

FISERV INC
Form DEF 14A
February 25, 2005

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))**
- 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):

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:

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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 25, 2005

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 Wednesday, April 6, 2005, 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, 2005

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 Wednesday, April 6, 2005, 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 2008, and in each case until their successors are elected and qualified;
2. To ratify the selection of Deloitte & Touche LLP as the independent registered public accounting firm of the Company for 2005;
3. To approve the Company's Executive Incentive Compensation Plan, as amended and restated, to specify certain performance goals;
4. To approve the Company's Stock Option and Restricted Stock Plan, as amended and restated, to specify certain performance goals; and
5. 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 14, 2005, 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

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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 25, 2005, to the holders of record as of February 14, 2005, 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, 2005, 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 2008; (ii) ratifying the selection of Deloitte & Touche LLP as the independent registered public accounting firm of the Company for 2005; (iii) approving the Company s Executive Incentive Compensation Plan, as amended and restated, to specify certain performance goals; (iv) approving the Company s Stock Option and Restricted Stock Plan, as amended and restated, to specify certain performance goals; and (v) 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 the independent registered public accounting firm of the Company (iii) to approve the Company s Executive Incentive Compensation Plan, as amended and restated; and (iv) to approve the Company s Stock Option and Restricted Stock Plan, as amended and restated. 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 14, 2005, 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 193,565,246 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 selection of Deloitte & Touche LLP as the independent registered public accounting firm of the Company for 2005, the approval of the Company's Executive Incentive Compensation Plan, as amended and restated, and the approval of the Company's Stock Option and Restricted Stock Plan, as amended and restated, 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, 2004 (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 19; 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, 2004, 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 ⁽¹⁾⁽²⁾	Percent of Class
Leslie M. Muma	2,143,430	1.1%
Norman J. Balthasar	1,038,987	*
Kenneth R. Jensen	1,822,194	*
Rodney D. Poskochil ⁽³⁾	100,580	*
Thomas A. Neill	147,202	*
Charles W. Sprague	124,528	*
Donald F. Dillon	7,029,144	3.6%
Daniel P. Kearney	26,580	*
Gerald J. Levy	218,369	*
Glenn M. Renwick	8,959	*
Kim M. Robak	1,561	*
L. William Seidman	148,971	*
Thomas C. Wertheimer	2,393	*
All Directors and executive officers as a group (22 persons)	14,275,181	7.3%

* Amount represents less than 1% of the total number of shares of Common Stock outstanding on December 31, 2004.

- (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, 2004, were exercisable currently or within 60 days as follows: Mr. Muma 1,547,870; Mr. Balthasar 697,793; Mr. Jensen 1,328,826; Mr. Poskochil 67,524; Mr. Neill 139,249; Mr. Sprague 65,341; Mr. Dillon 1,253,607; Mr. Kearney 25,695; Mr. Levy 125,344; Mr. Renwick 7,074; Ms. Robak 676; Mr. Seidman 110,504; Mr. Wertheimer 1,308 and all Directors and executive officers as a group 6,193,593. Amounts also include restricted common stock which vest in five equal installments one year after grant as follows: Mr. Dillon 885; Mr. Kearney 885; Mr. Levy 664; Mr. Renwick 885; Ms. Robak 885; Mr. Seidman 885; Mr. Wertheimer 885; and all Directors and executive officers as a group 5,974.
- (3) Effective October 31, 2004, Mr. Poskochil ceased to be an executive officer of the Company.

As of February 14, 2005, no shareholder is known to the Company to be the beneficial owner of more than 5% of the Company's Common Stock 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: 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 2008

Donald F. Dillon (age 64) 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 72) 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 49) 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.*

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 2006:

Daniel P. Kearney (age 65) 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 and MBIA, Inc. (insurance), Armonk, New York. *Principal Occupation: Financial Consultant.*

Leslie M. Muma (age 60) 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 83) 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; InteliData, Inc. (financial services), Herndon, Virginia; LML Payment, Inc. (financial services), Vancouver, British Columbia and Par Pharmaceutical Companies Inc. (generic drugs), Spring Valley, New York. *Principal Occupation: Chief Commentator for CNBC-TV, Publisher of Bank Director magazine, and Industry Consultant.*

Continuing terms expiring in 2007:

Kenneth R. Jensen (age 61) 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 Catalactics 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 49) has been a Director of the Company since September of 2003. Ms. Robak is a partner at Ruth, Mueller & Robak, LLC. Previously, Ms. Robak was Vice President for External Affairs and Corporation Secretary at the University of Nebraska from 1999 to 2004. 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 Union Bank & Trust Company, and the Lincoln Partnership for Economic Development. *Principal Occupation: Partner at Ruth, Mueller & Robak, LLC.*

