

FISERV INC  
Form DEF 14A  
April 08, 2009

**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)

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(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:

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

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(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):

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(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

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

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(3) Filing Party:

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(4) Date Filed:

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255 Fiserv Drive

Brookfield, Wisconsin 53045

April 8, 2009

To Our Shareholders:

You are cordially invited to attend the annual meeting of shareholders of Fiserv, Inc., to be held at our corporate offices at 10:00 a.m. local time on Wednesday, May 20, 2009. 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 report on our activities. At the meeting, we will welcome your comments on or inquiries about our business 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. You may also 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, and will ensure that your vote is counted if you are unable to attend.**

Thank you for your prompt attention to this matter.

Sincerely,

Jeffery W. Yabuki

President and Chief Executive Officer

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD MAY 20, 2009**

To the Shareholders of Fiserv, Inc.:

The annual meeting of shareholders of Fiserv, Inc. will be held at our corporate offices at 255 Fiserv Drive, Brookfield, Wisconsin 53045, on Wednesday, May 20, 2009, at 10:00 a.m. local 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 2012 and until their successors are elected and qualified.
2. To approve the Amended and Restated Fiserv, Inc. Employee Stock Purchase Plan.
3. To ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm for 2009.
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 March 27, 2009 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 our further solicitation of proxies.

By order of the board of directors,

Charles W. Sprague

Secretary

April 8, 2009

**Important notice regarding the availability of proxy materials for the shareholder meeting to be held on May 20, 2009: The proxy statement and annual report to security holders are available at**

**<http://www.proxyvote.com>.**

**Your vote is important. Our 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.**

**PROXY STATEMENT**

**Annual Meeting**

This proxy statement is furnished in connection with the solicitation on behalf of the board of directors of Fiserv, Inc., a Wisconsin corporation, of proxies for use at our annual meeting of shareholders to be held on Wednesday, May 20, 2009 at 10:00 a.m. local time, or at any adjournment or postponement of the meeting. At the meeting, we will vote on the matters described in this proxy statement and in the accompanying notice. The annual meeting will be held at our corporate offices at 255 Fiserv Drive, Brookfield, Wisconsin 53045. We intend to mail this proxy statement and accompanying proxy card on or about April 8, 2009 to all shareholders entitled to vote at the annual meeting.

**Purposes of Annual Meeting**

The annual meeting has been called for the purposes of: electing three directors to serve for a three-year term expiring in 2012; approving the Amended and Restated Fiserv, Inc. Employee Stock Purchase Plan; ratifying the selection of Deloitte & Touche LLP as our independent registered public accounting firm for 2009; and transacting such other business as may properly come before the annual meeting or any adjournments or postponements thereof.

**Solicitation of Proxies**

We will pay the cost of soliciting proxies on behalf of the board of directors. In addition to the use of the mail, our directors, officers and other employees may solicit proxies by personal interview, telephone or electronic communication. None of them will receive any special compensation for these efforts. We have retained the services of Georgeson Inc. ( "Georgeson" ) to assist us to solicit proxies. Georgeson may solicit proxies by personal interview, mail, telephone or electronic communications. We expect to pay Georgeson its customary fee, approximately \$10,000, plus reasonable out-of-pocket expenses incurred in the process of soliciting proxies. We also have made arrangements with brokerage firms, banks, nominees and other fiduciaries to forward proxy materials to beneficial owners of shares. We will reimburse such record holders for the reasonable out-of-pocket expenses incurred by them in connection with forwarding proxy materials.

**Proxies**

You should complete and return the accompanying form of proxy regardless of whether you attend the annual meeting in person. You may revoke your proxy at any time before it is exercised by: giving our corporate Secretary written notice of revocation; giving our corporate Secretary a properly executed proxy of a later date; or attending the annual meeting and voting in person; provided that, if your shares are held of record by a broker, bank or other nominee, you must obtain a proxy issued in your name from the record holder. Written notices of revocation and other communications with respect to the revocation of proxies should be addressed to Charles W. Sprague, Executive Vice President, General Counsel, Secretary and Chief Administrative Officer, Fiserv, Inc., 255 Fiserv Drive, Brookfield, Wisconsin 53045.

The persons named as proxies in the accompanying proxy card have been selected by the board of directors and will vote shares represented by valid proxies. All shares represented by valid proxies received and not revoked before they are exercised will be voted in the manner specified in the proxies. If nothing is specified, the proxies will be voted in favor of the proposals and each of the board's nominees for director. Our board of directors is unaware of any other matters that may be presented for action at our annual meeting. If other matters do properly come before the annual meeting or any adjournments or postponements thereof, it is intended that shares represented by proxies will be voted in the discretion of the proxy holders. Proxies solicited hereby will be returned to the board of directors and will be tabulated by an inspector of election, who will not be an employee or director of Fiserv, Inc., designated by the board of directors.

### **Record Date and Required Vote**

The board of directors has fixed the close of business on March 27, 2009 as the record date for determining shareholders entitled to notice of and to vote at the annual meeting. On the record date, there were 155,412,884 shares of common stock outstanding and entitled to vote, and we had no other classes 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 will constitute a quorum for the transaction of business. Shares that abstain from voting or that are subject to a broker non-vote will be counted as present for the purpose of determining the presence or absence of a quorum for the transaction of business. 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.

Directors will be elected by a majority of votes cast at the annual meeting. A description of the majority voting provisions in our by-laws appears below under the heading *Election of Directors Majority Voting*. For Proposal 2 and Proposal 3 to be approved, the affirmative vote of a majority of the votes cast in person or by proxy at the meeting is required. For each of these proposals, abstentions and broker non-votes will be entirely excluded from the vote and will have no effect on its outcome.

### **Voting**

Shareholders can appoint a proxy 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; calling a toll-free number in accordance with the instructions on their proxy card; or 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 or by telephone will bear any costs associated with electronic or telephone access, such as usage charges from Internet access providers and telephone companies.

An individual who has a beneficial interest in shares of our common stock allocated to his or her account under the Fiserv, Inc. 401(k) savings plan may vote the shares of common stock allocated to his or her account. We will provide instructions to participants regarding how to vote his or her allocated shares. If no direction is provided, the trustee of the Fiserv, Inc. 401(k) savings 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 its fiduciary duties, may determine that it must vote the shares in some other manner.

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**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth information with respect to the beneficial ownership of our common stock as of February 27, 2009 by:

each current director and director nominee;

each executive officer appearing in the Summary Compensation Table;

all directors and executive officers as a group; and

any person who is known by us to beneficially own more than 5% of the outstanding shares of our common stock based on our review of the reports regarding ownership filed with the Securities and Exchange Commission in accordance with Sections 13(d) and 13(g) of the Securities Exchange Act of 1934 (the Exchange Act).

Name <sup>(1)</sup>	Number of Shares of Common Stock Beneficially Owned <sup>(2)(3)(4)(5)(6)</sup>	Percent of Class <sup>(7)</sup>
T. Rowe Price Associates, Inc.		
100 E. Pratt Street		
Baltimore, MD 21202	11,968,667 <sup>(8)</sup>	7.7%
Jeffery W. Yabuki	513,555	*
Rahul Gupta	26,861	*
Thomas J. Hirsch	61,346	*
Peter J. Kight	116,512	*
Thomas W. Warsop III	26,595	*
Donald F. Dillon	3,647,121	2.3%
Daniel P. Kearney	55,205	*
Gerald J. Levy	180,678	*
Denis J. O'Leary	7,417	*
Glenn M. Renwick	29,392	*
Kim M. Robak	22,361	*
Doyle R. Simons	2,646	*
Thomas C. Wertheimer	25,284	*
All directors and executive officers as a group (15 people)	5,108,511	3.2%

\* Less than 1%.

(1) Unless otherwise indicated, the address for each beneficial owner is care of Fiserv, Inc., 255 Fiserv Drive, Brookfield, WI 53045.

(2) All information with respect to beneficial ownership is based upon filings made by the respective beneficial owners with the Securities and Exchange Commission or information provided to us by such beneficial owners. Except as indicated in the footnotes to this table, the persons named in the table have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them, subject to community property laws.

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- (3) Includes stock options, which, as of February 27, 2009, were exercisable currently or within 60 days: Mr. Yabuki 418,393; Mr. Hirsch 49,064; Mr. Gupta 16,582; Mr. Kight 67,205; Mr. Warsop 9,612; Mr. Dillon 695,295; Mr. Kearney 49,558; Mr. Levy 60,280; Mr. O Leary 1,265; Mr. Renwick 22,848; Ms. Robak 18,146; Mr. Simons 421; Mr. Wertheimer 21,312; and all directors and executive officers as a group 1,558,819.

- (4) Includes shares of restricted stock subject to vesting: Mr. Yabuki 16,586; Mr. Hirsch 9,288; Mr. Gupta 9,306; Mr. Warsop 15,000; Mr. Dillon 1,777; Mr. Kearney 1,777; Mr. Levy 1,732; Mr. Renwick 1,777; Ms. Robak 1,777; Mr. Simons 500; Mr. Wertheimer 1,777; and all directors and executive officers as a group 94,570. The holders of the restricted stock have sole voting power, but no dispositive power, with respect to such shares.
- (5) Includes shares deferred pursuant to vested restricted stock units and shares eligible for issuance pursuant to the non-employee director deferred compensation plan for the following directors: Mr. Kearney 1,875; Mr. O Leary 2,152; Mr. Renwick 1,772; Ms. Robak 443; and Mr. Simons 1,600.
- (6) Mr. Dillon is a trustee of the Dillon Foundation which holds 218,750 shares of our common stock. Mr. Yabuki is a trustee of the Yabuki Family Foundation which holds 1,000 shares of our common stock. As a trustee, Mr. Dillon or Mr. Yabuki, as applicable, has voting and investment power over the shares held by the foundation. These shares are, accordingly, included in their respective reported beneficial ownership.
- (7) On February 27, 2009, there were 155,899,177 shares of common stock outstanding. Percentages are calculated pursuant to Rule 13d-3(d) under the Exchange Act. Shares not outstanding that are subject to options exercisable by the holder thereof within 60 days, shares deferred pursuant to vested restricted stock units and shares eligible for issuance pursuant to the non-employee director deferred compensation plan are deemed outstanding for the purposes of calculating the number and percentage owned by such shareholder, but not deemed outstanding for the purpose of calculating the percentage of any other person.
- (8) Based on a Schedule 13G filed by T. Rowe Price Associates, Inc. ( Price Associates ) on February 10, 2009. These securities are owned by various individual and institutional investors for which Price Associates serves as investment adviser with power to direct investments and/or sole power to vote the securities. According to the Schedule 13G, Price Associates exercises sole voting power over 2,984,187 of the securities and sole dispositive power over 11,968,667 of the securities. For purposes of the reporting requirements of the Securities Exchange Act of 1934, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities.

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

**PROPOSAL 1**

**ELECTION OF DIRECTORS**

**Our Board of Directors**

Our articles of incorporation provide for a board of directors that is divided into three classes. The terms for each class are three years, staggered over time. There are no family relationships among any of our directors or executive officers, and no nominee for director has been nominated pursuant to any agreement or understanding between us and any person.

