock under the Plan. The proposed amended and restated Plan will not increase the number of shares of Common Stock with respect to which awards may be granted under the Plan.

#### **Description of Material Features of the Plan**

The following summary of certain material features of the Plan 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 and restated.

#### Purpose of the Plan

The purpose of the Plan is to provide incentives to employees, and to Directors who are not employees, of the Company that will attract, retain and motivate persons who are able to make important contributions to the Company's growth, profitability and long-term success.

#### Shares Subject to the Plan and Eligibility

The total number of shares of Common Stock for which awards may be granted under the Plan (including awards granted prior to the proposed amendment and restatement) may not exceed 8,667,755 shares of Common Stock, which may not include more than 3,500,000 shares of restricted stock. As of December 31, 2003, a total of 7,148,062 shares were available for granting under the Plan and no shares of restricted stock have been granted under the Plan. The Plan authorizes the grant of options to purchase shares of Common Stock (options) and shares of Common Stock that are subject to risk of forfeiture and/or restrictions (restricted stock) to employees (including officers and directors who are employees) and non-employee directors of the Company. The shares of Common Stock to be issued by the Company upon the exercise of options by participants or as restricted stock may be acquired either through open market purchases by the Company, or issued from authorized but unissued shares of Common Stock.

Upon expiration, cancellation or termination of unexercised options granted under the Plan or forfeiture of shares of restricted stock, the shares of Common Stock subject to such awards will again be available for the grant of awards under the Plan. 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 recapitalization, reclassification, stock



split, reverse stock split, combination of shares, exchange of shares, stock dividends or other distribution, then the number of shares of common stock subject to the Plan and the maximum number of shares which may be subject to awards granted to a person in any fiscal year may be appropriately adjusted by the Committee.

This plan provides for option grants to all directors and senior managers of the Company. During 2003, there were approximately 900 senior managers who were eligible to participate.

#### Administration

The Plan must be 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 under Rule 16b-3 under the Securities Exchange Act of 1934, and also an outside director within the meaning of Section 162 (m) of the Code. The Committee currently is the Compensation Committee of the Board of 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 awards are granted; (ii) the times on which awards are granted; (iii) the types of awards to be granted; (iv) whether an option will be an incentive stock option or a non-qualified stock option; (v) the number of shares of Common Stock subject to a particular option and the option price therefor; (vi) the term of each option; (vii) the time and conditions under which an option may be exercised in whole or in part; (viii) the form of consideration that may be used by the participant to purchase shares upon exercise of any option; (ix) whether shares issued upon the exercise of an option are subject to certain restrictions or to repurchase by the Company; (x) the fair market value of shares of the Common Stock; (xi) the number of shares of Common Stock to which an award of restricted stock relates; (xii) the length and terms of restriction on the transfer of shares of restricted stock; (xiii) additional restrictions on shares of restricted stock; and (xiv) any other terms and conditions of any award 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:

i. 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.

ii. 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 participant owns or is deemed to own more than 10% of the voting power of the Company's shares). In addition, with respect to at least 95% of



the number of the Company's shares for which options may be granted under the Plan as of February 14, 2000, the option price may not be less than the fair market value of the shares subject to the option on the date the option is granted.

iii. Options are not transferable during the participant's lifetime, and during his or her lifetime may only be exercised by the participant.

iv. 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 participant owns or is deemed to own more than 10% of the voting power of the Company's shares).

v. The maximum number of shares for which options may be granted to any person in any fiscal year is 1,012,500. 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.

vi. No fractional shares of Common Stock may be exercised or acquired under the Plan.

vii. Except for certain adjustments discussed below or adjustments made with shareholder approval, the Committee may not reprice, replace or regrant any option under the Plan through cancellation or by lowering the option price of a previously granted option.

#### Terms and Conditions of Restricted Stock

Shares of restricted stock granted under the Plan are subject to, among other things, the following terms and conditions:

i. The terms and conditions of each award of restricted stock 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.

ii. Shares of restricted stock are not transferable during the participant's lifetime and shall be subject to such additional restrictions as the Committee or the Board may impose.

iii. Restricted stock may be evidenced in such manner as the Committee or Board may deem appropriate.

iv. At the end of any applicable restriction period, one or more stock certificates for the appropriate number of shares of Common Stock, free of restriction imposed under the Plan, shall be delivered to the participant.

Edgar Filing: FISERV INC - Form DEF 14A

v. The maximum number of shares of restricted stock that may be granted to any person in any fiscal year is 337,500.

vi. No fractional shares of Common Stock may be exercised or acquired under the Plan.

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 recapitalization, reclassification, stock split, reverse stock split, combination of shares, exchange of shares, stock dividends or other distribution, then the number and kind of shares of stock and the option price per share subject to the unexercised portion of any option will be appropriately adjusted.

In the event the Company distributes property other than cash or Company stock to its shareholders without receiving consideration in return, then 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 subject to awards granted to a person in any fiscal year will be appropriately adjusted. In addition, the Company will provide that holders of restricted stock receive their proportionate share of such property.

Change of Control

In the event that a change of control (as defined in the Plan) occurs, then the Board may act to (i) continue, accelerate and/or vest awards under the Plan; (ii) remove restrictions on awards; (iii) provide for the redemption or conversion of awards for cash or into equivalent securities of the surviving company; or (iv) take certain similar steps to protect the economic value of awards.

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 of Common Stock with respect to which awards 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 participants under the Plan, change the eligibility requirements for participants 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, ISOs and restricted stock. 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. A participant will not recognize taxable income for federal income tax purposes upon the grant of an NQSO or ISO nor will the Company then be entitled to a deduction.

Upon the exercise of an NQSO, the participant 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 participant 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.



In general, if a participant holds the shares of Common Stock acquired upon the exercise of an ISO for at least two years from the date of grant and one year from the date of exercise, the participant will recognize no income or gain as a result of exercise. If the participant subsequently disposes of the shares, the participant will recognize long-term capital gain or loss and the Company will not be entitled to a deduction. However, if the participant disposes of such shares within either of the required holding periods, all or a portion of the gain will be treated as ordinary income and the Company will generally be entitled to a deduction in the same amount. Any additional gain realized by the participant over the fair market value at the time of exercise will be treated as long-term or short-term capital gain, depending on the period for which the shares were held.

A participant will not recognize income at the time an award of restricted stock is made under the Plan, unless the election described below is made. A participant who has not made such an election will recognize ordinary income at the time the restrictions on the stock lapse in an amount equal to the fair market value of the restricted stock at such time reduced by any amount paid for the restricted stock. The Company will generally be entitled to a corresponding deduction in the same amount and at the same time as the participant recognizes income. Any otherwise taxable disposition of the restricted stock after the time the restrictions lapse will generally result in capital gain or loss (long-term or short-term depending upon the length of time the restricted stock is held after the time the restrictions lapse). Dividends paid in cash and received by a participant prior to the time the restrictions lapse will constitute ordinary income to the participant in the year paid. The Company will generally be entitled to a corresponding compensation deduction for such dividends. Any dividends paid in stock will be treated as an award of additional restricted stock subject to the tax treatment described herein.

A participant may, within thirty days after the date of the award of restricted stock, elect to recognize ordinary income as of the date of the award in an amount equal to the fair market value of such restricted stock on the date of the award reduced by any amount paid for the restricted stock. The Company will generally be entitled to a corresponding deduction in the same amount and at the same time as the participant recognizes income. If the election is made, then any cash dividends received with respect to the restricted stock will be treated as dividend income to the participant in the year of payment and will not be deductible by the Company. Any otherwise taxable disposition of the restricted stock (other than by forfeiture) will result in capital gain or loss (long-term or short-term depending on the holding period). If the participant who has made an election subsequently forfeits the restricted stock, then the participant will not be entitled to recognize a capital loss equal to the amount the participant paid for the restricted stock less the amount received upon forfeiture. In addition, the Company would then be required to include as ordinary income the amount of the deduction it originally claimed with respect to such shares.

