

Registration No. 333- \_\_\_\_\_

FORM S-8

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

TRANSACTION SYSTEMS ARCHITECTS, INC.  
 (Exact name of registrant as specified in its charter)

Delaware 47-0772104  
 (State or other jurisdiction of (I.R.S. Employer incorporation or organization) Identification No.)

224 South 108th Ave., Omaha, Nebraska 68154  
 (Address of Principal Executive Offices) (Zip Code)

Transaction Systems Architects, Inc. Deferred Compensation Plan  
 (Full title of the plan)

David P. Stokes, General Counsel and Secretary  
 Transaction Systems Architects, Inc.  
 224 South 108th Ave., Omaha, Nebraska 68154  
 (Name and address of agent for service)

(402) 334-5101  
 (Telephone number, including area code, of agent for service)

Calculation of Registration Fee

Title of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price(1)	Amount of Registration fee
Transaction Systems Architects, Inc. Deferred Compensation Plan Obligations(2)	\$30,000,000	100%	\$30,000,000	\$8,340

(1) Estimated solely for the purpose of determining the registration fee.

(2) The Transaction Systems Architects, Inc. Deferred Compensation Plan obligations are unsecured obligations of Transaction Systems Architects, Inc. to pay deferred compensation in the future in accordance with the Transaction Systems Architects, Inc. Deferred Compensation Plan.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Incorporation of Documents by Reference

The documents listed in (a) through (c) below are incorporated by reference in this registration statement and all documents subsequently filed by the registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in the registration statement and to be part thereof from the date of filing of such documents.

(a) The registrant's latest annual report filed pursuant to section 13(a) or 15(d) of the Exchange Act.

(b) All other reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the registrant document referred to in (a) above.

(c) The description of the class of securities contained in a registration statement filed under the Exchange Act, including any amendment or report filed for the purpose of updating such description.

## Description of Securities

Under the Transaction Systems Architects, Inc. Deferred Compensation Plan (the "Plan"), certain management and highly compensated employees of Transaction Systems Architects, Inc. (the "Company") and certain of its subsidiaries may defer a portion of their base salary and variable compensation (including without limitation bonus amounts, management incentive compensation and commissions).

Amounts deferred by a participant under the Plan will be credited by book entry to the participant's deferral contribution account. The Plan permits the Company to make discretionary contributions to an employer contribution account maintained for each Plan participant. The value of a participant's accounts will be based on the performance of benchmark investment funds selected by the participant under the Plan for purposes of accounting (as if the deferred compensation had been so invested) and not for actual investment. Since no participant deferrals or discretionary contributions by the Company actually will be invested in any investment fund, participants will not have any ownership interest in any investment fund. A Benefits Committee appointed by the Board of Directors of the Company has the sole discretion to determine the alternative benchmark investment funds available under the Plan as the measurement mechanism to determine the rate of return on amounts deemed invested in accordance with the terms of the Plan.

The obligations of the Company under the Plan (the "Obligations") are unsecured general obligations to pay in the future the value of the vested deferred compensation accounts adjusted to reflect the performance of the selected measurement investment funds in accordance with the terms of the Plan. The Obligations will rank without preference with other unsecured and unsubordinated indebtedness of the Company from time to time outstanding and are, therefore, subject to the risks of the Company's insolvency.

The Company is not required to fund or otherwise segregate assets to be used for the payment of the Obligations. Notwithstanding the foregoing, the Company may establish a trust to hold assets to be used for payment of Obligations. The assets held by such trust will be subject to the claims of the Company's general creditors.

Obligations are generally payable under the Plan upon (i) termination of employment, (ii) death, (iii) a determination by the Benefits Committee that a participant has suffered a financial hardship, (iv) the election of a participant (subject to a 10% withdrawal penalty), and (v) at the election of the participant, January of any year designated by the participant beginning after the third anniversary of a participant's deferral.

The Obligations cannot be assigned, alienated, pledged or encumbered. The Obligations are not convertible into any security of the Company.

The Company may amend the Plan from time to time, except that no such amendment may reduce the value of a participant's vested account balances to less than the amount (as subsequently adjusted for earnings and losses) he would be entitled to receive if he had resigned on the day of the amendment.

## Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law provides for the indemnification of officers and directors, subject to certain limitations. The Certificate of Incorporation of the registrant expressly provides for indemnification of an officer or director made a party or threatened to be made a party to proceedings by reason of the fact that such person was an officer or director. The Certificate of Incorporation also authorizes the registrant to maintain officer and director liability insurance, and such a policy is currently in effect.

## Exhibits

- 4.1 Transaction Systems Architects, Inc. Deferred Compensation Plan
- 4.2 Transaction Systems Architects, Inc. Deferred Compensation Plan Trust Agreement
- 5 Opinion of Legal Counsel
- 23 Consent of Arthur Andersen LLP
- 24 Power of Attorney (contained in signature page)

## Undertakings

- (a) The undersigned registrant hereby undertakes:
  1. To file, during any period in which offers or sales are

being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this registration statement.

2. That, for the purpose of determining any liability under the Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3. To remove from registration by means of post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

#### SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Omaha, State of Nebraska, on November 20, 1998.

TRANSACTION SYSTEMS ARCHITECTS, INC.

By: /s/ William E. Fisher

-----  
William E. Fisher, Chief Executive  
Officer, President and Director

POWER OF ATTORNEY

We, the undersigned officers and directors of Transaction Systems Architects, Inc., hereby severally and individually constitute and appoint William E. Fisher, Gregory J. Duman, and Dwight G. Hanson, and each of them, the true and lawful attorneys and agents of each of us to execute in the name, place and stead of each of us (individually and in any capacity stated below) any and all amendments to this Registration Statement on Form S-8, and all instruments necessary or advisable in connection therewith, and to file the same with the Securities and Exchange Commission, each of said attorneys and agents to have power to act with or without the other and to have full power and authority to do and perform in the name and on behalf of each of the undersigned every act whatsoever necessary or advisable to be done in the premises as fully and to all intents and purposes as any of the undersigned might or could do in person, and we hereby ratify and confirm our signatures as they may be signed by our said attorneys and agents and each of them to any and all such amendments and other instruments.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

Name	Title	Date
/s/ William E. Fisher ----- William E. Fisher	Chief Executive Officer, President and Director (Principal Executive Officer)	November 20, 1998
/s/ Gregory J. Duman ----- Gregory J. Duman	Chief Financial Officer (Principal Financial Officer)	November 20, 1998
/s/ Dwight G. Hanson ----- Dwight G. Hanson	Vice President (Principal Accounting Officer)	November 20, 1998
/s/ David C. Russell ----- David C. Russell	Director	November 20, 1998
/s/ Promod Haque ----- Promod Haque	Director	November 20, 1998
/s/ Charles E. Noell, III ----- Charles E. Noell, III	Director	November 20, 1998
/s/ Jim D. Kever ----- Jim D. Kever	Director	November 20, 1998
/s/ Larry G. Fendley ----- Larry G. Fendley	Director	November 20, 1998

EXHIBIT INDEX

Exhibit No.	Description
4.1	Transaction Systems Architects, Inc. Deferred Compensation Plan
4.2	Transaction Systems Architects, Inc. Deferred Compensation Plan Trust Agreement
5	Opinion of Legal Counsel
23	Consent of Arthur Andersen LLP
24	Power of Attorney (contained in signature page)

TRANSACTION SYSTEMS ARCHITECTS, INC.

DEFERRED COMPENSATION PLAN

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CERTIFICATE

I, David P. Stokes, Secretary of Transaction Systems Architects, Inc., hereby certify that the attached document is a correct copy of the Transaction Systems Architects, Inc. Deferred Compensation Plan effective as of January 1, 1999.

Dated this 20th day of November, 1998.

/s/ David P. Stokes

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David P. Stokes

(Corporate Seal)

TRANSACTION SYSTEMS ARCHITECTS, INC.  
DEFERRED COMPENSATION PLAN

Article 1  
Introduction

1.1 Purpose of the Plan, Effective Date. The Transaction Systems Architects, Inc. Deferred Compensation Plan (the "Plan") has been established by Transaction Systems Architects, Inc. (the "Company"), effective as of January 1, 1999 (the "Effective Date"), with respect to Eligible Employees (as defined in Section 2.1). The purpose of the Plan is to provide certain Eligible Employees with an opportunity to defer the receipt and income taxation of a portion of such employees' annual compensation. The Plan is intended to be a plan that is unfunded and that is maintained primarily for the purpose of providing deferred compensation to a select group of management or highly compensated employees.