All of the nominees for election as director at the annual meeting are incumbent directors. These nominees have consented to serve as a director if elected and management has no reason to believe that any nominee will be unable to serve. Unless otherwise specified, the shares of common stock represented by the proxies solicited hereby will be voted in favor of the nominees proposed by the board of directors. In the event that any director nominee becomes unavailable for re-election as a result of an unexpected occurrence, shares will be voted for the election of such substitute nominee, if any, as the board of directors may propose.

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The affirmative vote of a majority of votes cast is required for the election of directors. A description of the majority voting provisions in our by-laws appears below under the heading *Majority Voting*.

### **Nominees for Election**

Each person listed below is nominated for election to serve as a director until the annual meeting of shareholders in the year in which his term expires, and until his successor is elected and qualified. **The board of directors recommends that you vote FOR its nominees for director.**

#### ***Three-year terms expiring in 2012***

**Daniel P. Kearney** (age 69) has been a director 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 and retired 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 United States Office of Management and Budget. 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, a publicly traded mortgage insurance company, and MBIA, Inc., a publicly traded financial guarantor. *Principal Occupation: Financial Consultant.*

**Peter J. Kight** (age 52) has been a director and Vice Chairman since 2007. Mr. Kight is the founder of CheckFree Corporation, which was acquired by Fiserv in 2007, and served as its Chairman and Chief Executive Officer from 1981 to 2007. Mr. Kight joined Fiserv's board of directors in connection with the acquisition of CheckFree. Mr. Kight also serves as a director of Akamai Technologies, Inc., a publicly traded company that distributes computing solutions and services, and Manhattan Associates, Inc., a publicly traded company that provides supply chain planning and execution solutions. *Principal Occupation: Vice Chairman of Fiserv, Inc.*

**Jeffery W. Yabuki** (age 49) has been a director and our President and Chief Executive Officer since 2005. Before joining Fiserv, Mr. Yabuki served as Executive Vice President and Chief Operating Officer for H&R Block, Inc., a financial services firm, from 2002 to 2005. From 2001 to 2002, he served as Executive Vice President of H&R Block and from 1999 to 2001, he served as the President of H&R Block International. From 1987 to 1999, Mr. Yabuki held various executive positions with American Express Company, a financial services firm, including President and Chief Executive Officer of American Express Tax and Business Services, Inc. *Principal Occupation: President and Chief Executive Officer of Fiserv, Inc.*

### **Continuing Directors**

#### ***Continuing terms expiring in 2010***

**Kim M. Robak** (age 53) has been a director since 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 a director of: FBL Financial Group, Inc., a provider of life insurance, annuities, and mutual funds to individuals and small businesses; First Ameritas Life Insurance Corporation of New York, a life insurance company; and Union Bank & Trust Company, a financial institution. *Principal Occupation: Partner at Ruth, Mueller & Robak, LLC.*

**Thomas C. Wertheimer** (age 68) has been a director since 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 key multinational and national clients of PwC, 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 served on the Board of Partners at Coopers & Lybrand from 1995 until its merger with Price Waterhouse in 1998. From 2003 to 2007, he was a consultant to the Public Company Accounting Oversight Board, assisting in designing and executing its program of inspection of registered accounting firms. Mr. Wertheimer currently serves as a director of Vishay Intertechnology, Inc., a publicly traded electronic component manufacturer, and Xinyuan Real Estate Co., Ltd., a publicly traded residential real estate developer in China. *Principal Occupation: Financial Consultant.*

**Doyle R. Simons** (age 45) has been a director since 2007. Mr. Simons is the Chairman and Chief Executive Officer of Temple-Inland, Inc. From 2005 to 2007, he was Executive Vice President of Temple-Inland, Inc.; from 2003 to 2005, he served as its Chief Administrative Officer; from 2000 to 2003, he was Vice President Administration. *Principal Occupation: Chairman and Chief Executive Officer of Temple-Inland, Inc.*

**Continuing terms expiring in 2011**

**Donald F. Dillon** (age 69) has been Chairman of the board of directors since 2000. Mr. Dillon served as Vice Chairman of the board of directors from 1995 to 2000. In 1976, Mr. Dillon and an associate founded Information Technology, Inc. ( ITI ), a provider of banking software and services. ITI was acquired by Fiserv in 1995, and, since then, 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 40 years of experience in the financial and data processing industries. He also serves as 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 Fiserv, Inc.*

**Gerald J. Levy** (age 77) has been a director since 1986 and 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. *Principal Occupation: Chairman of Guaranty Bank.*

**Denis J. O Leary** (age 52) has been a director since 2008. Mr. O Leary is a consultant in the enterprise technology, financial services, and consumer payments industries both directly, and, since 2006, as a senior advisor to The Boston Consulting Group. He is also a private investor primarily focusing on private, early stage companies. Through early 2003, he spent 25 years at J.P. Morgan Chase & Company and its predecessors in various capacities, including Director of Finance, Chief Information Officer, Head of Retail Branch Banking, Managing Executive of Chase.com/Lab Morgan, and, from 1994 to 2003, Executive Vice President. Since 2003, Mr. O Leary has served on the board of directors of McAfee, Inc., a publicly traded supplier of computer security solutions. *Principal Occupation: Consultant.*

**Glenn M. Renwick** (age 53) has been a director since 2001. Mr. Renwick is President and Chief Executive Officer of The Progressive Corporation. Before being named Chief Executive Officer in 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 served as president of various divisions within Progressive. Mr. Renwick joined Progressive in 1986 as Auto Product Manager for Florida. He is also a director of The Progressive Corporation, a publicly traded property and casualty insurance company, and UnitedHealth Group Incorporated, a publicly traded health care insurance company. *Principal Occupation: President and Chief Executive Officer of The Progressive Corporation.*

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## Majority Voting

Our by-laws provide that each director will be elected by the majority of the votes cast with respect to that director's election at any meeting of shareholders for the election of directors, other than a contested election. A majority of the votes cast means that the number of votes cast for a director's election exceeds the number of votes cast withheld with respect to that director's election. In a contested election, each director will be elected by a plurality of the votes cast with respect to that director's election. Once our chairman of the board determines that a contested election exists in accordance with our by-laws, the plurality vote standard will apply at a meeting at which a quorum is present regardless of whether a contested election continues to exist as of the date of such meeting.

Our by-laws further provide that, in an uncontested election of directors, any nominee for director who is already serving as a director and receives a greater number of votes withheld from his or her election than votes for his or her election (a Majority Against Vote) will promptly tender his or her resignation. The nominating and corporate governance committee of the board of directors will then promptly consider the resignation submitted by a director receiving a Majority Against Vote, and the committee will recommend to the board whether to accept the tendered resignation or reject it.

The board of directors will act on the committee's recommendation no later than 90 days following the date of the meeting during which the Majority Against Vote occurred. In considering the committee's recommendation, the board will consider the factors considered by the committee and such additional information and factors the board believes are relevant. Following the board's decision, we will promptly file a Form 8-K with the Securities and Exchange Commission that sets forth the board's decision whether to accept the resignation as tendered, including a full explanation of the process by which the decision was reached and, if applicable, the reasons for rejecting the tendered resignation. Any director who tenders a resignation pursuant to this provision will not participate in the committee recommendation or the board consideration regarding whether to accept the tendered resignation. Our by-laws set forth the procedure for acting if a majority of the members of the committee receive Majority Against Votes at the same election.

## PROPOSAL 2

### APPROVAL OF THE

### AMENDED AND RESTATED FISERV, INC. EMPLOYEE STOCK PURCHASE PLAN

#### Background

We adopted the Fiserv, Inc. Employee Stock Purchase Plan (the "ESPP") effective January 1, 2000 to allow eligible employees and those of our designated participating subsidiaries to purchase shares of our common stock at a discount. The ESPP is subject to the requirements of Section 423 of the Internal Revenue Code of 1986, as amended (the "Code"). As required by the Code and the terms of the ESPP, the ESPP will expire on January 1, 2010. We propose that you approve the ESPP, as amended and restated effective January 1, 2010 (the "Amended ESPP"). The following is a summary of the principal features of the Amended ESPP. The summary is qualified in its entirety by the terms of the Amended ESPP, a copy of which is attached hereto as Appendix A and incorporated by reference herein.

#### Purpose of the Amended ESPP

The purpose of the Amended ESPP is to allow employees to continue to have the opportunity to purchase shares of our common stock on favorable terms and thereby acquire and enlarge their stake in our growth and earnings.

#### Shares Subject to the ESPP and Eligibility

Under the Amended ESPP, a total of 1,200,000 shares of our common stock are initially available for purchase by participants effective January 1, 2010. The Amended ESPP also provides for an annual increase in shares available for purchase by participants on the first day of each of our fiscal years, beginning in 2011, equal to the least of: (i) 1,000,000 shares; (ii) 1% of the shares of our common stock outstanding on such date; or (iii) a lesser

amount determined by our board of directors. The share limits are subject to appropriate adjustments to reflect stock splits and other changes in our capitalization.

Our employees and the employees of our designated subsidiaries who normally work at least five months per year are eligible to participate in the Amended ESPP.

Participants may elect to have up to 10% of their gross compensation deducted from their pay. The amounts withheld from payroll may be used by us for any corporate purpose, are not segregated and do not earn interest. On the last business day of each calendar quarter, or such other date as may be specified by our compensation committee, the amounts withheld from an employee's compensation are used to purchase shares of our common stock at a price equal to 85% of its then current fair market value. No employee may purchase more than \$25,000 in market value of our common stock (determined on the respective purchase dates) during any calendar year. Furthermore, no employee may purchase common stock under the Amended ESPP if, after the purchase, he or she would own, or would hold options to purchase, 5% or more of the total outstanding shares of our common stock.

#### **Administration, Duration and Amendment of the ESPP**

The Amended ESPP is administered by our board of directors, which has the exclusive right to construe the Amended ESPP and to correct errors, rectify omissions and reconcile inconsistencies to the extent necessary to effectuate the Amended ESPP. Our board of directors may amend the Amended ESPP, provided that any amendment which increases the number of shares issuable under the Amended ESPP or changes the eligibility requirements for the Amended ESPP requires shareholder approval. The Amended ESPP will remain in effect until January 1, 2020, unless terminated earlier by our board of directors.

#### **Federal Income Tax Treatment**

The Amended ESPP is intended to qualify as an employee stock purchase plan within the meaning of Section 423 of the Code. Participant contributions to the Amended ESPP in the form of payroll deductions are after-tax contributions and are subject to normal income and payroll tax withholding requirements. However, there are no tax consequences associated with the acquisition and ownership of shares of common stock under the Amended ESPP until the participant sells the shares, disposes of them by gift, or dies. The tax treatment upon disposition of the shares depends on whether the shares are disposed of within the two year required holding period, which is measured from the date the option to purchase such shares was granted to the participant. The required holding period is also satisfied if the participant dies while holding shares acquired under the Amended ESPP.

A participant who does not satisfy the two-year holding period must pay ordinary income tax, at the time of the disposition of the shares, on the 15% discount on the purchase price, even if the market price of the stock at the time the stock is disposed of is lower than the purchase price. The difference between the amount received at disposition and the fair market value of the shares on the date of purchase will be a capital gain or loss.