Thomas C. Wertheimer (age 64) has been a Director of the Company since May of 2003. 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. Mr. Wertheimer also served on the Board of Partners at Coopers & Lybrand from 1995 until its merger with Price Waterhouse in 1998. He also serves as Director of Vishay Intertechnology, Inc. (electronic components), Malvern, Pennsylvania and Siliconix incorporated (semiconductors), Santa Clara, California. 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.*

Matter 2. The Ratification of the Selection of Deloitte & Touche LLP as the Independent Registered Public Accounting Firm of the Company for 2005

Deloitte & Touche LLP has been selected by the Audit Committee as the Company's independent registered public accounting firm for 2005. The Board of Directors recommends to the shareholders the ratification of the selection of Deloitte & Touche LLP, independent public accounting firm, to audit the financial statements of the Company and its subsidiaries for 2005. Deloitte & Touche LLP has served as the independent public accounting firm for the Company or its predecessor entities since 1986. Unless otherwise specified, the proxies solicited hereby will be voted in favor of the ratification of Deloitte & Touche LLP as the independent registered public accounting firm for the Company for 2005.

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 believes 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 2003 and 2004, fees for services provided by Deloitte & Touche LLP were as follows:

	2003	2004
Audit Fees ⁽¹⁾	\$ 1,670,000	\$ 2,626,000
Audit-Related Fees ⁽²⁾	549,000	305,000
Tax Fees ⁽³⁾	495,000	626,000
All Other Fees	0	0
Total	\$ 2,714,000	\$ 3,557,000

- (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 auditor 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 Executive Incentive Compensation Plan as Amended and Restated

Effective January 1, 2005, the Board of Directors of the Company adopted, subject to shareholder approval at the Annual Meeting, the Fiserv, Inc. Executive Incentive Compensation Plan, as amended and restated (the "Incentive Compensation Plan") to permit the use of one or more of the following performance goals under such plan: earnings per share, revenue, net operating profit, return on equity and return on assets. Previously, the Incentive Compensation Plan did not specify permitted performance goals other than earnings per share. Approval of the Incentive Compensation Plan will be effective for 2005 and subsequent years unless and until terminated by the Compensation Committee of the Board of Directors.

Description of Material Features of the Incentive Compensation Plan

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The following summary of certain material features of the Incentive Compensation Plan does not purport to be complete and is qualified in its entirety by reference to the text of the Incentive Compensation Plan, a copy of which is set forth as Exhibit A to this Proxy Statement.

Purpose of the Incentive Compensation Plan

The purpose of the Incentive Compensation Plan is to promote the interests of the Company and its shareholders by providing an additional incentive to senior executives (the Participants) for their contributions to the profitability of the Company, and to offer an additional inducement in attracting and retaining such persons. It is intended that payments under the Incentive Compensation Plan constitute performance-based compensation under Section 162(m) of the Internal Revenue Code.

Eligibility

The Incentive Compensation Plan provides for grants of awards to senior executives of the Company designated by the Committee. During 2004, there were three senior executives who participated.

Administration

The Incentive Compensation 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 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.

Features of the Incentive Compensation Plan

The Incentive Compensation Plan establishes a correlation between the annual incentives awarded to the Participants and the Company's financial performance. Each year, the Committee will establish, during the first 90 days of a performance year, the performance goal or goals to be achieved before any award will be payable. The performance goals will be determined by the Committee and will be based upon the targeted amounts of one or more of the following measures: earnings per share, revenue, net operating profit, return on equity and return on assets. In fixing performance goals, the Committee may exclude the impact of any item, including any gains or losses from discontinued operations, any extraordinary gains or losses and the effects of accounting changes.

The maximum bonus amount awarded for achieving the goal set by the Committee may vary from year to year, although the value of a designated Participant's bonus amount for any fiscal year may not exceed \$2 million. The Committee retains full discretion to reduce or eliminate any award that may be earned by a Participant under the Incentive Compensation Plan.

Certain Federal Income Tax Consequences

Any cash payments a Participant receives in connection with awards under the Incentive Compensation Plan are includable in income in the year received. Generally, the Company will be entitled to deduct the amount the employee includes in income. Internal Revenue Code Section 162(m) limits the deduction the Company can take for compensation it pays to its Chief Executive Officer and the four other highest paid officers (determined as of the end of each year) to \$1 million per year per individual. However, certain performance-based compensation that

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meets the requirements of Internal Revenue Code Section 162(m) does not have to be included as part of the \$1 million limit. The proposed amendment to the Incentive Compensation Plan to specify certain performance goals under the Incentive Compensation Plan is intended to permit awards granted to the covered individuals to meet the Internal Revenue Code Section 162(m) requirements for performance based compensation.

New Incentive Compensation Plan Benefits

The Company cannot currently determine the number or amounts of awards that may be granted to eligible participants under the Incentive Compensation Plan in the future. Such determinations will be made from time to time by the Committee. The Committee has not approved any grants of awards under the Incentive Compensation Plan.