1.2 Plan Administrator, Plan Year. The Plan is administered by the Compensation Committee of the Board of Directors of Transaction Systems Architects, Inc. (the "Committee"). The Plan is administered on the basis of a Plan Year which is the calendar year. Article 8 describes certain specific powers, duties and responsibilities of the Committee with respect to the administration of the Plan.

1.3 The Employers. The Company and its Subsidiaries are referred to herein collectively as the "Employers" and individually as an "Employer". A "Subsidiary" means any corporation more than 50 percent of the voting stock of which is directly or indirectly owned by the Company.

1.4 Supplements. From time to time supplements may by amendment be attached to and form a part of this Plan. Such supplements may modify or supplement the provisions of the Plan as they apply to particular groups of Eligible Employees (as defined in Section 2.1) or groups of Participants (as defined in Section 2.2), shall specify the person affected by such supplements and shall supersede the other provisions of the Plan to the extent necessary to eliminate inconsistencies between the Plan provisions and the provisions of such supplements.

Article 2.  
Plan Participation.

2.1 Eligibility. Each employee of an Employer shall become an Eligible Employee as of the date he is notified by the Committee that he has been selected by the Committee to become an Eligible Employee. The Committee shall consider such factors as it, in its sole discretion, considers pertinent in selecting Eligible Employees. "Eligible Employee" means, for a Plan Year or portion of a Plan Year, an individual:

(a) who is an employee of an Employer, exclusive of any employee who provides services to an Employer under a contract or arrangement with either the individual or with an agency or leasing organization that treats the individual as either an individual contractor or an employee of such agency or leasing organization, even if such individual is later determined to have been a common law employee of the Employer rather than an independent contractor or an employee of such agency or leasing organization;

(b) who is a member of a select group of management or highly compensated employees; and

(c) either (i) who, for such Plan Year, has satisfied such minimum compensation or other classification requirements established from time to time by the Committee, or (ii) who otherwise is designated by the Committee, in its sole discretion, as eligible to elect to participate in the Plan.

2.2 Participation. Each Eligible Employee may irrevocably elect to have Deferral Contributions made on his behalf for a Plan Year, or portion of a Plan Year, pursuant to Section 3.2 and thereby become a Plan Participant. "Participant" means any individual who has been admitted to, and has not been removed from, participation in the Plan pursuant to this Article 2. A Participant must complete such forms and provide such data in a timely manner as is required by the Committee. Such forms and data may include, without limitation, his acceptance of the terms and conditions of the Plan and his designation of a beneficiary to receive any death benefits payable hereunder.

2.3 Cessation of Active Participation.

(a) Cessation of Eligible Status. A Participant shall be considered an active Participant during any period when Deferral Contributions are being made to the Plan on his behalf. A Participant's active participation in the Plan shall cease as of the date his employment with all Employers terminates. In addition, the Committee may remove a



Participant from active participation in the Plan if, as of any day during a Plan Year, he ceases to satisfy the criteria which qualified him as an Eligible Employee. Upon cessation of, or removal from, active participation in the Plan, a Participant's deferrals under the Plan shall cease.

(b) Inactive Participant Status. Even if his active participation in the Plan ends, an employee shall remain an inactive Participant in the Plan until the earlier of (i) the date the full amount of his vested Plan Accounts (as defined in Section 3.1) is distributed from the Plan, or (ii) the date he again recommences active participation in the Plan as an Eligible Employee by electing to have Deferral Contributions made to the Plan on his behalf pursuant to Section 3.2. During the period of time that an employee is an inactive Participant in the Plan, his Plan Accounts shall continue to be credited with earnings and losses pursuant to the terms of Section 3.6, and he shall continue to be eligible to direct the manner in which his Accounts shall be deemed invested pursuant to Section 4.2.

(c) Participation after Reemployment. If an Eligible Employee terminates employment with all Employers (either before or after he becomes a Participant) and then is reemployed by an Employer, he shall become eligible to participate or to recommence his participation in the Plan as of the date, on or after his reemployment date, that he is notified by the Committee that he has been reselected by the Committee as an Eligible Employee and that he may elect to have Deferral Contributions made to the Plan on his behalf pursuant to Section 3.2.