If the participant holds the shares of common stock for at least two years, or dies while owning the shares, at the time of disposition of the shares, ordinary income tax must be paid on an amount equal to the lesser of: (i) 15% of the fair market value of a share on the date the option to purchase such stock was granted to the participant; or (ii) the amount, if any, by which the market price at the time of disposition exceeds the purchase price. The basis of the shares of common stock purchased will be the purchase price plus any ordinary income recognized. Any amount received at disposition in excess of the adjusted basis of the stock will be capital gain. If the shares are sold for less than the purchase price, the difference between the sale price and the purchase price will be a capital loss.

If the disposition does not satisfy the required two-year holding period, the disposition is called a disqualifying disposition. If a disqualifying disposition occurs, we will be entitled to a tax deduction equal to the amount that the participant includes as ordinary income in the year in which the disqualifying disposition occurs. We do not receive a deduction at the time of disposition if the participant meets the holding period requirements.

**Plan Benefits; Interest of Certain Persons in Matters to be Acted Upon**

Each of our executive officers is eligible to purchase up to \$25,000 worth of our common stock each calendar year under the Amended ESPP at a discount to the applicable market price. Non-employee directors are not eligible to purchase shares under the Amended ESPP. Participation in the Amended ESPP is voluntary and depends on each eligible employee's election to participate and on his or her election regarding payroll deductions. Accordingly, future purchases by executive officers and other eligible employees under the Amended ESPP are not determinable.

On March 27, 2009, the closing price per share of our common stock on the Nasdaq Global Select Market was \$35.77.

**Vote Required and Recommendation of the Board of Directors**

To approve the Amended ESPP, the affirmative vote of a majority of the votes cast in person or by proxy at the annual meeting is required. Unless otherwise specified, the proxies solicited hereby will be voted to approve the Amended ESPP.

**The board of directors recommends that you vote in favor of Proposal 2.**

**Equity Compensation Plan Information**

The table below sets forth information with respect to compensation plans under which equity securities are authorized for issuance as of December 31, 2008.

Plan Category	(a) Number of shares to be issued upon exercise of outstanding options <sup>(1)</sup>	(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)) <sup>(2)</sup>
Equity compensation plans approved by our shareholders <sup>(3)</sup>	6,925,042	\$42.67	8,254,967
Equity compensation plans not approved by our shareholders	0	N/A	0
<b>Total</b>	<b>6,925,042</b>	<b>\$42.67</b>	<b>8,254,967</b>

- (1) Consists of options outstanding under the Fiserv, Inc. 2007 Omnibus Incentive Plan, the Fiserv, Inc. Stock Option and Restricted Stock Plan, and the CheckFree Corporation Amended and Restated 2002 Stock Incentive Plan, which we assumed in connection with our acquisition of CheckFree Corporation.
- (2) Reflects number of shares available for future issuance under the Fiserv, Inc. 2007 Omnibus Incentive Plan. No additional awards may be granted under the Fiserv, Inc. Stock Option and Restricted Stock Plan or the CheckFree Corporation Amended and Restated 2002 Stock Incentive Plan.
- (3) Columns (a) and (c) of the table above do not include: (i) shares proposed to be issued pursuant to the Amended ESPP as discussed in Proposal 2; (ii) 688,106 shares of unvested restricted stock and restricted stock units outstanding under the Fiserv, Inc. 2007 Omnibus Incentive Plan or the Fiserv, Inc. Stock Option and Restricted Stock Plan; or (iii) 478,850 shares eligible for issuance under the Fiserv, Inc. Employee Stock Purchase Plan (the ESPP). As of January 1, 2009, the number of shares available for issuance under the ESPP was 1,078,850. The ESPP will expire on January 1, 2010 unless Proposal 2 is approved.

**PROPOSAL 3**

**RATIFICATION OF THE SELECTION OF DELOITTE & TOUCHE LLP**

**Background**

The audit committee of the board of directors has selected Deloitte & Touche LLP to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2009. Deloitte & Touche LLP has served as our independent public accounting firm since 1986. The audit committee, from time to time, evaluates the performance of Deloitte & Touche LLP to determine whether we should continue to retain the firm as our independent registered public accounting firm. To this end, at least annually, Deloitte & Touche LLP makes a presentation to the committee regarding the services it provides, and our chief financial officer provides the committee with his assessment of the firm's performance. A representative of Deloitte & Touche LLP is expected to be present at the annual meeting, will have an opportunity to make a statement if he or she so desires, and will be available to respond to appropriate questions.

**Reasons for the Proposal**

Selection of our independent registered public accounting firm is not required to be submitted for shareholder approval, but the audit committee of our board of directors is seeking ratification of its selection of Deloitte & Touche LLP as a matter of good corporate practice. If our shareholders do not ratify this selection, the audit committee of the board of directors will consider it a direction to select another independent public accounting firm for 2009. Even if the selection is ratified, the audit committee may, in its discretion, appoint a different independent registered public accounting firm at any time if it determines that such a change would be in our and our shareholders' best interests.

**Vote Required and Recommendation of the Board of Directors**

To ratify the selection of Deloitte & Touche LLP as our independent registered public accounting firm, the affirmative vote of a majority of the votes cast in person or by proxy at the annual meeting is required. Unless otherwise specified, the proxies solicited hereby will be voted in favor of the ratification of Deloitte & Touche LLP as our independent registered public accounting firm for 2009.

**The board of directors recommends that you vote in favor of Proposal 3.**

**CORPORATE GOVERNANCE**

**Director Independence**

Our board of directors has determined that Donald F. Dillon, Daniel P. Kearney, Gerald J. Levy, Denis J. O'Leary, Glenn M. Renwick, Kim M. Robak, Doyle R. Simons and Thomas C. Wertheimer are independent within the meaning of Nasdaq Marketplace Rule 4200(a)(15). In determining the independence of directors, our board of directors considers, among other matters, circumstances where a director also serves as a director of a client. In particular, the board considered the fact that Guaranty Bank, of which Mr. Levy is the chairman, is a client of Fiserv and determined that the relationship does not impact Mr. Levy's independence. Jeffery W. Yabuki and Peter J. Kight are not independent because they are employees of Fiserv.

**Meetings and Attendance**

During our fiscal year ended December 31, 2008, our board of directors held nine meetings, and each director attended at least 75% of the aggregate of the number of meetings of the board of directors and the number of meetings held by all committees of the board on which she or he served, in each case while the director was serving on our board of directors. Directors are expected to attend each annual meeting of shareholders. All directors serving on the board at the time of our 2008 annual meeting of shareholders attended the meeting.

## **Committees of the Board of Directors**

Our board of directors has three standing committees: a nominating and corporate governance committee; an audit committee; and a compensation committee. The directors currently serving on these committees satisfy the independence requirements contained in the Nasdaq Marketplace Rules applicable to such committees, including the enhanced independence requirements for members of the audit committee. Each of these committees has the responsibilities set forth in written charters adopted by the board of directors. We make copies of each of these charters available free of charge on our website at [www.fiserv.com](http://www.fiserv.com). Other than the text of the charters, we are not including the information contained on or available through our website as a part of, or incorporating such information by reference into, this proxy statement.

### ***Nominating and Corporate Governance Committee***

#### ***Membership and Responsibilities***

The nominating and corporate governance committee assists the board of directors in identifying and evaluating potential director nominees, and recommending qualified nominees to the board of directors for consideration by the shareholders. In addition, the nominating and corporate governance committee oversees our corporate governance procedures. The members of the nominating and corporate governance committee are Ms. Robak (Chairperson), Mr. Kearney and Mr. Levy, each of whom is independent. The nominating and corporate governance committee held three meetings during 2008.

#### ***Nominations of Directors***

The nominating and corporate governance committee recommends to the full board of directors the nominees to stand for election at our annual meeting of shareholders and to fill vacancies occurring on the board. In this regard, the nominating and corporate governance committee regularly assesses the appropriate size of the board of directors and whether any vacancies on the board of directors are expected due to retirement or otherwise. In the event that vacancies are anticipated or otherwise arise, the committee utilizes a variety of methods to identify and evaluate director candidates. Candidates may come to the attention of the committee through current directors, professional search firms, shareholders or other persons.

Once the committee has identified a prospective nominee, the committee will evaluate the prospective nominee in the context of the then current constitution of the board of directors and will consider all factors it considers appropriate, which include those set forth in our Governance Guidelines. 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 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 our chief executive officer based on that expertise and experience.

Each director must be independent of any particular constituency, be able to represent all of our shareholders, 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 our business.



In addition, the nominating and corporate governance committee seeks to have at least one director who is an audit committee financial expert under Item 407(d)(5) of Regulation S-K under the Exchange Act, and we must have at least one director (who may also be an audit committee financial expert ) who, in accordance with the Nasdaq Marketplace 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.

In making recommendations to the board of directors, the nominating and corporate governance committee examines each director nominee on a case-by-case basis regardless of who recommended the nominee. The 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 our Governance Guidelines and the Nominating and Corporate Governance Committee Charter. The committee does not evaluate shareholder nominees differently than any other nominee.

Pursuant to procedures set forth in our by-laws, our nominating and corporate governance committee will consider shareholder nominations for directors if our corporate Secretary receives timely written notice, in proper form, of the intent to make a nomination at a meeting of shareholders. To be in proper form, the notice must, among other matters: list the name and residence address of the person or persons to be nominated; include each nominee's written consent to be named in our proxy statement and to serve as a director if elected; describe all arrangements or understandings between the nominating shareholder and each nominee, including any understanding with any person as to how such nominee, if elected, will act or vote on any issue or question and all direct and indirect compensation and any other material monetary arrangements during the past three years between the nominating shareholder and its affiliates, on the one hand, and each nominee and his or her affiliates, on the other hand; describe information about the nominating shareholder and each nominee; and contain such other information regarding each nominee proposed by such shareholder and any such beneficial owner as would be required to be disclosed in solicitations of proxies for a contested election of directors, or would be otherwise required to be disclosed, in each case pursuant to Section 14 of the Exchange Act. To be timely, the notice must be received by the applicable deadline set forth in our by-laws. The detailed requirements for nominations are set forth in our by-laws, which were attached as an exhibit to our Current Report on Form 8-K filed with the Securities and Exchange Commission on December 3, 2008. A copy of our by-laws will be provided upon written request to our corporate Secretary. Additional requirements regarding shareholder proposals, including director nominations, are described below under the heading *Shareholder Proposals for the 2010 Annual Meeting*.

#### ***Audit Committee***

##### *Membership and Responsibilities*

The audit committee's primary purpose is to provide independent review and oversight of our financial reporting processes and financial statements, system of internal controls, audit process and results of operations and 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, our internal audit function and the independent auditors. The audit committee is directly and solely responsible for the appointment, compensation, retention, termination and oversight of our independent auditor. The members of the audit committee are Mr. Wertheimer (Chairman), Mr. Kearney and Mr. O'Leary, each of whom is independent as defined by applicable Nasdaq and Securities and Exchange Commission rules. The board of directors has determined that Mr. Wertheimer and Mr. Kearney are audit committee financial experts, as that term is used in Item 407(d)(5) of Regulation S-K. The audit committee held 11 meetings during 2008.

##### *Audit Committee Report*

In accordance with its written charter, the audit committee provides independent review and oversight of the accounting and financial reporting processes and financial statements of Fiserv, Inc., the system of internal

controls that management and the board of directors have established, the audit process and the results of operations of Fiserv, Inc. and its financial condition. Management has the responsibility for preparing the company's financial statements and the independent auditors have the responsibility for examining those statements.