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

#### **New Plan Benefits**

The Company cannot currently determine the number or type of awards that may be granted to eligible participants under the Plan in the future. Such determinations will be made from time to time by the Committee or the Board of Directors. Neither the Committee nor the Board of Directors has approved any grants of awards that require shareholder approval of the Plan.

On February 13, 2004, the closing price per share of the Company's Common Stock on the Nasdaq National Market was \$38.90.

**Equity Compensation Plan Information**

The following table sets forth, as of December 31, 2003, information with respect to compensation plans under which equity securities of the Company are authorized for issuance (in thousands, except per share data):

Plan Category	(a) Number of shares to be issued upon exercise of outstanding options	(b) Weighted- average exercise price of outstanding options	(c) Number of shares remaining available for future issuance under equity compensation plans (excluding securities) reflected in column (a)
Equity compensation plans approved by the Company's shareholders:			
Stock Option and Restricted Stock Plan	11,589	\$ 24.21	7,148
Employee Stock Purchase Plan		N/A	402 <sup>(1)</sup>
Equity compensation plans not approved by the Company's shareholders			
<b>Total</b>	<b>11,589</b>	<b>\$ 24.21</b>	<b>7,550</b>

<sup>(1)</sup> The number of shares remaining available for future issuance under the Employee Stock Purchase Plan is subject to an annual increase on the first day of each fiscal year equal to the least of (i) 600,000 shares, (ii) 1% of the shares of Fiserv common stock outstanding on such date or (iii) a lesser amount determined by the Fiserv Board of Directors.

**Vote Required**

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 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 Stock Option and Restricted Stock Plan, as amended and restated.**

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

The Board of Directors held five regular meetings and eight special meetings during 2003. During 2003, each Director attended at least 75% of the meetings of the Board of Directors and committees of the Board of Directors held during his or her tenure as a Director or committee member. The Directors are expected to attend each annual meeting of shareholders of the Company. Six of the eight persons that were Directors at the time of the 2003 annual meeting of shareholders attended that meeting.

The Board of Directors has standing Nominating and Corporate Governance, Compensation and Audit Committees. Each of these Committees has the responsibilities set forth in written charters adopted by the Board of Directors. The Company makes available on its website located at [www.fiserv.com](http://www.fiserv.com) copies of each of these charters free of charge. The Company is not including the information contained on or available through its website as a part of, or incorporating such information by reference into, this Proxy Statement.

The Nominating and Corporate Governance Committee assists the Board of Directors in identifying and evaluating potential nominees for a Directorship, and recommending qualified nominees to the Board for consideration by the shareholders. In addition, the Nominating and Corporate Governance Committee oversees the corporate governance procedures of the Company. The members of the Nominating and Corporate Governance Committee are Ms. Shackelford (Chairman), Ms. Robak and Mr. Renwick, each of whom is independent as defined by Nasdaq rules. The Nominating and Corporate Governance Committee held three meetings during 2003 in connection with the appointment of new directors.

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 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 of Directors. The members of the Compensation Committee are Messrs. Kearney (Chairman), Levy and Wertheimer, each of whom is independent as defined by Nasdaq rules. The Compensation Committee held one meeting during 2003.

The Audit Committee's primary purpose is to provide independent review and oversight of the Company's financial reporting processes and financial statements, the system of internal controls that management and the Board of Directors have established, the audit process and results of operations of the Company and its financial condition. In doing so, it is the responsibility of the Audit Committee to provide an open avenue of communication between the Board of Directors, management, the Company's internal audit function and the independent auditors. In connection with its responsibilities, the Audit Committee is directly and solely responsible for the appointment, compensation, retention, termination and oversight of the independent auditors. The members of the Audit Committee are Messrs. Seidman (Chairman), Renwick and Wertheimer, each of whom is independent as defined by Nasdaq rules and Commission rules. The Board of Directors has determined that Messrs. Seidman and Wertheimer qualify as audit committee financial experts, as defined in the rules of the Commission. The Audit Committee held eight meetings during 2003.

## Nominations of Directors

The Nominating and Corporate Governance Committee recommends to the full Board of Directors the Director nominees to stand for election at the Company's Annual Meetings of Shareholders and to fill vacancies occurring on the Board.

In making recommendations to the Company's Board of Directors of nominees to serve as Directors, the Nominating and Corporate Governance Committee will examine each Director nominee on a case-by-case basis regardless of who recommended the nominee and take into account all factors it considers appropriate, which may include those set forth in the Company's Governance Guidelines. However, the Board of Directors and the Nominating and Corporate Governance Committee believe the following minimum qualifications must be met by a Director nominee to be recommended by the Nominating and Corporate Governance Committee:

Each Director must display the highest personal and professional ethics, integrity and values.

Each Director must have the ability to exercise sound business judgment.

Each Director must be highly accomplished in his or her respective field, with strong credentials and recognition and broad experience.

Each Director must have relevant expertise and experience, and be able to offer advice and guidance to the Chief Executive Officer based on that expertise and experience.

Each Director must be independent of any particular constituency, be able to represent all shareholders of the Company and be committed to enhancing long-term shareholder value.

Each Director must have sufficient time available to devote to activities of the Board of Directors and to enhance his or her knowledge of the Company's business.

In addition, the Nominating and Corporate Governance Committee shall endeavor to have at least one director of the Corporation who is an audit committee financial expert under Item 401(h) of Regulation S-K under the Exchange Act, and the Corporation must have at least one director (who may also be an audit committee financial expert) who, in accordance with the Nasdaq rules, has past employment experience in finance or accounting, requisite professional certification in accounting or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

The Nominating and Corporate Governance Committee will consider persons recommended by shareholders to become nominees for election as Directors in accordance with the foregoing and other criteria set forth in the Company's Governance Guidelines and the Nominating and Corporate Governance Committee Charter. Recommendations for consideration by the Nominating and Corporate Governance Committee should be sent to the Chairman of the Board and/or President of the Corporation and the Chairman of the Nominating and Corporate Governance Committee in writing together with appropriate biographical information concerning each proposed nominee. The Company's By-laws also provide for shareholder nominations of candidates for election as Directors. These provisions require such nominations to be made pursuant to timely notice (as specified in the By-laws) in writing to the Secretary of the Company.



### **Communications with Board of Directors**

Shareholders may communicate with the full Board or individual Directors, by submitting such communications in writing to the Company, 255 Fiserv Drive, Brookfield, Wisconsin 53045, Attention: Charles W. Sprague, Executive Vice President, General Counsel, Secretary and Chief Administrative Officer. Such communications will be delivered directly to the Company's Board of Directors.

### **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 \$20,000 for service on the Board of Directors of the Company, plus \$1,500 for attendance at Board of Director meetings and \$400 for attendance at telephonic Board of Director meetings. Additionally, the Chairman of the Board receives an annual fee of \$20,000 and the Chairperson of the Compensation, Audit, and Nominating and Corporate Governance Committees each receive an annual fee of \$5,000. Upon election to each new three-year term, each outside Director is granted non-qualified stock options to acquire, at the fair market value on the date of grant, shares of Common Stock of the Company equivalent to \$480,000 of face value (number of options multiplied by option price). For attendance at each regular Board of Director meeting, each director will be granted restricted stock equivalent to \$8,000 of face value. The options and restricted stock granted vest 20% per year and the options expire 10 years from the date of the award. Grants of restricted stock are contingent upon approval by the shareholders of the Stock Option and Restricted Stock Plan, as amended and restated.

**Compensation of Executive Officers**

The following table sets forth in summary form all compensation, as defined in regulations of the Commission, paid by the Company and its subsidiaries during each of the three years ended December 31, 2003, to the Company's Chief Executive Officer and the next four highest paid executive officers whose total annual salary and bonus for 2003 exceeded \$100,000.