(d) Application of ERISA. It is the intent of the Company that the Plan be exempt from Parts 2, 3, and 4 of Subtitle B of Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), as an unfunded plan that is maintained by the Company primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees (the "ERISA exemption"). Notwithstanding anything to the contrary in this Article 2 or in any other provision of the Plan, the Committee may in its sole discretion exclude any one or more Eligible Employees from eligibility to participate or from participation in the Plan, may exclude any Participant from continued participation in the Plan, and may take any further action it considers necessary or appropriate if the Committee reasonably determines in good faith that such exclusion or further action is necessary in order for the Plan to qualify for, or to continue to qualify for, the ERISA exemption.

### Article 3.

#### Participants' Accounts; Deferrals and Crediting

3.1 Participants' Accounts. The Committee shall establish and maintain on behalf of each Participant the following separate bookkeeping accounts (an "Account") under the Plan:

(i) Deferral Contribution Account. Each Participant shall have a "Deferral Contribution Account" maintained on his behalf under the Plan. With respect to any Participant, this Account shall represent the amount of his Deferral Contributions (as defined in Section 3.2) and earnings or losses attributable thereto.

(ii) Employer Contribution Account. Each Participant shall have an "Employer Contribution Account" maintained on his behalf under the Plan. With respect to any Participant, this Account shall represent the amount of his Discretionary Contributions (as defined in Section 3.4), if any, and earnings or losses attributable thereto.

The Committee, in its discretion, may also establish and maintain such additional separate bookkeeping accounts for the Participant as it shall deem desirable. Each Participant shall at all times have a 100 percent vested interest in his Deferral Contribution Account. A Participant's vested interest in his Employer Contribution Account shall be determined by the Committee, in its sole discretion, based on the vesting schedule specified by the Company with respect to each Discretionary Contribution credited to the Participant's Employer Contribution Account. Each Account of a Participant shall be maintained until the value thereof has been distributed to or on behalf of such Participant or his beneficiary.

3.2 Deferral Contributions. Each Participant may irrevocably elect to have Deferral Contributions made on his behalf for a Plan Year by completing and submitting to the Committee (or its designee) a Deferral Election (as defined in Section 3.3) setting forth the terms of his election. The Deferral Contribution made by a Participant with respect to any Plan Year must be at least \$5,000, or such Deferral Contribution, adjusted for earnings or losses thereon in accordance with Section 3.6, will be automatically distributed to the Participant on or before the last day of such Plan Year. Notwithstanding the preceding sentence, if an Eligible Employee who first becomes an Eligible Employee after the first day of a Plan Year elects to make a Deferral Contribution with respect to such Plan Year, the minimum required Deferral Contribution for such Participant shall be an amount equal to \$5,000 multiplied by a fraction, the numerator of which is the number of full months remaining in such Plan Year after the Deferral Election is effective and the denominator of which is twelve. A "Deferral Contribution" means that portion of a Participant's Base Salary and Variable Compensation that the Participant

elects to defer receipt of, in lieu of receiving such compensation currently. "Base Salary" means the Participant's annual base salary from his Employer for the Plan Year paid or payable in a regular salary paycheck while an active Participant in the Plan. "Variable Compensation" means the Participant's variable compensation, if any, from his Employer for the Plan Year, including but not limited to, bonus amounts, management incentive compensation, and sales commissions, paid or payable in a quarterly variable compensation paycheck while an active Participant in the Plan. A Participant may elect to defer, through pay reduction each payroll period, no less than one percent nor more than 50 percent, in whole percentages, of his Base Salary for such payroll period and may elect to defer, through pay reduction each calendar quarter, no less than one percent nor more than 75 percent, in whole percentages, of his Variable Compensation for such calendar quarter. Deferral Contributions may only be made while the Participant is actively employed by the Employer. For purposes of the Plan, a Participant will be considered actively employed during a period of paid leave of absence or salary continuation. A Participant will not be considered actively employed during a period of unpaid leave of absence. Notwithstanding the foregoing, a Participant's Deferral Contributions shall be reduced by the Committee, in its sole discretion, to the extent necessary to provide the Participant with sufficient Base Salary and Variable Compensation to satisfy his employment tax deductions, wage withholding and any other payroll deductions.