The audit committee has reviewed and discussed with management and the independent auditors the audited financial statements of Fiserv, Inc. for the fiscal year ended December 31, 2008. The audit committee has also discussed with the independent auditors the matters required to be discussed by the statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The audit committee has received the written disclosures and the letter from the independent accountant required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence, and has discussed with the independent accountant the independent accountant's independence.

The audit committee also discussed with management, the internal auditors and the independent auditors the quality and adequacy of the internal controls and internal audit organization, responsibilities, budget and staffing of Fiserv, Inc. The audit committee reviewed with both the independent auditors and the internal auditors their respective audit plans, audit scope and identification of audit risks.

Based on the above-mentioned reviews and discussions with management and the independent auditors, the audit committee recommended to the board of directors that the audited financial statements of Fiserv, Inc. be included in its Annual Report on Form 10-K for 2008, for filing with the Securities and Exchange Commission.

Thomas C. Wertheimer, Chairman

Daniel P. Kearney

Denis J. O'Leary

#### ***Compensation Committee***

The compensation committee: evaluates the performance of our executive officers; approves executive officer compensation; reviews management's recommendations as to the compensation of other key personnel; makes recommendations to the board of directors regarding the types, methods and levels of director compensation; administers compensation plans; and discharges other responsibilities of the board of directors when so instructed by the board of directors.

The members of the compensation committee are Mr. Renwick (Chairman), Mr. Levy and Mr. Simons, each of whom is independent. The compensation committee held nine meetings during 2008. Additional information regarding the compensation committee and our policies and procedures regarding executive compensation, including, among other matters, our use of compensation consultants and management's role in determining compensation, is provided below under the heading *Compensation Discussion and Analysis - Determining Compensation*.

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

Shareholders may communicate with our board of directors or individual directors by submitting communications in writing to us at 255 Fiserv Drive, Brookfield, Wisconsin 53045, Attention: Charles W. Sprague, Executive Vice President, General Counsel, Secretary and Chief Administrative Officer. Communications will be delivered directly to our board of directors or individual directors, as applicable.

#### **Review, Approval or Ratification of Transactions with Related Persons**

Our board of directors has adopted a written policy that requires all related person transactions be reviewed and approved by: the audit committee of the board of directors; or, if the audit committee is not able to review the

transaction for any reason (*e.g.*, if a majority of its members are interested in a transaction), a majority of the disinterested members of the board; or, if the transaction involves the compensation of an executive officer or director, the compensation committee of the board of directors. The policy also provides that, at least annually, each ongoing, previously approved related person transaction is to be reviewed by the body that originally approved the transaction: to ensure that it is being pursued in accordance with all of the understandings and commitments made at the time that it was previously approved; to ensure that the commitments being made with respect to such transaction are appropriately reviewed and documented; and to reaffirm the continuing desirability of and need for the related person arrangement.

A related person transaction is a transaction in which we are proposed to be a participant and in which a related person may have a direct or indirect material interest. Our policy adopts the definition of a related person contained in Item 404(a) of Regulation S-K and applies to our directors and executive officers, immediate family members of our directors and executive officers, security holders who beneficially own five percent or more of any class of our outstanding voting securities, an immediate family member of any significant shareholder, and any entity that is owned or controlled by any of the foregoing.

The audit committee (or, as applicable, the board of directors or the compensation committee) will consider all relevant factors with respect to a proposed related person transaction, and will only approve such a transaction if the audit committee determines that the transaction is in our and our shareholders' best interests or, if an alternate standard of review is imposed by applicable laws, statutes, governing documents or listing standards, if such alternate standard of review is satisfied.

#### **Certain Relationships and Related Transactions**

During 2008, Mr. Kight made personal use of a company-owned aircraft for which he reimbursed us for the aggregate incremental cost of such use. We calculate the aggregate incremental cost of such use based on a methodology that includes the cost of fuel, maintenance and repair expenses, pilot services, travel expenses and other variable costs associated with personal use. Because the company-owned aircraft is used primarily for business travel, the methodology excludes fixed costs that do not change based on usage, including pilot salaries, the lease costs of the aircraft and the cost of maintenance unrelated to personal travel. In 2008, Mr. Kight reimbursed us \$247,366 for such use. The audit committee of the board of directors has reviewed and approved Mr. Kight's personal use of the aircraft.

#### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16 of the Exchange Act requires our directors and executive officers and persons who own more than ten percent of a registered class of our equity securities to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of our common stock and other equity securities. These Section 16 reporting persons are required by Securities and Exchange Commission regulations to furnish us with copies of all Section 16 forms they file.

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations from Section 16 reporting persons, we believe that, during our fiscal year ended December 31, 2008, all Section 16 reporting persons complied with all applicable filing requirements.

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**AUDIT FEES**
**Independent Registered Public Accounting Firm and Fees**

The following table presents the aggregate fees billed by Deloitte & Touche LLP and related entities for services provided during 2007 and 2008. The audit committee has concluded that Deloitte & Touche LLP's provision of the audit and permitted non-audit services described below is compatible with Deloitte & Touche LLP maintaining its independence.

	2007	2008
Audit Fees	\$ 3,078,000	\$ 2,648,000
Audit-Related Fees	481,000	151,000
Tax Fees	289,000	243,000
All Other Fees	0	0
<b>Total</b>	<b>\$ 3,848,000</b>	<b>\$ 3,042,000</b>

*Audit Fees.* Audit fees are for professional services rendered by Deloitte & Touche LLP in connection with the audit of our annual financial statements, the review of financial statements included in our quarterly reports on Form 10-Q, our preparation of registration statements, foreign statutory audits, and, in 2007, the issuance of comfort letters in connection with our issuance of senior notes.

*Audit-Related Fees.* Audit-related fees are for professional services rendered by Deloitte & Touche LLP for employee benefit plan audits, service auditor reports, and accounting research and consultations.

*Tax Fees.* Tax fees are principally for tax consultations and tax return preparation.

**Pre-Approval Policy**

In 2008, the audit committee pre-approved all services provided by our independent registered public accounting firm. 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 registered public accounting firm. Pursuant to these policies and procedures, the audit committee may form, and delegate authority to, a subcommittee consisting of one or more members to approve the provision of audit and permitted non-audit services. In such case, if the subcommittee approves any services, it is required to provide the full audit committee with a report regarding the services that it approved at the audit committee's 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. The audit committee's pre-approval policies do not permit the delegation of the audit committee's responsibilities to management.

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## COMPENSATION DISCUSSION AND ANALYSIS

### Overview

The Compensation Discussion and Analysis portion of this proxy statement is designed to provide you with information regarding how we compensate our executive officers. Our discussion is organized as follows:

*Background.* This section discusses our business and the markets in which we operate to provide context for a better understanding of what we pay our executive officers.

*Compensation Philosophy.* This section describes our compensation philosophy.

*Determining Compensation.* This section explains how we determine compensation and discusses the roles of the parties involved in that process.

*Structuring Compensation.* This section discusses our compensation objectives, the components of compensation and factors we consider in determining the mix of the compensation we pay.

*2008 Named Executive Officer Compensation.* This section discusses and analyzes the compensation paid to, or earned by, our named executive officers in 2008.

*Other Compensation Policies.* This section describes additional compensation policies, including our securities trading policy, our stock ownership and disposition guidelines, our compensation recoupment policy, our equity award grant practices, and our policy on deductibility of compensation.

*Employment and Other Agreements with Executive Officers.* This section contains a description of the material terms of our agreements with the named executive officers.

Our strategic review process, which began in 2007, continued throughout 2008. As a part of this review, under our compensation committee's oversight, management examined our historical compensation practices and developed an updated compensation strategy and philosophy. The following discussion highlights the material components of our compensation practices for 2008.

### Background

We face significant competition from domestic and international companies that are aggressive and well-financed. Our industry is characterized by rapidly changing technology, evolving industry standards and frequent new product introductions. Our mission is to provide integrated technology and services solutions to enable best-in-class results for our clients. We are pursuing this goal by implementing a strategy focused on new product and service development, improved cost effectiveness of services, aggressive solicitation of new clients, and strategic acquisitions and divestitures. In order to implement our strategic plan, which we refer to as Fiserv 2.0, we need to assemble and maintain a leadership team with the integrity, skills and dedication to execute our initiatives. We believe that our executive officer compensation program can be used to help us meet this challenge.

Notwithstanding the current global financial and credit crisis, we delivered adjusted earnings per share from continuing operations of \$3.29 per share in 2008 compared to \$2.67 per share in 2007, representing an increase of 23%, which was within our range of full year guidance, and cash flow from operations of \$775 million in 2008 compared to \$565 million in 2007. We also made significant progress in integrating Fiserv and CheckFree, the largest acquisition in our history, and enhanced our level of competitive differentiation through innovation and integration. Decisions regarding executive officer compensation for 2008 were made in the context of this solid operating performance. The compensation committee believes that our compensation programs, including the performance-based elements, effectively achieve the objective of aligning compensation with performance measures that are directly related to our financial goals and creation of shareholder value without encouraging

executives to take unnecessary and excessive risks.

## **Compensation Philosophy**

Our executive officers are critical to our long-term success; therefore, we need to be competitive not only in our products and services but also in the quality of our executive officers. Accordingly, we seek to pay our executive officers at levels that are competitive with other employers who compete with us for talent, both within and outside of our industry. We also seek to structure our compensation plans in a manner that is understandable to our shareholders and that is consistent with good corporate governance practices. We consider affordability of compensation within our business plans as a factor in determining pay levels and seek to use tax effective forms of compensation.

In 2008, the compensation committee enhanced and formalized its pay for performance philosophy by setting executive officer base salaries at a level that is comparable to the 50th percentile of our peers and by providing for annual cash and equity incentives at a level comparable to the 50th percentile of our peers for median performance with an opportunity for 75th percentile compensation for superior performance. We believe this structure provides incentives for our executive officers to strive for outstanding results, which we expect will translate into long-term value for our shareholders.

## **Determining Compensation**

### *The Compensation Committee's Role*

The compensation committee of the board of directors is responsible for overseeing executive officer compensation. The board of directors determines the membership of the compensation committee, which currently consists of three directors, each of whom is a non-employee director for purposes of Rule 16b-3 under the Exchange Act and independent as defined by applicable Nasdaq Marketplace Rules. The compensation committee operates under a written charter that identifies its responsibilities which include: approval of compensation policies and employee benefit plans; approval of executive officer compensation; administration of our equity incentive plans; review of shareholder proposals related to compensation matters; and consultation with management regarding employee compensation generally. The committee and the board review and, if necessary, update the committee's charter from time to time. The committee meets at scheduled times during the year, and it also considers and takes action by written consent from time to time. The chairman of the committee reports on committee activities and recommendations to the full board at each board meeting. At the beginning of each year, the compensation committee approves the cash and equity incentive awards for executive officers and establishes the objective performance goal or goals to be achieved for the year. The committee regularly meets in executive session without members of management present.