**SUMMARY COMPENSATION TABLE**

Name and Principal Position	Year	Annual Compensation <sup>(1)</sup>		Long-Term Compensation	All Other Compensation <sup>(3)</sup>
		Salary	Bonus <sup>(2)</sup>	Securities Underlying Options	
Leslie M. Muma President and Chief Executive Officer	2003	\$ 815,000	\$ 833,000	177,979	\$ 15,600
	2002	775,000	683,000	156,052	11,900
	2001	735,000	618,563	239,203	15,300
Norman J. Balthasar Senior Executive Vice President, Chief Operating Officer	2003	625,000	502,000	107,438	17,100
	2002	530,000	434,145	113,375	13,600
	2001	479,200	327,750	103,275	15,300
Kenneth R. Jensen Senior Executive Vice President, CFO and Treasurer	2003	610,000	500,600	136,688	15,600
	2002	575,000	467,600	120,171	11,900
	2001	545,000	456,700	183,960	15,300
Donald F. Dillon <sup>(4)</sup> Chairman of the Board	2003	241,667	604,687	157,334	15,600
	2002	690,000	561,680	138,113	11,900
	2001	657,000	551,700	211,581	15,300
Thomas A. Neill Group President, Credit Union & Industry Products	2003	370,000	218,700	25,069	17,100
	2002	350,000	193,120	27,300	13,600
	2001	324,000	175,977	50,400	15,300
Dean C. Schmelzer Group President, Marketing & Sales	2003	352,000	206,000	31,598	15,600
	2002	335,000	238,228	46,763	11,900
	2001	318,000	199,822	55,012	15,300

<sup>(1)</sup> 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.

<sup>(2)</sup> Bonus payments are typically paid in February or March for the previous year's performance and represent the amount paid for cash incentive compensation and profit sharing.

<sup>(3)</sup> Amounts shown in this column represent the Company's matching and discretionary contributions on behalf of the named executive officers under the Company's 401(k) Plan.

<sup>(4)</sup> Effective April 30, 2003, Mr. Dillon retired as an employee of the Company. He continues to serve the Company as Chairman of the Fiserv Board of Directors.

The following table sets forth certain information concerning individual grants of stock options to those individuals listed in the Summary Compensation Table during 2003.

### OPTION GRANTS IN LAST FISCAL YEAR

Individual Grants					
Name	Number of	% of Total	Exercise	Expiration	Grant
	Securities	Options			
Underlying	Options	Granted to	Price	Date	Date
	Granted <sup>(1)</sup>	Employees in	(\$/Sh)	Present	Value <sup>(3)</sup>
		Fiscal Year <sup>(2)</sup>			
Leslie M. Muma	177,979	10.4	30.99	2/11/13	\$ 2,661,284
Norman J. Balthasar	107,438	6.3	30.99	2/11/13	1,606,499
Kenneth R. Jensen	136,688	8.0	30.99	2/11/13	2,043,868
Donald F. Dillon <sup>(4)</sup>	157,334	9.2	30.99	2/11/13	2,352,584
Thomas A. Neill	25,069	1.5	30.99	2/11/13	374,852
Dean C. Schmelzer	31,598	1.8	30.99	2/11/13	472,479

<sup>(1)</sup> The Company's Stock Option and Restricted Stock 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 10 years from the date of the grant. Options are typically granted in February for the previous year's performance.

<sup>(2)</sup> Options to purchase 1,718,687 shares of Common Stock were granted to employees under the Company's Stock Option and Restricted Stock Plan during 2003.

<sup>(3)</sup> These values were calculated using the Black-Scholes single option pricing model, a formula widely used and accepted for valuing traded stock options. The model is based on immediate exercisability and transferability, which are not features of the options shown in the table. Any ultimate value will depend on the market value of the Common Stock at a future date. The following assumptions were used to calculate the values shown: expected price volatility of 52.3%, risk-free rate of return of 3% and option holding period of five years.

<sup>(4)</sup> Effective April 30, 2003, Mr. Dillon retired as an employee of the Company. He continues to serve the Company as Chairman of the Fiserv Board of Directors.

The following table sets forth certain information concerning the exercise of stock options granted under the Company's Stock Option and Restricted Stock Plan by each of the executive officers named in the Summary Compensation Table during 2003.

### AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR

#### AND FISCAL YEAR END OPTION VALUES

Name	Shares Acquired On	Value Realized	Number of Securities Underlying Unexercised	Value of Unexercised
------	--------------------	----------------	---	----------------------

Edgar Filing: FISERV INC - Form DEF 14A

	<u>Exercise</u>		<u>Options at</u>		<u>In-the-Money</u>	
			<u>Fiscal Year End</u>		<u>Options at</u>	
			<u>Exercisable</u>	<u>Unexercisable</u>	<u>Exercisable</u>	<u>Unexercisable</u>
Leslie M. Muma	370,478	\$ 11,010,847	1,404,062	369,458	\$ 30,379,275	\$ 2,143,911
Norman J. Balthasar	47,271	1,355,180	527,962	213,106	9,782,224	1,162,529
Kenneth R. Jensen	284,764	8,311,522	1,078,801	284,085	23,333,959	1,647,636
Donald F. Dillon <sup>(2)</sup>	0	0	1,015,041	338,114	19,539,092	1,989,565
Thomas A. Neill	0	0	124,994	64,336	1,904,529	362,764
Dean C. Schmelzer	21,291	602,825	299,424	86,234	6,002,980	469,384

<sup>(1)</sup> The value of Unexercised In-the-Money Options is based upon the difference between the fair market value of the Common Stock underlying the stock options at December 31, 2003 and the exercise price of the options.

<sup>(2)</sup> Effective April 30, 2003, Mr. Dillon retired as an employee of the Company. He continues to serve the Company as Chairman of the Fiserv Board of Directors.

### Agreements with Executive Officers

The Company has in effect key executive employment and severance agreements ( KEESAs ) with certain executive officers of the Company, including Messrs. Muma, Jensen, Balthasar, Neill and Schmelzer. The KEESAs provide that each executive officer who is a party thereto is entitled to benefits if, within three years after a change in control of the Company (as defined in the KEESAs), the executive officer's employment is ended through (i) termination by the Company, other than by reason of death or disability or for cause (as defined in the KEESAs), (ii) termination by the executive officer for good reason (as defined in the KEESAs) or (iii) in the case of Messrs. Muma, Jensen and Balthasar only, termination by the executive officer following the six-month anniversary of the change of control. The benefits provided are (i) a cash termination payment of two times the sum of the executive officer's annual salary and his highest annual bonus during the three years before the change in control and (ii) continuation for up to three years of life, disability, hospitalization, medical and dental insurance coverage as in effect at the termination. Each KEESA provides that if any portion of the benefits under the KEESA or any other agreement for the executive officer would constitute an excess parachute payment for purposes of the Internal Revenue Code, then the executive officer will have the option either to receive the total payments and pay the 20% excise tax imposed by the Internal Revenue Code or to have the total payments reduced such that the executive officer will not be required to pay the excise tax.

### Compensation Committee Report on Executive Compensation

The Compensation Committee of the Board of Directors consists of three non-employee directors, each of whom is independent as defined under Nasdaq listing standards. Pursuant to its written charter, the Compensation Committee establishes the compensation for the Company's President and Chief Executive Officer, Chief Operating Officer, Corporate Senior Executive Vice Presidents and Corporate Executive Vice Presidents (the Executives ). The Compensation Committee establishes executive compensation policies, incentive compensation policies, employee benefit plans and bonus awards. In so doing, the Compensation Committee has developed and implemented compensation policies and programs that seek to enhance the long-term profitability of the Company, thereby contributing to the value of shareholders' investment in the Company.

Compensation Guidelines. The Compensation Committee considers the executive compensation package integral to the Company's ability to grow and improve its business. The total program, assuming sustained Company performance above industry performance, will reward executives at highly competitive levels. However, the total program is also structured to significantly reduce rewards for performance below Company and shareholder expectations and industry performance. The Compensation Committee believes that this compensation structure will attract, retain and motivate the quality and profile of executives required to successfully perform in the Company's highly competitive and evolving industry.