3.3 Deferral Election. A Participant must complete and submit a written Deferral Election to the Committee providing for the reduction of his Base Salary and Variable Compensation for the appropriate amount of Deferral Contributions. The following terms and conditions shall apply to Deferral Elections:

(a) Initial Deferral Election. The Eligible Employee's initial Deferral Election under the Plan with respect to his Base Salary for any Plan Year shall be effective for the first regular salary paycheck earned after the date the Deferral Election becomes effective. The Eligible Employee's initial Deferral Election under the Plan with respect to his Variable Compensation, if any, for any Plan Year shall be effective for the first quarterly Variable Compensation paycheck earned after the date the Deferral Election becomes effective. To be effective, the initial Deferral Election under the Plan with respect to Base Salary must be made within the time period prescribed by the Committee (generally, before the first day of the Plan Year for which Deferral Contributions attributable to Base Salary will be made or, if later during such Plan Year, within 30 days after the date on which the Eligible Employee first becomes an Eligible Employee pursuant to Section 2.1). To be effective, the initial Deferral Election under the Plan with respect to Variable Compensation, if any, must be made within the time period prescribed by the Committee (generally, before the first day of the Plan Year for which the Variable Compensation to be deferred will be earned or, if later during such Plan Year, within 30 days after the date on which the Eligible Employee first becomes an Eligible Employee pursuant to Section 2.1). Until such time as an Eligible Employee submits an initial Deferral Election in a timely manner, he shall be deemed to have elected not to make Deferral Contributions and to have elected not to become a Participant in the Plan.

(b) Subsequent Deferral Election. A Participant's subsequent Deferral Election with respect to his Base Salary for any Plan Year must be made before the first day of the Plan Year for which the Base Salary to be deferred is payable. A Participant's subsequent Deferral Election with respect to his Variable Compensation, if any, for any Plan Year must be made before the first day of the Plan Year for which the Variable Compensation to be deferred is earned.

(c) Term. Each Participant's Deferral Election shall remain in effect for the Base Salary and Variable Compensation, if any, earned during a Plan Year until the earlier of (i) the date the Participant ceases to be an active Participant, or (ii) the automatic revocation of a Deferral Election pursuant to Section 5.4(a) or 5.4(b). If a Participant is transferred from the employment of one Employer to the employment of another Employer, his Deferral Election with the first Employer will remain in effect and will apply to his Base Salary and Variable Compensation, if any, from the second Employer until the earlier of those events set forth in the preceding sentence.

(d) Crediting Contributions. For each Plan Year that a Participant has a Deferral Election in effect, the Committee shall credit the amount of such Participant's Deferral Contributions to his Deferral Contribution Account on the day such amount would have been paid to him but for his Deferral Election (or such other date or time as the Committee, in its sole discretion, determines from time-to-time).

3.4 Discretionary Contributions. As of the last business day of each Plan Year (or such other date or time as the Committee, in its sole discretion, determines from time-to-time), the Committee shall credit any Discretionary Contributions made with respect to an active Participant for such Plan Year to such Participant's Employer Contribution Account. "Discretionary Contribution" means a discretionary amount contributed to the Plan by the Company with respect to an active Participant who is making Deferral Contributions for such Plan Year. The Company may, but is not obligated to, make a Discretionary Contribution for a Plan Year for any one or

more active Participants, which Discretionary Contributions may be different amounts or different percentages of compensation for each such active Participant and which Discretionary Contributions will vest in accordance with the vesting schedule specified by the Company on the date each such Discretionary Contribution is made.

3.5 Debiting of Distributions and Forfeitures. As of each business day, the Committee shall debit each Participant's Accounts for any amount distributed or forfeited from such Accounts since the immediately preceding business day.

3.6 Crediting of Earnings or Losses on Contributions. As of each business day, the Committee shall credit to each Participant's Accounts the amount of earnings or losses applicable thereto for the period since the immediately preceding business day. To effect such crediting of earnings and losses, the Committee shall, as of each business day, first subtract all distributions since the immediately preceding business day from the Account, add to the Account the amount of the contributions, and allocate the net earnings or losses to the Participant's Account based on the individual account activity of the Account during such period pursuant to a share accounting method under which each Participant's deemed investment in an Investment Fund (as defined in Section 4.1) shall be accounted for in deemed shares in funds selected by the Committee and offered within the Plan for purposes of calculating earnings and losses for Participants' Accounts. For this purpose, the Committee shall adopt uniform rules which conform generally to accepted accounting practices.