### *Consultants' Role*

Although the committee did not engage or meet with a compensation consultant in 2008, it requested that management conduct a comprehensive review of executive officer compensation during 2008 and formulate recommendations to the committee regarding the design of our compensation program consistent with our pay for performance philosophy. To assist in this analysis, management engaged Towers Perrin for compensation consulting and data services. Management presented conclusions and recommendations from its analysis to the compensation committee at various times in late 2007 and again in 2008, and the committee reviewed and discussed the results of the analysis in connection with its consideration of executive officer compensation for 2008. In addition, as further discussed below under the heading *Compensation of Directors - 2008 Director Compensation*, Towers Perrin conducted an analysis of non-employee director compensation during late 2007. The results of this study were presented to the committee by management and were considered by the committee in setting director compensation for 2008.

### *Management's Role*

Our chief executive officer makes recommendations to our compensation committee concerning the compensation of our other named executive officers. Our chief executive officer's recommendations relate only

to the compensation of our other named executive officers, although performance measures, targets or similar items included in his recommendations apply generally to all of our named executive officers. Our chief executive officer does not attend the portion of any compensation committee meeting during which the committee discusses matters related specifically to his compensation. When formulating recommendations to the compensation committee regarding the compensation of executive officers other than himself, our chief executive officer considers a number of factors in addition to the performance criteria used by the compensation committee to establish the maximum awards under our incentive plan. For example, he considers, among other things, a business group's net operating profit when determining his recommendation for the compensation of a group president. He may also review the market data and other information the compensation consultant provides to management. At the request of the compensation committee, in 2008, our chief executive officer completed a self-appraisal of his performance in the following areas: stakeholder communications; financial performance; capital allocation; enhancement of management and organization effectiveness; board collaboration; and leadership. This appraisal was considered by the committee in its annual review of our chief executive officer's performance and compensation.

***Tally Sheets***

The compensation committee reviews executive officer compensation tally sheets each year. These summaries set forth the dollar amount of all components of each named executive officer's compensation, including base salary, annual target cash incentive compensation, annual target equity incentive compensation, severance, retirement and 401(k) savings amounts, allowing the committee to see what an executive officer's total compensation is and how a potential change to an element of our compensation program would affect an executive officer's overall compensation.

**Structuring Compensation**

***Compensation Objectives***

The goal of our executive compensation program is the same as our goal for operating our company to create value for our shareholders. To this end, we designed our compensation program to reward our executive officers for sustained financial and operating performance and leadership excellence, to align their interests with those of our shareholders and to encourage them to remain with the company for long and productive careers. We compensate our executive officers in a manner that is designed to achieve one or more of our performance, alignment or retention objectives.

***Components of Compensation***

The elements of compensation that we provided to our named executive officers for 2008 were base salary, annual cash incentive awards and equity incentive awards:

	<b>Elements</b>	<b>Description</b>
Short-Term Compensation	Base Salary	Fixed annual amount  Not subject to performance risk  Provides a level of income security
	Annual Cash Incentive	Used to determine pay-based benefits and target annual incentive awards  Annual cash award based on achievement of performance objectives
	Stock Options and  Restricted Stock Units	Grants of equity awards that vest over a period of several years
Long-Term Compensation		

*Base Salary*

We provide base salary to compensate an executive officer for his or her regular work. When determining base salaries, the compensation committee considers: market data; company, business unit and individual performance; experience; internal pay equity; promotions; and, except in the case of the base salary of our chief executive officer, the recommendations of our chief executive officer. The committee may vary the amount of base salary for a number of reasons, including an executive officer's position and responsibilities, our business needs, the tenure of an executive officer, individual performance, and an executive officer's future potential.

*Cash Incentive Award*

We believe it is important to provide annual cash incentives to motivate our executive officers to attain specific short-term performance objectives that, in turn, further our achievement of long-term objectives. We seek to offer cash awards in large enough proportion to base salary to ensure that a significant portion of each executive officer's cash compensation is at risk and payable only upon the achievement of defined objectives. Our compensation committee annually determines the performance goals for and potential amounts of our cash incentive awards.

*Equity Incentive Award*

We provide compensation in the form of stock options to our named executive officers because we believe they further align our named executive officers' interests with those of our shareholders. Stock options are inherently performance-based because they deliver compensation to an executive officer only if our stock price increases over the term of the award. We also provide compensation in the form of time-vesting restricted stock units, which are hypothetical shares of our common stock that are converted into actual shares upon settlement. We believe restricted stock units serve as a strong reward and retention device, encouraging our executive officers to stay with the company until the restricted stock units vest. We believe that providing combined grants of stock options and restricted stock units effectively balances our objective of focusing our executive officers on delivering long-term value to our shareholders with our objective of providing value to executive officers. Our compensation committee determines the mix of options and restricted stock units each year that they believe best achieves this balance. The equity mix reflected in our long-term incentives is consistent with our objective of emphasizing performance-based compensation and we believe it provides appropriate alignment of our executive officers' economic interests with the interests of our shareholders.

When making equity award decisions, we do not consider existing stock ownership levels because we do not want to discourage executive officers from holding significant amounts of our common stock. Equity awards support our objective of aligning our executive officers' interest with those of our shareholders by tying the value of this component of compensation to changes in shareholder value. We also do not review wealth accumulation analyses from prior equity awards when making current compensation decisions. If the value of equity awards granted in prior years increases significantly in future years, we do not believe that this positive development should negatively impact current compensation decisions.

*Mix of Compensation Components*

We believe that the mix of compensation that we pay helps us to achieve our compensation objectives.

Fixed and variable compensation	We seek to increase the percentage of total pay that is at risk as executive officers move to greater levels of responsibility, with direct impact on company results.
Short-term and long-term focus	We seek to create incentives to achieve near-term goals by providing annual cash incentives, which are based on annual performance measures. We seek to create incentives to achieve long-term goals by granting equity awards with multi-year vesting periods, the ultimate value of which depends on our share price. These awards promote retention and further align the interests of our executive officers and shareholders.
Cash and equity compensation	We believe that executive officers in positions that more directly affect corporate performance should have as their main priority profitably growing the company. Accordingly, we generally structure the target compensation of these executive officers so that they receive a significant portion of their compensation in the form of equity. Using equity in this manner further aligns executive officers' interests with those of our shareholders, encourages retention and rewards our executive officers if we succeed.

*Peer Groups*

In 2008, the committee enhanced and formalized our pay for performance philosophy by setting executive officer base salaries at a level that is comparable to the 50th percentile of our peers and by providing for annual cash and equity incentives at a level comparable to the 50th percentile of our peers for median performance with an opportunity for 75th percentile compensation for superior performance. To determine peer group compensation for an executive officer, the committee reviewed publicly available and proprietary data regarding comparable executive officer positions and the compensation paid to our other executive officers in light of their relative functional responsibilities and experience. Finally, notwithstanding the use of benchmarking as a tool to set compensation, this comparison data only provides a context for the decisions that the compensation committee makes. The committee also considers, among other matters, market trends in executive compensation and the percentage that each component of compensation comprises of an executive officer's total compensation.

The peer group that we used for 2008 is set forth below.

Alliance Data Systems Corp.	The Dun & Bradstreet Corp.	Metavante Technologies, Inc.
Automatic Data Processing, Inc.	Electronic Data Systems Corp.	MasterCard Inc.
Ceridian Corp.	Equifax Inc.	Paychex, Inc.
Computer Sciences Corp.	Fidelity National Information Services, Inc.	Total System Services, Inc.
Convergys Corp.	First Data Corp.	Unisys Corp.
DST Systems, Inc.	Jack Henry & Associates, Inc.	The Western Union Co.

We believe our peer group is comprised of companies directly comparable to ours based on our industry, company size and competition for managerial talent. In this regard, we include: companies that directly compete with us in our primary businesses; companies with similar business models in similar industries because they reflect the complexities inherent in managing an organization with multiple business lines and revenue sources; other publicly traded business-to-business, service-based companies that are of similar size based primarily on annual revenue and market capitalization; and companies that compete with us for managerial talent.

### *Other Elements of Compensation*

#### *Retirement Savings Plan and Health and Welfare Benefits*

The fundamental objective of our welfare benefit plans is to protect the basic welfare of our employees and to provide adequate security to them in the event of personal injury, illness, death or retirement. We provide subsidized health and welfare benefits which include medical, dental, life and accidental death or dismemberment insurance, basic and supplemental disability insurance and paid time off. Executive officers are entitled to participate in our health, welfare and 401(k) savings plans on generally the same terms and conditions as other employees, subject to limitations under applicable law. We also maintain supplemental long-term disability coverage for executive officers and other employees with cash compensation of \$200,000 or more. We do not provide a separate pension program, supplemental executive retirement plan or other post-retirement payments to executive officers.

After employees, including executive officers, have been employed for one year, and satisfy certain additional eligibility requirements, they become eligible for matching and discretionary contributions under our 401(k) savings plan. Our matching contributions are capped at 3% of annual cash compensation. For 2008, we also made discretionary profit sharing contributions depending on our and, if applicable, a particular business group's operating results. These discretionary contributions are capped at 3% of an employee's annual cash compensation. Beginning with 2008, we eliminated our historical practice of making a cash payment to participants for any excess of our contribution once a participant reached the statutory maximum contribution. This change is consistent with our overall focus toward rewarding employees, including executive officers, through incentive plans rather than benefit programs.

Beginning in 2009, the following changes have been made to the 401(k) savings plan: discretionary profit share contributions will be a matching contribution subject to a minimum 2% employee contribution and will be payable based upon company-wide performance results only; employees will be immediately eligible for matching and discretionary contributions; and company contributions will vest after the first two calendar years in which the employee is credited with 1,000 hours of service.

#### *Employee Stock Purchase Plan*

We maintain a tax-qualified employee stock purchase plan that is generally available to all employees, including executive officers, which allows employees to acquire our common stock at a discounted price on an after-tax basis. This plan allows employees to buy our common stock at a 15% discount to the market price with up to 10% of their salary and incentives (subject to IRS limits), with the objective of allowing employees to benefit when the value of our stock increases over time. Under applicable tax law, no plan participant may purchase more than \$25,000 in market value of our stock in any calendar year.

#### *Post-Employment Benefits*

We provide severance and change-in-control protections to our named executive officers, other than Mr. Kight, through key executive employment and severance agreements, or KEESAs, and, in the case of Messrs. Yabuki, Kight, Gupta and Warsop, employment agreements. In addition, Mr. Kight has a retention agreement he originally entered into with CheckFree Corporation (CheckFree) and which we assumed in connection with our acquisition of CheckFree in 2007. We discuss the purposes and terms of the KEESAs and other arrangements with our named executive officers in further detail below under the heading *Employment and Other Agreements with Executive Officers*.

#### *Perquisites*

We generally do not provide personal-benefit perquisites to our named executive officers. However, prior to acquiring CheckFree in 2007, Mr. Kight, CheckFree's chairman and chief executive officer, used a company-

owned aircraft for business and, from time to time, for personal purposes. Following our acquisition of CheckFree, he has continued to use the aircraft for both purposes, provided that he reimburses us for the aggregate incremental cost of any personal use. See *Corporate Governance Certain Relationships and Related Transactions* in this proxy statement for information regarding the amount which Mr. Kight reimbursed us in 2008.

## **2008 Named Executive Officer Compensation**

### ***Base Salaries***

We have not increased the base salary of our chief executive officer in the last three years or our chief financial officer in the last two years. In addition, we have not increased Mr. Gupta's base salary since his employment began in late 2006. The compensation committee increased Mr. Kight's base salary by \$40,000 and Mr. Warsop's base salary by \$50,000 in 2008 to achieve more equitable base salary levels compared to our other executive officers given individual roles and contributions and to be comparable to the 50th percentile of our peers. There were no salary increases in 2009 for executive officers.