The total compensation for the Executives is a combination of base salary, annual incentive compensation and stock options. The Compensation Committee has determined that a significant portion of total compensation for the Executives should be at-risk, dependent on and determined by performance-based components. The at-risk components of compensation are structured to reward results that benefit shareholders and are not earned unless specific, pre-established goals are met.

Base Salary and Total Compensation Levels. The Compensation Committee reviews appropriate industry and competitive labor markets for the Executives, making a comparison of each Executive's base salary and total cash compensation with peer and market groups. The Compensation Committee seeks to keep base salary competitive and use incentive compensation to reward performance. The base salary plus the target annual incentive (total cash compensation) for the Company's Executive Officers are targeted at the median compensation level of industry peers based on a compensation analysis prepared by an outside consulting firm.

Incentive Compensation Plan. For each of the Executives, a cash incentive compensation plan is established at the beginning of each fiscal year in connection with the establishment of the Company's strategic plans and annual operating budgets. Each Executive's plan establishes a range for incentive compensation and a number of performance objectives. The performance objectives generally include earnings per share growth, the financial performance of an Executive's business unit, and/or various other measurable financial and non-financial objectives.

Stock Option Awards. In addition to annual cash compensation, the Compensation 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 the market value of the Common Stock on the date of grant. Awards are based 75% on growth in earnings per share and 25% on revenue growth. If the revenue growth percentage exceeds that for earnings per share, the earnings per share growth percentage will replace the revenue growth percentage in determining awards. The minimum growth required to earn awards is 10% and the maximum annual award to any Executive is 1,012,500 shares.

Compensation of Chief Executive Officer. 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 series of maximum bonus amounts for the Chief Executive Officer dependent on the Company meeting specified earnings per share targets. For compensation paid in 2003, Mr. Muma'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. Mr. Muma's incentive compensation paid in 2003 reflects favorable achievement of the established performance objectives, particularly earnings per share, the key determinant of Mr. Muma's incentive compensation. The Compensation Committee awarded Mr. Muma stock options in accordance with the criteria described above for other senior executives.

Deductibility of Compensation. Section 162(m) of the Internal Revenue Code limits the Company's income tax deduction for compensation paid in any taxable year to certain executive officers to \$1,000,000, subject to several exceptions. It is the policy of the Compensation Committee that the Company should use its best efforts to cause any compensation paid to Executives in excess of such dollar limit to qualify for such exceptions and, therefore, to continue to be deductible by the Company. In particular, the Company's Stock Option and Restricted Stock Plan and Executive Incentive Compensation Plans were designed to permit awards made under the plans to qualify for Section 162(m)'s exception for performance-based compensation.

Committee Members: Daniel P. Kearney, Chairman  
Gerald J. Levy  
Thomas C. Wertheimer

**Stock Price Performance Graph**

**COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURN AMONG  
FISERV, INC., S&P 500 INDEX AND  
NASDAQ COMPUTER AND DATA PROCESSING SERVICES INDEX**

(Assumes initial investment of \$100 and reinvestment of dividends.)

Assumes \$100 invested on December 31, 1998, in each of Company Common Stock, S&P 500 Index and Nasdaq Computer and Data Processing Services Index and reinvestment of all dividends paid during the five-year period ended December 31, 2003.

**Audit Committee Report**

In accordance with its written charter, an amended copy of which is attached hereto as Exhibit B, adopted by the Board of Directors, the Audit Committee provides independent review and oversight of the Company's accounting and financial reporting processes and financial statements, the system of internal controls that management and the Board of Directors have established, the audit process and the results of operations of the Company and its financial condition. Each of the members of the Audit Committee is independent as defined in the rules of Nasdaq.

In discharging its oversight responsibility as to the audit process, the Audit Committee obtained from the independent auditors a formal written statement describing all relationships between the auditors and the Company that might bear on the auditors' independence. Consistent with Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, the Audit Committee discussed with the auditors any relationships that may impact their objectivity and independence and satisfied itself as to the auditors' independence. The Audit Committee also discussed with management, the internal auditors and the independent auditors the quality and adequacy of the Company's internal controls and internal audit organization, responsibilities, budget and staffing. The Audit Committee reviewed with both the independent and the internal auditors

their audit plans, audit scope and identification of audit risks. The Audit Committee discussed with the independent auditors the matters required to be discussed by Statement of Auditing Standards No. 61.

The Audit Committee reviewed and discussed with management and the independent auditors the audited financial statements of the Company for 2003. Management has the responsibility for the preparation of the Company's financial statements and the independent auditors have the responsibility for the examination of those statements.

Based on the above-mentioned review and discussions with management and the independent auditors, the Audit Committee recommended to the Board of Directors that the Company's audited financial statements be included in its Annual Report on Form 10-K for 2003, for filing with the Commission.

Committee Members:           L. William Seidman, Chairman  
  Glenn M. Renwick  
  Thomas C. Wertheimer

#### **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. The Company believes that, during the year ended December 31, 2003, all of its officers and Directors complied with Section 16(a) filing requirements.

#### **Shareholder Proposals for the 2005 Annual Meeting**

Any proposal which a shareholder wishes to have included in the proxy materials of the Company relating to the Company's 2005 Annual Meeting of Shareholders pursuant to Rule 14a-8 under the Exchange Act ( Rule 14a-8 ) 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, Secretary and Chief Administrative Officer, no later than October 28, 2004.

A shareholder who intends to present business, other than a shareholder's proposal pursuant to Rule 14a-8, at the 2005 Annual Meeting must comply with the requirements set forth in the Company's By-Laws. Among other things, a shareholder must give written notice to the Secretary of the Company not less than 45 days and not more than 70 days prior to the first anniversary of the date on which the Company first mailed its proxy materials for the 2004 Annual Meeting. Therefore, since the Company anticipates mailing its proxy statement for the 2004 Annual Meeting on February 27, 2004, the Company must receive notice of a shareholder's intent to present business, other than pursuant to Rule 14a-8, at the 2005 Annual Meeting no sooner than December 14, 2004, and no later than January 13, 2005.

If the notice is received after January 13, 2005, then the Company is not required to present such proposal at the 2005 Annual Meeting because the notice will be considered untimely. If the Board of Directors chooses to present such a shareholder's proposal submitted after January 13, 2005 at the 2005 Annual Meeting, then the persons named in proxies solicited by the Board of Directors for the 2005 Annual Meeting may exercise discretionary voting power with respect to such proposal.





**Annual Report**

The Annual Report of the Company for 2003 will be mailed to each shareholder on or about February 27, 2004. The Company's Annual Report on Form 10-K for 2003, filed by the Company with the Commission, 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.

**Other Matters**

Pursuant to the rules of the Commission, services that deliver the Company's communications to shareholders that hold their stock through a bank, broker or other holder of record may deliver to multiple shareholders sharing the same address a single copy of the Company's Annual Report to shareholders and Proxy Statement. Upon written or oral request, the Company will promptly deliver a separate copy of the Annual Report to shareholders and/or Proxy Statement to any shareholder at a shared address to which a single copy of each document was delivered. Shareholders may notify the Company of their requests by calling or writing Charles W. Sprague, Executive Vice President, General Counsel, Secretary and Chief Administrative Officer, Fiserv, Inc., 255 Fiserv Drive, Brookfield, Wisconsin 53045; (262) 879-5000.

**By Order of the Board of Directors**

---

Charles W. Sprague, Secretary  
Brookfield, Wisconsin  
February 27, 2004

**STOCK OPTION AND RESTRICTED STOCK PLAN**

**(as amended and restated as of February 18, 2004)**

Section 1. Purpose. The purpose of the Fiserv, Inc. Stock Option and Restricted Stock 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 Participants with those of the Company's shareholders through stock ownership opportunities.