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 Incentive Compensation 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 approval of the Incentive Compensation Plan as amended and restated.

Matter 4. Approval of Stock Option and Restricted Stock Plan as Amended and Restated

Effective February 16, 2005, 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 (the "Stock Plan"), to permit the use of one or more of the following performance goals under such plan: earnings per share, revenue, net operating profit, return on equity and return on assets. Previously, the Stock Plan did not specify permitted performance goals. The addition of such performance goals will permit the Company to grant awards of restricted stock that are intended to constitute performance based compensation under Section 162(m) of the Internal Revenue Code. The proposed amended and restated Stock Plan will not increase the number of shares of Common Stock with respect to which awards may be granted under the Stock Plan.

Description of Material Features of the Stock Plan

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

Purpose of the Stock Plan

The purpose of the Stock 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 Stock Plan and Eligibility

As approved by the shareholders in the prior year, the total number of shares of Common Stock for which awards may be granted under the Stock 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, 2004, a total of 6,054,000 shares were available for granting under the Stock Plan. The Stock 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 Stock 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 Stock 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 Stock 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.

Eligibility

The Stock Plan provides for option and restricted stock grants to all directors and senior managers of the Company. During 2004, there were approximately 900 senior managers who were eligible to participate.

Administration

The Stock 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 Stock 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 Stock Plan. The Committee is also authorized to interpret the terms of the Stock Plan and to adopt regulations relating to the Stock Plan that are not inconsistent with the terms of the Stock Plan. The determination of the Committee with respect to such matters is final and conclusive.

Terms and Conditions of Options

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

- i. Options granted under the Stock 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 Stock 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 Stock 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 Stock 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 Stock 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 Stock Plan, shall be delivered to the participant.

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 Stock Plan.

Performance Goals

Without limiting the generality of the foregoing, the Committee may grant options or shares of restricted stock which are contingent on the achievement of one or more performance goals during a specified performance period. The Committee shall determine the performance period, the performance goal or goals (and the performance level or levels related thereto) to be achieved during any performance period, the proportion of vesting or forfeiture, as the case may be, to be made for performance between the minimum and full performance levels for any performance goal and, if applicable, the relative percentage weighting given to each of the selected performance goals.

The performance goals will be determined by the Committee and will be based upon the targeted amounts of one or more of the following measures: earnings per share, revenue, net operating profit, return on equity and return on assets; provided that in the case of awards that the Committee determines will not be performance-based compensation under Internal Revenue Code Section 162(m), the Committee may establish other performance goals. In fixing performance goals, the Committee may exclude the impact of any item, including any gains or losses from discontinued operations, any extraordinary gains or losses and the effects of accounting changes.

Adjustments in the Event of Capital Changes

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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 Stock 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 Stock Plan) occurs, then the Board may act to (i) continue, accelerate and/or vest awards under the Stock 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 Stock Plan

No ISO may be granted under the Stock Plan more than ten years after the Plan's effective date. The Board of Directors may amend the Stock 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 Stock 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 Stock Plan, change the eligibility requirements for participants or make any change for which applicable law or rules of The Nasdaq National Market requires shareholder approval.

Certain Federal Income Tax Consequences

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 Stock 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.

Internal Revenue Code Section 162(m) limits the deduction the Company can take for compensation it pays to its Chief Executive Officer and the four other highest paid officers (determined as of the end of each year) to \$1 million per year per individual. However, certain performance-based compensation that meets the requirements of Internal Revenue Code Section 162(m) does not have to be included as part of the \$1 million limit. The proposed amendment to the Stock Plan to specify certain performance goals under the Stock Plan is intended to permit awards granted to the covered individuals to meet the Internal Revenue Code Section 162(m) requirements for performance based compensation.

New Stock Plan Benefits

The Company cannot currently determine the number or type of awards that may be granted to eligible participants under the Stock 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 Stock Plan.

On February 14, 2005, the closing price per share of the Company's Common Stock on the Nasdaq National Market was \$38.34.

Equity Compensation Stock Plan Information

The table below sets forth information with respect to compensation plans under which equity securities of the Company are authorized for issuance as of December 31, 2004:

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	11,560,000	\$26.71	6,054,000 ⁽¹⁾
Employee Stock Purchase Plan		N/A	376,000 ⁽²⁾
Equity compensation plans not approved by the Company's shareholders			
Total	11,560,000	\$26.71	6,430,000

(1) Excludes 6,600 shares of restricted Common Stock previously issued and outstanding for which the restrictions have not lapsed.

(2) 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 lesser 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 Stock 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 approval of 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 six regular meetings and five special meetings during 2004. During 2004, 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. All of the persons that were Directors at the time of the 2004 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 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. Robak (Chairperson) and Mr. Renwick, each of whom is independent as defined by Nasdaq rules. The Nominating and Corporate Governance Committee held four meetings during 2004.

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 four meetings during 2004.

The Audit Committee's primary purpose is to pr