### ***Maximum Cash and Equity Incentive Awards***

We made cash and equity incentive awards to our named executive officers for 2008 performance pursuant to the Fiserv, Inc. 2007 Omnibus Incentive Plan (the *Incentive Plan*), which was approved by our shareholders. If our net income for 2008 as set forth in our financial statements equaled or exceeded our net income for 2007, computed on a similar basis (including any adjustments resulting from changes in applicable tax or accounting regulations or laws and excluding any impairment charges required under Financial Accounting Standards Board Statement of Financial Accounting Standard No. 141 or 142), then the Maximum Incentive Award could be issued and paid to each of our named executive officers. Our net income for 2008 was \$569 million compared to net income of \$439 million for 2007. The 2008 Maximum Incentive Award for each of our named executive officers was equal to the participant limits in the *Incentive Plan*.

The Maximum Incentive Award amount, however, only established the highest possible award for our named executive officers for 2008. We pre-determine this Maximum Incentive Award amount, in part, to qualify our annual cash and equity incentive awards as performance-based compensation under Section 162(m) of the Internal Revenue Code. The committee has the discretion to reduce the cash portion and equity portion of the Maximum Incentive Award for any executive officer, including the named executive officers, if it determines that such reduction is appropriate, taking into account our achievement of additional performance measures and considerations unique to a particular executive officer. We discuss these specific performance measures for 2008, as well as the discretionary factors taken into consideration by our compensation committee, if any, when determining cash and equity incentive awards, below under *Cash Incentive Awards* and *Equity Incentive Awards*.

### ***Cash Incentive Awards***

#### ***Messrs. Yabuki, Hirsch and Kight***

The cash incentive payments to Messrs. Yabuki, Hirsch and Kight for 2008 were based: 80% on adjusted earnings per share from continuing operations, which we refer to as *adjusted earnings per share* and which is calculated as earnings per share in accordance with generally accepted accounting principles adjusted for intangible amortization, merger and integration costs, and loss on sale of business; and 20% on adjusted internal revenue growth, which we refer to as *adjusted internal revenue growth* and which is measured as the increase in adjusted revenues for the current period less acquired revenue from acquisitions divided by adjusted revenues from the prior year period plus acquired revenue from acquisitions. Adjusted revenues is calculated in accordance with generally accepted accounting principles excluding output solutions postage reimbursements and revenues generated by Fiserv Insurance, as to which we sold our majority interest during 2008. We use

adjusted earnings per share as a performance measure because we believe that there is a direct correlation between the increase in earnings per share and shareholder value. We use adjusted internal revenue growth because we believe that it is important to measure how we enhance our revenue growth outside of acquisitions. The adjusted earnings per share and adjusted internal revenue growth for 2008 were \$3.29 and 1%, respectively. For 2008, the threshold, target, maximum and actual payouts for Messrs. Yabuki, Hirsch and Kight were as follows:

	Threshold	Target	Maximum	Actual Award (as a % of base salary)
<b>J. Yabuki<sup>(1)</sup></b>				
Adjusted Earnings Per Share (80%)				
	\$3.17	\$3.26 <sup>(2)</sup>	\$3.41 or more	
Adjusted Internal Revenue Growth (20%)				
	3.30%	5.15%	7.65% or more	
Cash Incentive Award (as a % of base salary)				
	63%	125%	250%	
<i>Actual:</i>				130%
<b>T. Hirsch</b>				
Adjusted Earnings Per Share (80%)				
	\$3.17	\$3.26 <sup>(2)</sup>	\$3.41 or more	
Adjusted Internal Revenue Growth (20%)				
	3.30%	5.15%	7.65% or more	
Cash Incentive Award (as a % of base salary)				
	40%	80%	160%	
<i>Actual:</i>				83%
<b>P. Kight</b>				
Adjusted Earnings Per Share (80%)				
	\$3.17	\$3.26 <sup>(2)</sup>	\$3.41 or more	
Adjusted Internal Revenue Growth (20%)				
	3.30%	5.15%	7.65% or more	
Cash Incentive Award (as a % of base salary)				
	55%	110%	220%	
<i>Actual:</i>				114%

(1) Mr. Yabuki's contractual target cash incentive award is 125% of his base salary.

(2) The target adjusted earnings per share for 2008 of \$3.26 per share represents a 22% increase over the adjusted earnings per share for 2007.

*Messrs. Gupta and Warsop*

The cash incentive payments to Messrs. Gupta and Warsop for 2008 were based 45% on achievement of corporate performance targets (adjusted earnings per share, adjusted internal revenue growth and cost synergies) and 55% on achievement of group operating performance targets (adjusted group net operating profit and adjusted group internal revenue) and achievement of individual management objectives, including strategic progress, client satisfaction, and organizational and product integration. Adjusted earnings per share and adjusted internal revenue growth, both group and corporate, are calculated in the same manner described above for the other named executive officers. Adjusted group net operating profit is considered because we believe it is important to increase operating income and earnings per share. It is calculated as total revenue minus total operating expense, and the adjustments are generally those used in calculating adjusted earnings per share. Cost synergies is considered because the efficient integration of CheckFree is critical to our success and it is calculated as the amount of economic benefit included in our financial statements related to the acquisition of CheckFree. The committee considers company-wide performance measures because Mr. Gupta and Mr. Warsop have the ability to significantly impact these results. The committee also considers group-level results because it believes that they are most relevant to, and can be most directly influenced by, Messrs. Gupta and Warsop. For 2008, the threshold, target, maximum and actual payouts for Messrs. Gupta and Warsop were as follows:

	Threshold	Target	Maximum	Actual Award (as a % of base salary)
<b>R. Gupta</b>				
Cash Incentive Award (as a % of base salary)	50%	100%	200%	
<i>Actual:</i>				75%
<b>T. Warsop</b>				
Cash Incentive Award (as a % of base salary)	50%	100%	200%	
<i>Actual:</i>				63%

The adjusted earnings per share and adjusted internal revenue growth threshold, target and maximum goals for Messrs. Gupta and Warsop were set at the same levels as set forth above for the other named executive officers. With respect to adjusted group net operating profit, adjusted group internal revenue and cost synergies, we set the performance goal levels such that we believed it would be unlikely that the top end of the range would be achieved, but it would be reasonably likely that the target would be achieved. Mr. Gupta joined Fiserv at the end of 2006, and Mr. Warsop joined Fiserv in 2007. Mr. Gupta earned more than his target cash incentive award in 2007 and less than his target cash incentive award in 2008. In 2007 and 2008, Mr. Warsop earned less than his target cash incentive award. The cash incentive award payments described above are shown in the Summary Compensation Table below.

**Equity Incentive Awards**

The committee determined that equity awards to our executive officers should consist of a mix of stock options and restricted stock units to promote both retention and performance.

*Mr. Yabuki*

When determining the restricted stock units earned by Mr. Yabuki in 2008, the committee considered adjusted earnings per share and adjusted internal revenue growth. The committee considered adjusted earnings per share because we believe that there is a direct correlation between increase in earnings per share and shareholder value, and adjusted internal revenue growth because we believe that it is important to measure how we enhance our revenue growth outside of acquisitions. The adjusted earnings per share and adjusted internal revenue growth

targets, maximums and actual results, and the corresponding restricted stock unit awards to Mr. Yabuki, for 2008 were as follows:

	Threshold	Target <sup>(1)</sup>	Maximum <sup>(1)</sup>	Actual <sup>(1)</sup>
<b>J. Yabuki</b>				
Adjusted Earnings Per Share (80%)	\$ 3.17	\$ 3.26 <sup>(2)</sup>	\$3.41 or more	
<i>Restricted Stock Unit Award</i>	\$ 500,000	\$ 750,000	\$1,000,000	\$ 802,500
Adjusted Internal Revenue Growth (20%)	3.30%	5.15%	7.65% or more	
<i>Restricted Stock Unit Award</i>	\$ 125,000	\$ 187,500	\$250,000	\$ 0

(1) Award amounts stated as a dollar value subject to award.

(2) The target adjusted earnings per share for 2008 of \$3.26 per share represents a 22% increase over the adjusted earning per share for 2007. The committee and the board of directors reviewed our and Mr. Yabuki's performance in 2008, including the matters covered by Mr. Yabuki's self-appraisal, as discussed above, to determine his stock option awards. Mr. Yabuki received an option to purchase 271,992 shares of our common stock at an exercise price of \$32.74, which was equal to the closing price of our common stock on the grant date.

*Messrs. Kight, Hirsch, Gupta and Warsop*

After taking into account recommendations from our chief executive officer, the committee established target and maximum values of total equity awards, expressed as a percentage of base salary, which each named executive officer could receive. The target equity awards generally reflect the committee's assessment of the level of an executive officer's responsibilities within the company. To help ensure that we are incentivizing our executive officers to achieve the goals of our Fiserv 2.0 initiative, this year's annual equity awards, made in 2009, were based on our judgment regarding the prospective performance of these named executive officers, including with respect to leadership, overall performance and strategic alignment, as well as equity grants to executives serving in comparable positions at peer companies. The grant date fair value of the annual equity incentive awards, restricted stock units and options combined, as a percentage of base salary were as follows:

	Threshold	Target	Maximum	Actual Award (as a % of base salary)
<b>T. Hirsch</b>				
Equity Incentive Award (as a % of base salary)		160%	200%	
<i>Actual:</i>				183%
<b>P. Kight</b>				
Equity Incentive Award (as a % of base salary)		160%	240%	
<i>Actual:</i>				200%
<b>R. Gupta</b>				
Equity Incentive Award (as a % of base salary)		100%	125%	
<i>Actual:</i>				70%
<b>T. Warsop</b>				
Equity Incentive Award (as a % of base salary)		100%	125%	
<i>Actual:</i>				106%

**Additional Compensation***Options with Performance-Based Vesting*

The CheckFree acquisition was Fiserv's largest and most transformative to date. To derive the intended benefits from this acquisition, we believe that it is important for us and our leaders to focus on company-wide integration. Therefore, in addition to annual equity awards, in 2008, we granted options with performance-based vesting criteria to, among others, our named executive officers other than Mr. Kight. The number of options granted to each officer was: Mr. Yabuki (36,894), Mr. Hirsch (27,671), Mr. Gupta (23,059) and Mr. Warsop (23,059). These options have an exercise price equal to the closing price of our stock on the date of grant of \$54.21.

These options vest in 2011 subject to our achievement of annual or cumulative cost synergy goals and annual or cumulative internal revenue growth rates for 2008, 2009 and 2010.

Criteria	2008	2009	2010	Cumulative Target
Internal Revenue Growth	6%	7%	8%	7% average
Cost Synergies	\$ 35 million	\$ 80 million	\$ 100 million	\$ 100 million

Internal revenue growth percentage is the amount we report in our annual earnings release for such year. Cost synergies is equal to the economic benefit included in our financial statements each year and does not include one-time costs reported as merger and integration costs. We believe that cost synergies reflect how well we have integrated CheckFree while internal revenue growth measures how well we are generating revenue from existing and new clients in the combined company. We believe that the achievement of the identified performance targets will generate a significant value return for our shareholders and this equity grant is intended to enhance our leaders' focus on these goals.