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 Affiliate and Associate shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.
- 2.2 Award shall mean any Option or Restricted Stock.
- 2.3 Beneficial Owner shall mean a Person who owns any securities and meets the criteria in any one of the following paragraphs:

(i) which such Person or any of such Person's Affiliates or Associates has the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; *provided, however*, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, (A) securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase, or (B) securities issuable upon exercise of Rights issued pursuant to the terms of the Company's Shareholder Rights Agreement, dated as of February 24, 1998, between the Company and Equiserve Limited Partnership, as amended from time to time (or any successor to such Rights Agreement), at any time before the issuance of such securities;

(ii) which such Person or any of such Person's Affiliates or Associates, directly or indirectly, has the right to vote or dispose of or has beneficial ownership of (as determined pursuant to Rule 13d-3 of the General Rules and Regulations under the Act), including pursuant to any agreement, arrangement or understanding; *provided, however*, that a Person

shall not be deemed the Beneficial Owner of, or to beneficially own, any security under this clause (ii) as a result of an agreement, arrangement or understanding to vote such security if the agreement, arrangement or understanding: (A) arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations under the Act and (B) is not also then reportable on Schedule 13D under the Act (or any comparable or successor report); or

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

2.4 Board of Directors shall mean the Board of Directors of the Company.

2.5 Change in Control of the Company shall be deemed to have occurred if an event set forth in any one of the following paragraphs shall have occurred:

(i) any Person (other than (A) a Fiserv Group Company, (B) a trustee or other fiduciary holding securities under any employee benefit plan of a Fiserv Group Company, (C) an underwriter temporarily holding securities pursuant to an offering of such securities, (D) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock in the Company ( Excluded Persons ) or (E) unless otherwise determined by the Board of Directors or the Committee, a Person which has acquired Common Stock in the ordinary course of business for investment purposes only and not with the purpose or effect of changing or influencing the control of the Company, or in connection with or as a participant in any transaction having such purpose or effect ( Investment Intent ), as demonstrated by the filing by such Person of a statement on Schedule 13G (including amendments thereto) pursuant to Regulation 13D under the Exchange Act, as long as such Person continues to hold such Common Stock with an Investment Intent) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates pursuant to express authorization by the Board of Directors that refers to this exception) representing 20% or more of either the then outstanding shares of Common Stock of the Company or the combined voting power of the Company's then outstanding voting securities; or

(ii) the following individuals cease for any reason to constitute a majority of the number of directors of the Company then serving: (A) individuals who, on February 11, 2003 constituted the Board of Directors and

(B) any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board of Directors or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on February 11, 2003, or whose appointment, election or nomination for election was previously so approved (collectively the Continuing Directors); *provided, however*, that individuals who are appointed to the Board of Directors pursuant to or in accordance with the terms of an agreement relating to a merger, consolidation, or share exchange involving the Company (or any direct or indirect Subsidiary of the Company) shall not be Continuing Directors for purposes of this Agreement until after such individuals are first nominated for election by a vote of at least two-thirds (2/3) of the then Continuing Directors and are thereafter elected as directors by shareholders of the Company at a meeting of shareholders held following consummation of such merger, consolidation, or share exchange; *and, provided further*, that in the event the failure of any such persons appointed to the Board of Directors to be Continuing Directors results in a Change in Control of the Company, the subsequent qualification of such persons as Continuing Directors shall not alter the fact that a Change in Control of the Company occurred; or

(iii) the shareholders of the Company approve a merger, consolidation or share exchange of the Company with any other corporation or approve the issuance of voting securities of the Company in connection with a merger, consolidation or share exchange of the Company (or any direct or indirect Subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (A) a merger, consolidation or share exchange which would result in the voting securities of the Company outstanding immediately prior to such merger, consolidation or share exchange continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 50% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger, consolidation or share exchange, or (B) a merger, consolidation or share exchange effected to implement a recapitalization of the Company (or similar transaction) in which no Person (other than an Excluded Person) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such person any securities acquired directly from the Company or its Affiliates after February 11, 2003, pursuant to express authorization by the Board of Directors that refers to this exception) representing 20% or more of either the then outstanding shares of Common Stock or the Company or the combined voting power of the Company's then outstanding voting securities; or

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

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

- 2.6 Code shall mean the Internal Revenue Code of 1986, as amended.
- 2.7 Committee shall mean the committee of the Board of Directors referred to in Section 5 hereof.
- 2.8 Common Stock shall mean the Common Stock, \$.01 par value, of the Company.
- 2.9 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.
- 2.10 Option shall mean any option to purchase Common Stock granted to a Participant pursuant to this Plan.
- 2.11 Parent shall mean a parent corporation as defined in Section 424(e) of the Code.
- 2.12 Participant shall mean a person to whom an Option or shares of Restricted Stock are granted under this Plan.

- 2.13 **Person** shall mean any individual, firm, partnership, corporation or other entity, including any successor (by merger or otherwise) of such entity, or a group of any of the foregoing acting in concert.
- 2.14 **Restricted Stock** shall mean any shares of Common Stock that are subject to a risk of forfeiture and/or restrictions on transfer granted to a Participant pursuant to this Plan.
- 2.15 **Subsidiary** shall mean a subsidiary corporation, as defined in Section 424(f) of the Code, of the Company.

Section 3. Eligible Participants. Awards 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 the Board of Directors will have the sole authority to select Non-Employee Directors to whom Awards 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 Awards may be granted under this Plan shall not exceed in the aggregate 8,667,755 shares of Common Stock, which may not include more than 3,500,000 shares of Restricted Stock. No Person shall be granted or awarded, during any one calendar year, Options with respect to more than 1,012,500 shares of Common Stock or more than 337,500 shares of Restricted Stock. Notwithstanding the foregoing, if the outstanding shares of Common Stock are increased or decreased or changed into or exchanged for a different number or kind of shares or other securities by reason of any recapitalization, reclassification, stock split, reverse stock split, combination of shares, exchange of shares, stock dividend or other distribution (whether in the form of cash, shares of Common Stock, other securities or other property), or other increase or decrease in those shares such that an adjustment is determined by the Committee to be appropriate, then the Committee may adjust the number of shares of Common Stock subject to this Plan and which thereafter may be the subject of Awards under this Plan under this Section 4.1 and the number of shares of Common Stock subject to the individual participant limits in this Section 4.1.
- 4.2 The shares of Common Stock that may be subject to Awards 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 cancelled or terminated, or any shares of Restricted Stock are forfeited, for any reason, the shares allocable to the unexercised portion of such Option or such shares of Restricted Stock may again be subject to an Award granted under this Plan.

Section 5. Administration of the Plan.

- 5.1 The Plan shall be administered by the Compensation Committee of the Board of Directors (the Committee) which 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 Awards under this Plan and to determine the terms and conditions of any such Award, including, without limitation, the sole authority and discretion (i) to select the persons who are to be granted Awards hereunder, (ii) to determine the times when Awards shall be granted, (iii) to determine the types of awards that shall be granted, (iv) to determine whether an Option granted to an employee will be an incentive stock option (ISO) as defined in Section 422 of the Code, or non-qualified stock options (NQSO), (v) to establish the number of shares of Common Stock that may be issued under each Option and to establish the option price therefor, (vi) to determine the term of each Option, (vii) to determine the time and the conditions subject to which Options may be exercised in whole or in part, (viii) 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 a Participant to exercise an Option), (ix) 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, (x) to accelerate the time when outstanding Options may be exercised, (xi) to determine the amount, if any, necessary to satisfy any Fiserv Group Company's obligation to withhold taxes or other amounts, (xii) to determine the fair market value of a share of Common Stock, (xiii) with the consent of the Participant, to cancel or modify an Option, provided, however, that such Option as modified would be permitted to be granted on the date of such modification under the terms of the Plan, (xiv) to determine the number of shares of Common Stock to which an award of Restricted Stock relates, (xv) to determine the length and terms of the restrictions on the transfer of shares of Restricted Stock, (xvi) to impose additional restrictions on shares of Restricted Stock, (xvii) to waive or accelerate the termination of any restriction on shares of Restricted Stock, and (xviii) to establish any other terms and conditions applicable to any Award and to make all other



- determinations relating to the Plan and Awards 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 Award granted hereunder or any option or restricted stock agreement evidencing any such Award shall be final and conclusive upon all parties. Any controversy or claim arising out of or relating to the Plan or any Award 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 Awards 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 Award 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 Participant in such form as the Committee shall approve. Options to be issued to employees under the Plan may be ISO or NQSOs, but the Company makes no representation or warranty as to the qualification of any Option as an ISO under the Code. 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:

- 6.1 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 Participant 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. In addition, with respect to at least 95% of the number of shares of Common Stock for which Options may be granted under this Plan as of February 14, 2000, 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.

- 6.2 Options shall not be transferable otherwise than by will or the laws of descent and distributions, and during a Participant's lifetime, an option shall be exercisable only by the Participant or the Participant's legal guardian.
- 6.3 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 ten years from the date such Option is granted, and provided, further, however, that if at the time an ISO is granted, the Participant 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 Participant.
- 6.4 Payment of the option price of an Option may be made in cash, with shares of Common Stock held by the Participant for more than six months prior to payment or otherwise in accordance with law as the Committee may determine from time to time.
- 6.5 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.
- 6.6 In no case may a fraction of a share of Common Stock be acquired pursuant to an Option granted under the Plan.
- 6.7 Without prior approval of the Company's shareholders, Options issued under this Plan will not be repriced, replaced or regranted through cancellation or by lowering the option price of a previously granted Option.

Section 7. Terms and Conditions of Restricted Stock. Subject to the Plan, the terms and conditions of each award of Restricted Stock 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 a restricted stock agreement between the Company and the Participant in such form as the Committee shall approve. The terms and conditions of any share of Restricted Stock awarded hereunder need not be identical to those of any other shares of Restricted Stock awarded hereunder.

The terms and conditions of each award of Restricted Stock shall include the following:

- 7.1 Shares of Restricted Stock shall not be transferable otherwise than by will or the laws of descent and distributions. Shares of Restricted Stock granted to Participants shall be subject to such additional restrictions as the Committee or the Board may impose (including, without limitation, any limitation on the right to vote a share of Restricted Stock or the right to receive any dividend or other right or property), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise, as the Committee may deem appropriate.
- 7.2 Any Restricted Stock granted under the Plan to a Participant may be evidenced in such manner as the Committee or the Board may deem appropriate, including, without limitation, book-entry registration or issuance of a stock certificate or certificates. In the event any stock certificate is issued in respect of shares of Restricted Stock granted under the Plan to a Participant, such certificate shall be registered in the name of the Participant and shall bear an appropriate legend (as determined by the Committee) referring to the terms, conditions, and restrictions applicable to such Restricted Stock.
- 7.3. At the end of the applicable restriction period relating to Restricted Stock granted to a Participant, one or more stock certificates for the appropriate number of shares of Common Stock, free of restrictions imposed under the Plan, shall be delivered to the Participant, or, if the Participant received stock certificates representing the Restricted Stock at the time of grant, the legends placed on such certificates shall be removed.
- 7.4 In no case may a fraction of a share of Restricted Stock be awarded pursuant to the Plan.

Section 8. Withholding. 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 Participant in respect of an Award granted under this Plan, in respect of any shares acquired pursuant to the exercise of an Option or in respect of the disposition of an Award 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 Participant cash or with the consent of the Committee (in the stock option agreement, restricted stock agreement or otherwise) shares of Common Stock with a fair value equal to the aggregate amount of such Federal,

state or local taxes and other amounts required to be so withheld. Alternatively, the Company may require such Participant 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.

Section 9. Effect of Changes in Capitalization or Change of Control.

- 9.1 Changes in Stock. If the outstanding shares of Common Stock are increased or decreased or changed into or exchanged for a different number or kind of shares or other securities of the Company by reason of any recapitalization, reclassification, stock split, reverse split, combination of shares, exchange of shares, stock dividend or other distribution payable in capital stock, or other increase or decrease in those shares effected without receipt of consideration by the Company occurring after the date an Award is granted, a proportionate and appropriate adjustment will be made by the Company in the number and kind of shares subject to the Award, so that the proportionate interest of the Participant immediately following that, to the extent practicable, will be the same as immediately prior to that event. Any such adjustment to an Option will not change the total exercisable price with respect to shares subject to the unexercisable portion of the Option but will include a corresponding proportionate adjustment in the exercise price per share. In the event of any distribution to the Company's shareholders of securities of any other entity or other assets (other than dividends payable in cash or stock of the Company) without receipt of consideration by the Company, the Company, in the manner the Board of Directors or the Committee deems appropriate, (a) will adjust (i) the number and kind of shares subject to the Option and/or (ii) the exercise price of the Option to reflect that distribution and (b) provide that the holders of Restricted Stock receive their proportionate share of such distributed assets (provided that such assets may be subject to such restrictions as the Board of Directors or the Committee deem appropriate).
- 9.2 Reorganization in Which the Company is the Surviving Company. Subject to Subsection 9.3, if the Company is the surviving Company in any reorganization, merger, or consolidation of the Company with one or more other companies or other entities, each Award will pertain to and apply to the securities to which a holder of the number of shares of stock subject to the Award would have been entitled immediately following that reorganization, merger or consolidation; provided that there shall be a corresponding proportionate adjustment of each Option's exercise price per share so that the aggregate exercise price after that event will be the same as the aggregate exercise price of the shares remaining subject to the Option immediately before that reorganization, merger, or consolidation.
- 9.3 Change of Control. If a Change in Control of the Company occurs, the Board of Directors may, with respect to Options, (i) make provisions for the continuation of each Option, (ii) reach an agreement with the acquiring or surviving entity that the acquiring or surviving entity will assume the

obligation of the Company under each Option, (iii) reach an agreement with the acquiring or surviving entity that the acquiring or surviving entity will convert each Option into an option of at least equal value, determined as of the date of the transaction, to purchase stock of the acquiring or surviving entity, (iv) terminate all Options outstanding under the Plan effective at the date of the applicable transaction and, within 60 days after the date of the applicable transaction, make a cash payment to each Participant equal to the difference between the exercise price of the Participant's Option and the fair market value, as of the date of the applicable transaction, of the shares subject to the Option (all of which shall be vested as of the date of the applicable transaction) or (v) vest all shares subject to the Options and allow them to be immediately exercisable at least 30 days immediately prior to the date of the applicable transaction. The Board of Directors must determine that any such modification in clause (i), (ii) or (iii) above does not have a substantial adverse economic impact on the Participant, as determined at the time of the transaction.

Further, if a Change in Control of the Company occurs, the Board of Directors may, with respect to shares of Restricted Stock, (i) make provisions for the continuation of each Award of Restricted Stock, (ii) reach an agreement with the acquiring or surviving entity that the acquiring or surviving entity will convert each share of Restricted Stock into shares, or fractions of a share, of stock of the acquiring or surviving entity (which shares may be subject to restrictions substantially similar to restrictions on the Restricted Stock) at least equal value (without deduction for any restrictions on such shares of Restricted Stock), determined as of the date of the transaction, or (iii) vest all Awards of shares of Restricted Stock and terminate any restrictions thereon at least 30 days immediately prior to the date of the applicable transaction. The Board of Directors must determine that any such modification in clause (i) or (ii) above does not have a substantial adverse economic impact on the Participant, as determined at the time of the transaction.

- 9.4 Adjustments. Adjustments required by this Section relating to the Common Stock will be made by the Board of Directors, whose determination in that respect will be final, binding and conclusive. No fractional shares of Common Stock will be issued pursuant to any such adjustment, and any fractions resulting from any such adjustment shall be eliminated in each case by rounding downward to the nearest whole share.

Section 10. Effect of the Plan on Employment Relationship. Neither this Plan nor any Award granted hereunder shall be construed as conferring upon any Participant 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 Participant's employment at any time without liability, or to continue as a Non-Employee Director.

Section 11. Amendment of the Plan. The Board of Directors may amend or restate 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 that may be subject to Awards under this Plan (other than increases due to adjustment in accordance with Section 9 hereof), (b) materially increase the benefits accruing to participants under the Plan, (c) change the eligibility requirements to receive Awards hereunder or (d) make any change for which applicable law requires shareholder approval.