In each of 2009, 2010 and 2011, a named executive officer could earn 10% and 23% of the maximum possible award upon certification by our compensation committee that the prior year's internal revenue growth target and cost synergies target, respectively, was satisfied. If performance criteria is not satisfied for one or more years, but the committee determines that the cumulative three-year target has been satisfied, the named executive officer will earn an aggregate of 30% of the award upon such determination in the case of internal revenue growth and an aggregate of 70% of the award upon such determination in the case of cost synergies. In any event, a named executive officer may not earn more than 30% of the maximum award with respect to the achievement of internal revenue growth and may not earn more than 70% of the maximum award with respect to the achievement of cost synergies. The earned portion of the award will vest and become exercisable on the date in 2011 when the committee certifies whether the performance criteria for 2010 and the cumulative target performance criteria have been satisfied. For 2008, the committee determined that we achieved the cost synergies target but did not achieve the internal revenue growth target.

*Mr. Warsop - Additional Restricted Stock Unit Award*

On December 31, 2008, the compensation committee granted 4,000 restricted stock units to Mr. Warsop, all of which vest on the fourth anniversary of the grant date. Mr. Warsop received this award as a result of additional responsibilities he assumed as Group President, Financial Institution Services in connection with the restructuring of our management organization in late 2008 in furtherance of our Fiserv 2.0 strategic plan.

**Other Compensation Policies**

***Securities Trading Policy***

We prohibit our executive officers from trading during certain periods at the end of each quarter until after we disclose our financial and operating results. We may impose additional restricted trading periods at any time if we believe trading by executive officers would not be appropriate because of developments that are, or could be, material. In addition, we require pre-clearance by our general counsel and our chief executive officer of all transactions by senior members of management and our board of directors.

***Stock Ownership and Disposition Guidelines***

We believe that stock ownership by our executive officers is essential for aligning management's long-term interests with those of our shareholders. To emphasize this principle, we maintain stock ownership guidelines that require our executive officers to own, directly or indirectly, equity having a value of at least a specified multiple of their annual base salaries. All executive officers are expected to satisfy the stock ownership guidelines within five years after they become subject to them with minimum attainment levels beginning at the end of the second year. All named executive officers are currently in compliance with the guidelines. The minimum ownership requirements for our chief executive officer and our other executive officers are set forth below:

Chief Executive Officer	5x base salary
Other Executive Officers	3x base salary

For these purposes, ownership includes interests in restricted stock, restricted stock units, stock acquired through our employee stock purchase plan, and investments in our common stock through our 401(k) savings plan. Shares subject to options and unearned performance-based restricted stock units are not considered in determining whether the ownership requirement is met. We believe that these levels are sufficiently high to demonstrate a commitment to value creation, while satisfying our executive officers' needs for portfolio diversification. If an executive officer does not achieve the required ownership level, the guidelines permit us to impose sanctions on the executive officer, including, for example, requiring the executive officer to retain all shares acquired on exercise of options, on vesting of restricted stock units or on lapsing of restrictions on restricted stock, or granting all annual incentive compensation in the form of equity rather than cash.

We have also adopted guidelines regarding the number of shares that any director or executive officer may sell in a given year. The guidelines generally provide that an executive officer or director may not, in any particular year, dispose of more than 10% of the shares he or she beneficially owns at the beginning of such year. Shares of our stock that are sold or withheld to pay the applicable option exercise prices or taxes associated with such exercises are not included when determining whether the relevant limitations are satisfied.

***Compensation Recoupment Policy***

Cash incentive awards paid to an executive officer who engages in fraud or other misconduct leading to a restatement of the operating or financial results used to calculate such incentive awards are subject to recoupment. In addition, equity awards held by any such executive officer that vest on the basis of achievement of operating or financial results are subject to recoupment if such operating or financial results are later restated as a result of such fraud or other misconduct. In this regard: (i) vested but unexercised options or other awards will be immediately cancelled; (ii) vested shares of restricted stock and restricted stock units will be immediately cancelled; and (iii) if the shares subject to any such award have been sold at the time of a restatement, an amount in cash equal to the value of the shares subject to the award on the date of vesting is subject to recoupment. There is no time limit on our ability to recover such amounts other than limits imposed by law; recoupment is available

to us regardless of whether the executive officer is still employed by us when repayment is required; the executive officer must repay interest and all costs of collection; and we have the right to offset the repayment amount from any compensation owed by us to the executive officer. Our board of directors, or a committee of independent directors, is responsible for determining whether recoupment is appropriate and the specific amount, if any, to be recouped by us.

#### ***Equity Award Grant Practices***

The compensation committee generally approves annual equity awards during its regularly-scheduled February meeting, after we issue our financial results for the prior year. In addition, in order to accommodate the need for periodic awards, the compensation committee delegates its authority to our chief executive officer to enable him to grant equity awards within certain parameters; provided that all grants to directors and executive officers are specifically approved by the compensation committee. Our approval process for making equity awards does not allow for discretion in selecting the timing of awards or specific grant dates. To this end:

equity awards to executive officers determined at the February compensation committee meeting are granted immediately following the board meeting;

annual equity awards to non-employee directors are granted immediately following the annual meeting of shareholders;

equity awards to new employees or directors are granted on the date of commencement of service; and

equity awards that are not tied to a specific date (e.g., awards for retention or special recognition) are granted on the last calendar day of the month in which our chief executive officer approves the grant or on the date determined by the compensation committee.

Unless the compensation committee determines otherwise, the exercise price of all options to purchase shares of our common stock is equal to the closing market price of our common stock on the grant date.

#### ***Deductibility of Compensation***

Section 162(m) of the Internal Revenue Code places a limit of \$1,000,000 on the amount of compensation that we may deduct in any one year with respect to our chief executive officer and each of the next four highest compensated executive officers. Certain performance-based compensation is not subject to the deduction limit. We seek to make cash and equity-based awards under our plans in a manner that is not subject to the limit imposed by Section 162(m). For example, the Incentive Plan has been approved by our shareholders, which is one of the requirements under Section 162(m). Our compensation committee believes that we should use our best efforts to cause any compensation paid to executive officers to be deductible. However, in order to maintain flexibility in compensating our executive officers, it is not a policy of the committee that all executive compensation must be deductible.

#### **Employment and Other Agreements with Executive Officers**

##### ***Yabuki Employment Agreement***

On November 7, 2005, we entered into an employment agreement with Mr. Yabuki that provides that, during the term of his employment, Mr. Yabuki will serve as a director and our president and chief executive officer. Under his employment agreement, as amended, Mr. Yabuki is entitled: (i) to receive an annual salary of at least \$840,000; (ii) to participate in our executive incentive compensation plan with a target cash incentive award of not less than 125% of his base salary; (iii) to receive grants of options, restricted stock and/or other equity and long-term awards under our long-term incentive compensation program commensurate with his position; (iv) to

receive up to four weeks of vacation; and (v) to participate in our group medical, dental and vision plans and programs, group life and disability insurance plans, 401(k) savings plan and other employee benefit plans and standard benefits as are generally made available to our executive officers. The employment agreement automatically renews for one year terms unless either party gives the other 90 days prior written notice of his or its desire to terminate the agreement. In 2008, we entered into an amended employment agreement with Mr. Yabuki to comply with Section 409A of the Internal Revenue Code. The amended employment agreement requires a six-month delay in post-termination payments and benefits in the event that Mr. Yabuki is considered a specified employee within the meaning of Section 409A at the time of a qualifying termination. The amended employment agreement also eliminates certain provisions which are no longer applicable due to the passage of time and extends the term of his employment from December 31, 2008 to December 31, 2009. In 2009, we further amended Mr. Yabuki's employment agreement to clarify that, in the event of a conflict between his employment agreement and the terms of an equity award agreement, his employment agreement will control unless the equity award agreement provides a more favorable benefit. We selected Mr. Yabuki to succeed our former chief executive officer after conducting a thorough search process. The terms of Mr. Yabuki's employment agreement and KEESA resulted from an arm's-length negotiation, and, as a result, we believe the terms reflect the current market terms for the leader of a company of our size in our industry.

#### ***Kight Employment Agreement***

On May 1, 1997, Mr. Kight, the former chairman and chief executive officer of CheckFree, entered into an employment agreement with CheckFree, which we assumed when we acquired CheckFree in 2007 and amended as described below. Mr. Kight's employment agreement provides for a minimum base salary of \$375,000 and a covenant not to compete during his employment and for one year after termination. The initial term of Mr. Kight's employment agreement expired on June 30, 2002, but renews automatically for a twelve-month period on each July 1 unless terminated by us or Mr. Kight as provided in the employment agreement. In 2008, we entered into an amended employment agreement with Mr. Kight to comply with Section 409A. The amended employment agreement requires a six-month delay in post-termination payments and benefits in the event that Mr. Kight is considered a specified employee within the meaning of Section 409A at the time of a qualifying termination. Mr. Kight's amended employment agreement provides that, after the six-month delay, his severance payment will be made in a lump sum instead of 24 monthly installments. In addition, Mr. Kight's amended employment agreement: clarifies how health, life and disability benefits will or may be continued following termination in accordance with Section 409A; eliminates certain provisions which are no longer applicable due to the passage of time; and provides that the definition of change in control means our acquisition of CheckFree. If Mr. Kight's employment is terminated by us without cause not in connection with a change in control, he is entitled to receive certain payments and benefits from us pursuant to the terms of his employment agreement. Mr. Kight is also a party to a retention agreement that provides for a number of additional benefits. For additional information regarding Mr. Kight's retention agreement, see below under the heading *Retention Agreement*. For additional information regarding post-termination payments to Mr. Kight under his employment agreement, please see *Potential Payments on Termination or Change in Control* in this proxy statement.

#### ***Gupta and Warsop Employment Agreements***

We entered into an employment agreement dated November 21, 2006 with each of Messrs. Gupta and Warsop pursuant to which we agreed to employ each of them until one party provides the other with a notice of termination. Under their employment agreements, each of Messrs. Gupta and Warsop is entitled: (i) to receive an annual salary of at least \$400,000 and \$350,000, respectively; (ii) to participate in our executive incentive compensation plan; (iii) to participate in our executive long-term incentive compensation program; (iv) to receive a minimum of four weeks paid vacation; and (v) to participate in our employee benefit plans, welfare benefit plans, retirement plans and other fringe benefit plans generally in effect for our executive officers. On December 18, 2006, pursuant to his employment agreement, we granted Mr. Gupta 15,000 stock options that vest 1/3 on each of the second, third and fourth anniversaries of the grant date, and 6,950 shares of restricted stock, all of which vest on the fourth anniversary of the grant date. In addition, on March 30, 2007, pursuant to his

employment agreement, we granted Mr. Gupta 17,425 stock options that vest 1/5 on each of the first through fifth anniversaries of the grant date, and 2,356 shares of restricted stock, half of which vest on each of the third and fourth anniversaries of the grant date. On January 2, 2007, pursuant to his employment agreement, we granted Mr. Warsop 15,000 stock options that vest 1/3 on each of the second, third and fourth anniversaries of the grant date, and 15,000 shares of restricted stock, all of which vest on the fourth anniversary of the grant date. In 2008, we entered into an amended employment agreement with each of Messrs. Gupta and Warsop to comply with Section 409A. The amended employment agreements require a six-month delay in post-termination payments and benefits in the event that Mr. Gupta or Mr. Warsop, as applicable, is considered a specified employee within the meaning of Section 409A at the time of a qualifying termination. Mr. Gupta's and Mr. Warsop's amended employment agreements also provide that, after the six-month delay, each of their severance payments will be made in a lump sum instead of 12 monthly installments. We selected Messrs. Gupta and Warsop after conducting a thorough search process. The terms of Mr. Gupta's and Mr. Warsop's employment agreements and KEESAs resulted from arm's-length negotiations, and, as a result, we believe the terms reflect the current market terms for an operational leader of a company of our size in our industry.