Section 12. Termination of the Plan. The Board of Directors may terminate the Plan at any time. No Award may be granted hereunder after termination of the Plan. No ISO may be granted under the Plan more than ten 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 Award theretofore granted under the Plan, without the consent of the Participant.

Section 13. Effective Date of the Plan. This Plan (and as amended or restated from time to time) will become effective on the date on which it is approved by the Board of Directors. This Plan if amended or restated in any material respect 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 Award granted hereunder may be exercised or may vest prior to such approval, provided, however, that the date of grant of any Award shall be determined as if the Plan had not been subject to such approval. Notwithstanding the foregoing, if any material amendment or restatement is not approved by a vote of shareholders within 12 months after it is adopted by the Board of Directors, the amendment or restatement, as the case may be, shall be null and void, the Plan as in effect prior to such amendment or restatement, as the case may be, shall continue in full force and effect and any Awards granted pursuant to such amendment or restatement, as the case may be, shall terminate.

Section 14. Governing Law. This Plan, the Awards 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.

**FISERV, INC.****AUDIT COMMITTEE CHARTER****A. Purpose**

The Audit Committee is a Committee of the Board of Directors of Fiserv, Inc. ( the Corporation ). Its primary purpose is to provide independent review and oversight of the Corporation s accounting and financial reporting processes and financial statements, the system of internal controls that management and the Board of Directors have established, the audit process and results of operations of the Corporation and its financial condition. In doing so, it is the responsibility of the Audit Committee to provide an open avenue of communication between the Board of Directors, management, Fiserv Corporate Audit, and the external auditor.

**B. Membership, Structure and Administration****1. Size and Member Qualification**

The membership of the Audit Committee shall consist of at least three directors, each of whom meet the independence and experience requirements of The Nasdaq Stock Market, Inc. ( Nasdaq ), Section 10A(m)(3) of the Securities Exchange Act of 1934 and the rules and regulations of the SEC. The Corporation shall endeavor to have at least one member of the Committee who is an audit committee financial expert as defined under Item 401(h) of SEC Regulation S-K and must have at least one member of the Committee who, in accordance with the Nasdaq rules, has past employment experience in finance or accounting, requisite professional certification in accounting or any other comparable experience or background which results in the individual s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. Audit Committee members and the Committee Chairman shall be designated by the full Board of Directors upon recommendations of the Nominating Committee.

**2. Meetings**

The Committee shall meet at least four times per year or more frequently, in regular and executive sessions, as circumstances require. The Committee may ask members of management or others to attend the meeting and provide pertinent information as necessary. The Committee shall meet with the Director of Audit, the external auditor and management to discuss any matters that the Committee or these groups believe should be discussed with the Audit Committee. The CEO, CFO, Director of Audit and Corporate Controller will meet with the Committee prior to filing Forms 10-Q and 10-K to review the reports and to make such further changes as are deemed appropriate.

**3. Meeting Minutes**

Minutes of each meeting are to be prepared and sent to Audit Committee members and the Corporation s directors who are not members of the Committee. If the secretary of the Corporation has not taken the minutes, they should be sent to him or her for permanent filing.

**4. Charter**

Review the Committee's charter annually and update when appropriate.

B-1



## C. Responsibilities and Duties

### 1. General

The duties and responsibilities of a member of the Audit Committee are in addition to those duties set out for a member of the Board of Directors. While the Audit Committee has the responsibilities and powers set forth in this Audit Committee Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the financial statements or disclosures of the Corporation are complete and accurate and are in accordance with generally accepted accounting principles.

### 2. Oversight of Independent Auditors

- a. Selection, Reporting and Compensation The Audit Committee shall be directly and solely responsible for the appointment (subject to shareholder ratification as detailed in the Corporation's annual proxy statement), compensation, retention, termination and oversight of the work of the Corporation's external auditor, including resolution of disagreements between management and the auditor regarding financial reporting, for the purpose of preparing or issuing an audit report or related work. The external auditor is ultimately accountable and reports directly to the Committee. Specific duties include, but are not limited to, consideration of the following:

Approval of all audit and permitted non-audit engagement fees and terms with the external auditor.

Timing of auditor's visits.

Coordination with internal auditing.

Monitoring of audit results.

Review of auditor's performance.

Review accounting policies and disclosures.

Proper rotation of audit partners, as required by SEC rules.

- b. Independence On a periodic basis the Audit Committee shall ensure independence of external auditor by obtaining documentation from the external auditor stating their independence from the Corporation in compliance with Independence Standards Board Standard No.1. Engaging in dialogue with auditor to assure certainty that the external auditor remains independent and that the Board of Directors takes appropriate action when and as necessary to assure the external auditor's independence.
- c. Preapproval of Service In considering whether the non-audit services the Corporation receives from its external auditor are compatible with maintaining the independence of the external auditor, all auditing services must be preapproved by the Committee, subject to de minimis exceptions permitted by Section 10A(i)(1)(B) of the Securities Exchange Act of 1934 that are approved by the Committee prior to the completion of the audit. Permitted non-audit services to be performed by the external auditor must also be preapproved by the Committee. Approval of non-audit services to be performed by the external auditor must be disclosed in the Corporation's Form 10-K and proxy statement



in accordance with SEC rules. The Committee may form, and delegate authority to, subcommittees consisting of one or more members when appropriate to grant such preapprovals, provided that decisions of such subcommittee to grant preapprovals are presented to the full Committee at its next scheduled meeting. The Committee may also preapprove auditing and permitted non-audit services pursuant to preapproval policies and procedures established by the Committee, provided such policies and procedures are detailed as to the particular service and do not include delegation of the Committee's responsibilities to management.

- d. Review Scope of Services Review with the Director of Audit and the external auditor the coordination of audit effort to assure completeness of coverage of key business controls and risk areas, reduction of redundant efforts, and the effective use of audit resources.
- e. Obtain and Review Report from Independent Auditor The Audit Committee shall obtain a report, at least annually, from the external auditors describing the (a) the accounting firm's quality control procedures, (b) any material issues arising from the most recent internal quality control review, peer review, or inquiry or investigation by governmental or regulatory authorities within the past five years, and (c) all relationships between the firm and the company.
- f. Discussion of Auditor Comments and Recommendations The Audit Committee shall meet with the independent auditors to review their comments and recommendations with respect to internal accounting controls; audit difficulties, including scope restrictions or significant disagreements with management; the effect of regulatory and accounting initiatives, as well as off balance sheet structures; and other matters relating to the accounting procedures and records of the Company and consideration given or corrective action taken by management.

### 3. Review of Financial Data and Disclosures

- a. Review of Quarterly Reviewed and Annual Audited Financial Data Review and discuss the financial statements with management and the external auditors, including interim financial statements and annual financial statements, external auditor's opinion and management letters.
- b. Reviews of Auditor Reports Review and discuss, as required by Statement on Accounting Standards No. 61, quarterly reports from the external auditors regarding all critical accounting policies and practices to be used; all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditor; and all other material written communications between the external auditor and management, such as any management letter or schedule of unadjusted differences.
- c. Review of Disclosures Review disclosures made to the Committee by the Corporation's CEO and CFO during their certification process for the Form

10-K and Form 10-Q about any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting or any fraud, whether or not material, involving management or other employees who have a significant role in the Corporation's internal control over financial reporting.

- d. Recommendations Recommend to the Board of Directors whether the audited financial statements should be included in the Annual Report on Form 10-K.