***Key Executive Employment and Severance Agreements; Retention Agreement***

We have entered into Key Executive Employment and Severance Agreements, or KEESAs, with our executive officers, other than Mr. Kight, that provide for potential benefits in connection with a change in control. We have entered into a retention agreement with Mr. Kight. A complete discussion of the terms of the KEESAs and the retention agreement, together with an estimate of the amounts potentially payable under each KEESA and the retention agreement, appears below under the heading *Potential Payments Upon Termination or Change in Control*.

***KEESAs***

We began to enter into KEESAs in 2001. The agreements provide for the amounts and types of benefits that we believe will enable us to keep our executive officers' interests aligned with those of our shareholders in the event of a change in control by allowing them to concentrate on taking actions that are in the best interests of our shareholders without consideration of whether their actions may ultimately have an effect on the security of their employment. We believe these agreements will keep our executive officers focused on their performance, and not their personal financial situations, in the face of uncertain or difficult times or events beyond their control. We also intend the benefits to recognize past contributions by the executive officers if they are asked to leave, and to help to prevent the departure of key managers in connection with an anticipated or actual change in control. The KEESAs fulfill these purposes by generally providing for severance in the event of a qualifying termination following a change in control and vesting of outstanding equity awards upon a change in control. We believe these agreements provide for an equitable financial transition for an executive officer when an adverse change in his or her employment status is required as a result of certain unexpected corporate events. The committee selected the triggering events for benefits under the KEESAs based on its judgment that the change in control events described in the KEESAs are likely to result in the concerns described above. Based on our experience, the benefits were consistent with the types of benefits that senior executives expected in 2001 and currently. New executive officers have generally entered into KEESAs with the same economic terms as those provided since 2001. Thus, benefits for new executive officers are generally consistent with those for executive officers with existing agreements. We believe that this helps us achieve compensation that is equitable among executive officers. Because these agreements have been entered into for the specific purposes described above, these arrangements do not affect the decisions we make with respect to annual or long-term compensation.

In 2008, we amended the KEESAs to comply with Section 409A. The amended KEESAs require a six-month delay of post-termination payments and benefits in the event that the named executive officer is a specified employee within the meaning of Section 409A at the time of a qualifying termination in connection with a change in control of our company. The amended KEESAs also contain other provisions designed to comply with Section 409A, including defining when a separation from service has occurred for purposes of receiving any

severance payments or benefits under the amended KEESA. To clarify what severance compensation is payable in connection with a termination without cause, resignation for good reason, death, disability or retirement following a change in control, we amended the definition of accrued benefits and created a new term prorated bonus. In addition, the amended KEESAs clarify how health, life and disability benefits will or may be continued following termination in accordance with Section 409A. The amended KEESAs do not increase the amounts payable to the named executive officers in connection with a change in control of our company or a subsequent qualifying termination event as compared to the KEESAs previously in effect.

#### *Retention Agreement*

On July 27, 2007, Mr. Kight entered into a retention agreement with CheckFree, which we assumed in 2007, that provided for certain rights, payments and benefits following the change in control of CheckFree and provides for other payments and benefits following a qualifying termination event after our acquisition of CheckFree. In connection with the acquisition, Mr. Kight's retention agreement was first amended in August 2007 to clarify the circumstances under which he may terminate his employment for good reason following our acquisition and to change the treatment of his unvested equity awards as a result of the acquisition. We amended Mr. Kight's retention agreement again in December 2008 to comply with Section 409A. The unvested restricted stock and unvested stock options held by Mr. Kight at the time we acquired CheckFree in 2007 were converted into Fiserv restricted stock and stock options which vested in full on the one-year anniversary of the acquisition. Mr. Kight's retention agreement provides for an 18-month employment period that began at the time of our acquisition and during which his position, pay and benefits are to remain at least as favorable as those in place at the time of the acquisition. Generally, he must experience a qualifying termination of employment during the 18-month employment period to receive any additional payments or benefits. Furthermore, Mr. Kight's retention agreement provides that if he is entitled to severance pay and other benefits under his retention agreement and his employment agreement, he will receive the greatest aggregate amounts and benefits due pursuant to one of those agreements but will not be entitled to a duplication of such amounts and benefits. We discuss Mr. Kight's retention agreement, as amended, more fully in this proxy statement under *Potential Payments on Termination or Change in Control*.

#### **Compensation Committee Interlocks and Insider Participation**

There are no compensation committee interlocks between us and other entities involving our executive officers and directors who serve as executive officers or directors of such other entities. During the last completed fiscal year, no member of the compensation committee was a current or former officer or employee.

#### **Compensation Committee Report**

The compensation committee has reviewed and discussed the *Compensation Discussion and Analysis* contained in this proxy statement with management. Based on our review and the discussions with management, the compensation committee recommended to the board of directors that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference in our Annual Report on Form 10-K for the year ended December 31, 2008.

Glenn M. Renwick, Chairman

Gerald J. Levy

Doyle R. Simons

**COMPENSATION OF EXECUTIVE OFFICERS**

The following table sets forth in summary form the compensation of our chief executive officer, our chief financial officer and our next three highest paid executive officers (collectively, our named executive officers) for the year ended December 31, 2008.

**SUMMARY COMPENSATION TABLE**

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) <sup>(1)</sup>	Option Awards (\$) <sup>(1)</sup>	Non-Equity Incentive	All Other Compensation (\$) <sup>(3)</sup>	Total (\$)
						Plan Compensation (\$) <sup>(2)</sup>		
Jeffery W. Yabuki	2008	\$ 840,000		\$ 1,119,161	\$ 3,055,633	\$ 1,092,000	\$ 12,926	\$ 6,119,720
President and Chief Executive Officer	2007	840,000		1,004,284	2,972,610	888,720	1,368,216	7,073,830
	2006	840,000		810,457	1,865,852	893,760	2,100	4,412,169
Thomas J. Hirsch	2008	400,000		109,122	535,644	332,800	12,238	1,389,804
Executive Vice President, Chief Financial Officer and Treasurer	2007	400,000		83,017	348,368	300,000	25,060	1,156,445
	2006	301,667		46,926	131,941	224,500	19,100	724,134
Peter J. Kight	2008	560,000		52,707	200,356	640,600	6,900	1,460,563
Vice Chairman Rahul Gupta <sup>(4)</sup>	2008	400,000		143,792	360,449	301,700	13,269	1,219,210
Executive Vice President, Financial Institution Services								
Thomas W. Warsop III	2008	400,000		218,065	279,135	250,000	22,126	1,169,326
Executive Vice President and Group President, Financial Institution Services	2007	350,000	\$ 600,000 <sup>(5)</sup>	195,363	70,107	100,000	30,555	1,346,025

- (1) The amounts represent compensation expense recognized pursuant to Statement of Financial Accounting Standard No. 123 (revised 2004), Share-Based Payment (SFAS 123R) during the years ended December 31, 2008, 2007 and 2006 (disregarding the estimate of forfeitures related to service-based vesting conditions) with respect to equity awards held by the named executive officers. Additional information about the assumptions that we used when valuing equity awards is set forth in our Annual Reports on Form 10-K in the Notes to Consolidated Financial Statements for our fiscal years ended December 31, 2008, 2007, 2006, 2005 and 2004.
- (2) These non-equity incentive plan compensation payments were made pursuant to the Fiserv, Inc. 2007 Omnibus Incentive Plan for 2008 and Fiserv, Inc. Executive Incentive Compensation Plan for 2007 and 2006. These awards were earned in the year listed and paid in the following year.
- (3) The amounts shown in this column for 2008, 2007 and 2006 include company matching and discretionary contributions under our 401(k) savings plan. For 2008, we contributed \$9,200 under our 401(k) savings plan for each of Messrs. Yabuki, Hirsch, Gupta and Warsop and \$6,900 under our 401(k) savings plan for Mr. Kight. For 2007, we contributed the following amounts under our 401(k) savings plan for Messrs. Yabuki and Hirsch, respectively: \$58,763 and \$25,060. For 2006, the amounts shown represent what we contributed under our 401(k) savings plan for Messrs. Yabuki and Hirsch. The amount shown for 2008 also includes company-paid premiums for supplemental long-term disability insurance for Mr. Yabuki (\$3,726), Mr. Hirsch (\$3,038), Mr. Gupta (\$4,069) and Mr. Warsop (\$2,879). The amount shown for Mr. Warsop for 2008 also includes \$10,047 of reimbursement for relocation expenses pursuant to the terms of his



employment agreement. The amount shown for Mr. Yabuki and Mr. Warsop for 2007 also includes \$1,309,453 and \$30,555, respectively, of reimbursement for relocation expenses pursuant to the terms of their respective employment agreements.

(4) Mr. Gupta remains employed with Fiserv but is no longer deemed to be an executive officer as of January 1, 2009.

(5) Represents the \$450,000 payment we made to Mr. Warsop pursuant to his employment agreement in connection with his commencement of employment and \$150,000 of Mr. Warsop's 2007 cash incentive award that we paid during 2007.

The material terms of Messrs. Yabuki's, Kight's, Gupta's and Warsop's employment agreements and Mr. Kight's retention agreement are set forth above under the heading *Compensation Discussion and Analysis - Employment and Other Agreements with Executive Officers*. Mr. Hirsch does not have an employment agreement other than the KEESA, which, together with the estimated possible benefits payable thereunder, is discussed below.

## GRANTS OF PLAN-BASED AWARDS IN 2008

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards <sup>(1)</sup>			Estimated Future Payouts Under Equity Incentive Plan Awards <sup>(2)</sup>	All Other Stock Awards:	Number of Shares of Stock or Securities Underlying Options <sup>(4)</sup>	All Other Option Awards:	Exercise or Base Price of Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards <sup>(5)</sup>
		Threshold (\$)	Target (\$)	Maximum (\$)						
J. Yabuki <sup>(6)</sup>		\$ 529,200	\$ 1,050,000	\$ 2,100,000						
	2/27/08				36,894			\$ 54.21	\$ 768,133	
	2/27/08					12,703			688,630	
	2/27/08						95,274	54.21	1,983,605	
T. Hirsch <sup>(6)</sup>		160,000	320,000	640,000						
	2/27/08				27,671			54.21	576,110	
	2/27/08					3,229			175,044	
	2/27/08						24,212	54.21	504,094	
P. Kight <sup>(6)</sup>		308,000	616,000	1,232,000						
	2/27/08					4,612			250,017	
	2/27/08						34,588	54.21	720,122	
R. Gupta <sup>(6)</sup>		200,000	400,000	800,000						
	2/27/08				23,059			54.21	480,088	
	2/27/08					1,845			100,017	
	2/27/08						13,836	54.21	288,066	
T. Warsop <sup>(6)</sup>										