#### 4. Review of Internal Reports and Processes

- a. Review of Risk Inquire of management, the Director of Audit, and the external auditor about significant risks or exposures and assess the steps management has taken to minimize such risk.
- b. Oversight of Company's Internal Control Process The Audit Committee shall coordinate the Board of Director's oversight of the Company's significant internal control process, including the process of preparing the interim and annual financial results; disclosure controls and procedures; internal audit function; and code of business conduct and ethics. As and when required by SEC rules, obtain, on a quarterly basis, reports from management regarding its evaluation of the Corporation's disclosure controls and procedures and internal control over financial reporting. As and when required by SEC rules, obtain, on an annual basis, the independent auditors' attestation report on management's assessment of the Corporation's internal control over financial reporting.
- c. Review Legal and Regulatory Issues Review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies, and programs and reports received from regulators. Review and consider reports of evidence of material violations of securities laws or breaches of fiduciary duty or similar violations by the Corporation provided to the Committee by lawyers.
- d. Related Party Transactions The Audit Committee shall consider and approve all related party transactions as required by Nasdaq rules.
- e. Review of Internal Audit Function Consider and review with management and the Director of Audit significant findings during the year and management's responses thereto, including the timetable for implementation of the recommendations to correct weaknesses in internal control. Review and approve the Director of Audit's compensation package annually.
- f. Procedures for Raising Issues The Committee must establish Employee Complaint Procedures for receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters.

**5. Administration**

- a. Report to Board of Directors The Audit Committee shall report Committee actions to the Board of Directors with such recommendations as the Committee may deem appropriate.
- b. Audit Committee Independence Periodically, the Audit Committee shall make inquiry of each member of the Audit Committee to confirm compliance with independence requirements as defined by Section 301 of the Sarbanes-Oxley Act of 2002 and SEC rules.
- c. Review Directors Responsibilities Review periodically the directors' roles and responsibilities to ensure that these remain appropriate and assure disclosure of conflict of interest.
- d. Annual Performance Evaluation Annually the Audit Committee shall conduct a performance evaluation of the Committee and report the results to the full Board of Directors.
- e. Annual Committee Report The Audit Committee shall prepare annually a report of the Audit Committee for inclusion in the Corporation's annual proxy statement. The report shall include information required by the Securities and Exchange Commission. The report must include, but is not limited to, the names of each committee member, the number of committee meetings held by the Audit Committee during the last fiscal year and the functions performed by the Committee. Additionally, the Audit Committee must provide a report disclosing whether the Audit Committee has reviewed and discussed the audited financial statements with management and discussed certain matters with the independent auditor; whether the Audit Committee is governed by a charter, and if so, include a copy of the charter as an appendix to the proxy statement at least once every three years; and whether the members of the Audit Committee are independent.

**6. Other Responsibilities**

- a. Investigations - Have the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall have unrestricted access to members of management and all information relevant to its responsibilities. The Committee shall be empowered to retain independent counsel, accountants, or others to assist it in the conduct of any investigation. The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the external auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Committee. The Corporation shall also provide appropriate funding, as determined by the Committee, for ordinary administrative expenses incurred by the Committee in carrying out its duties.

- b. Succession Planning Process The Audit Committee shall review and evaluate the performance and the succession planning process for the Company's corporate finance and accounting personnel.
  
- c. Hiring Policies The Audit Committee shall establish policies regarding the hiring of employees or former employees of the Company's independent auditors.

B-6

**Fiserv, Inc.**

**255 Fiserv Drive**

**Brookfield, Wisconsin 53045**

**(262) 879-5000**

Fiserv, Inc. is located in the Brookfield Lakes Corporate Center. It is approximately 25 minutes from Milwaukee General Mitchell International Airport and 20 minutes from downtown Milwaukee.

**From Chicago**, go north on I-94 to Milwaukee. After entering Wisconsin, you will pass through Racine and Kenosha counties. Approaching Milwaukee County, watch for the I-894 bypass. This is a left lane exit. After approximately nine miles, this bypass runs back into I-94; take the left lane exit for I-94 to Madison. The second exit, approximately 3 miles, is Moorland Road north.

**From Milwaukee s Mitchell International Airport**, take I-94 north to Milwaukee. As you approach Milwaukee, take I-894 (bypass). This is a left lane exit. After approximately nine miles, this bypass runs back into I-94; take the left lane exit for I-94 to Madison. The second exit, approximately 3 miles, is Moorland Road north.

**From Moorland Road**, go north approximately 3/4 mile (two stoplights) to Bluemound Road/Highway 18. Turn left (west) on Bluemound Road and continue approximately 1 1/2 miles (five stoplights), turning left at the stoplight into the entrance to Brookfield Lakes Corporate Center (you will see the Wyndham Gardens Hotel at this entrance).

**Traveling from the west**, exit I-94 at Bluemound Road/Highway 18. Go east on Bluemound Road approximately 1 1/2 miles (six stoplights), turning right at the stoplight into the entrance to Brookfield Lakes Corporate Center.

**Once inside Brookfield Lakes**, take Corporate Drive approximately 1/4 mile to Fiserv Drive and turn right. Fiserv Drive leads directly to the Fiserv headquarters.

255 Fiserv Drive

Brookfield, Wisconsin 53045



**FISERV, INC.**

**C/O EQUISERVE TRUST COMPANY N.A.**

**P.O. BOX 8694**

**EDISON, NJ 08818-8694**

**Voter Control Number**

\_\_\_\_\_

**Your vote is important. Please vote immediately.**

**Vote-by-Internet**

**Vote-by-Telephone**

**OR**

1. Log on to the Internet and go to

1. Call toll-free

<http://www.eproxyvote.com/fisv>

1-877-PRX-VOTE (1-877-779-8683)

2. Enter your Voter Control Number listed above and

2. Enter your Voter Control Number listed above and

follow the easy steps outlined on the secured website.

follow the easy recorded instructions.

**If you vote over the Internet or by telephone, please do not mail your card.**

DETACH HERE IF YOU ARE RETURNING YOUR PROXY CARD BY MAIL

**X** Please mark your  
votes as in  
this example.

5267

**This proxy, when properly executed, will be voted in the manner directed herein by the undersigned share-holder. If no direction is made, this proxy will be voted for each of the proposals.**

	FOR	AGAINST	ABSTAIN
<b>FISERV, INC.</b>			
1. Election of three directors to serve for a three-year term expiring in 2007:	..	..	..
FOR all nominees for their term listed on the reverse side (except as written to the contrary on the line	..	..	..
2. To ratify the selection of Deloitte & Touche LLP as independent auditors of the Company for 2004:	..	..	..
3. To approve the Company's Stock Option and Restricted Stock	..	..	..
WITHHOLD AUTHORITY to vote for all nominees listed			

Edgar Filing: FISERV INC - Form DEF 14A

provided)

below

Plan, as amended and restated to permit grants of restricted stock:

\_\_\_\_\_  
(INSTRUCTION): To withhold authority to vote for any individual nominee write that nominee's name on the line provided above.)

Yes, I will attend the annual meeting on April 6, 2004: ••

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

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 mark, date, sign and return this proxy card promptly.**

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_ SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

---

DETACH HERE

---

**FISERV, INC.**

**This Proxy is solicited on behalf of the Board of Directors of Fiserv, Inc.**

**P** The undersigned hereby appoints LESLIE M. MUMA, DONALD F. DILLON and CHARLES W. SPRAGUE as Proxies, each with  
**R** the power to appoint his substitute, and hereby authorizes them to represent and to vote as designated below, all the shares of  
**O** Common Stock of Fiserv, Inc. held of record by the undersigned on February 13, 2004, at the Annual Meeting of Shareholders to be  
held on April 6, 2004, or any adjournment thereof. This card also constitutes voting instructions for any shares held for the  
undersigned in the 401(k) Savings Plan of Fiserv, Inc. and Its Participating Subsidiaries.

**X** Election of Directors:

**Y** Nominees for a term expiring in 2007:

01. K.R. Jensen

02. K.M. Robak

03. T.C. Wertheimer

Proposals:

To ratify the selection of Deloitte & Touche LLP as independent auditors of the Company for 2004; and to approve the Company's  
Stock Option and Restricted Stock Plan, as amended and restated to permit grants of restricted stock.

You are encouraged to mark your choices in the appropriate boxes on the reverse side of this proxy card. If you do not mark any  
boxes your vote will be voted in accordance with the Board of Directors' recommendation. However, the Proxies can not vote your  
shares unless you sign and return this card.

**SEE REVERSE SIDE**