3.7 Errors in Accounts. If an error or omission is discovered in the Account of a Participant, in the amount of a Participant's deferrals, or in the amount of Discretionary Contributions credited to the Participant's Account, the Committee, in its sole discretion, shall cause appropriate, equitable adjustments to be made as soon as administratively practicable following the discovery of such error or omission.

#### Article 4 Investment Funds

4.1 Selection by Committee. From time to time, the Committee shall select two or more investment funds (the "Investment Funds") for purposes of determining the rate of return on amounts deemed invested in accordance with the terms of the Plan. The Committee will notify Participants in writing prior to the beginning of each Plan Year and at such other times as the Committee deems necessary or desirable of the Investment Funds available under the Plan for such Plan Year. The Committee may change, add or remove Investment Funds on a prospective basis at any time and in any manner it deems appropriate.

4.2 Participant Direction of Deemed Investments. Each Participant generally may direct the manner in which his Accounts shall be deemed invested in and among the Investment Funds; provided, such investment directions shall be made in accordance with the following terms:

(a) Nature of Participant Direction. The selection of Investment Funds by a Participant shall be for the sole purpose of determining the rate of return to be credited to his Accounts, and shall not be treated or interpreted in any manner whatsoever as a requirement or direction to actually invest assets in any Investment Fund or any other investment media. The Plan, as an unfunded, nonqualified deferred compensation plan, at no time shall have any actual investment of assets relative to the benefits or Accounts hereunder.

(b) Investment of Contributions. Except as otherwise provided in this Section 4.2, each Participant may make an investment election, made in such form as the Committee may direct or permit, prescribing the percentage of his future contributions that will be deemed invested in each Investment Fund. An initial investment election of a Participant shall be made as of the date the Participant commences or recommences participation in the Plan and shall apply to all contributions credited to such Participant's Accounts after such date. Such Participant may make subsequent investment elections at such times as permitted by the Committee, and such elections shall apply to all such specified contributions credited to such Participant's Accounts after the effective date of such election. Any investment election timely and properly made pursuant to this subsection with respect to future contributions shall remain effective until changed by the Participant. Notwithstanding anything to the contrary in this subsection (b), the Participant may make a separate investment election with respect to the contributions credited to his Accounts for each and every Plan Year.

(c) Investment of Existing Account Balances. Each Participant may make an investment election, effective as of the date the Participant commences or recommences participation in the Plan, prescribing a different percentage of his existing Account balances that will be deemed invested in each Investment Fund. Such Participant may make subsequent investment elections at such times as permitted by the Committee prescribing a different percentage of his existing Account balances that will be deemed invested in each Investment Fund. Each such election which is timely and properly made shall remain in effect until changed by such Participant. Notwithstanding anything to the contrary in this subsection (c), the

Participant may make a separate investment election with respect to that portion of his existing Account balances attributable to the contributions credited to his Accounts for each and every Plan Year.

(d) Committee Discretion. The Committee shall have complete discretion to adopt and revise procedures to be followed in making such investment elections. Such procedures may include, but are not limited to, the process of making elections, the permitted frequency of making elections, the incremental size of elections, the deadline for making elections and the effective date of such elections. Any procedures adopted by the Committee that are inconsistent with the deadlines or procedures specified in this Section 4.2 shall supersede such provisions of this Section 4.2 without the necessity of a Plan amendment.

## Article 5 Payment of Account Balances

### 5.1 Benefit Payments Upon Termination of Service for Reasons Other Than Death.

(a) General. In accordance with the terms of subsection (b) hereof, if a Participant's employment with the Employers terminates for any reason other than death, he (or his beneficiary, if he dies after such termination of employment but before distribution of his vested Accounts) shall be entitled to receive a distribution of the total of (i) the entire vested amount credited to his Accounts, as adjusted for earnings or losses attributable thereto, determined as of the last business day of the calendar quarter in which his employment with the Employers terminates; plus (ii) the amount of Deferral Contributions and vested Discretionary Contributions, if any, made since such business day; and minus (iii) the amount of any distributions made to the Participant since such business day.

(b) Timing of Distribution. The distribution of the vested benefit payable to a Participant under this Section shall be made or commence as soon as reasonably practicable after the last business day of the calendar quarter in which the Participant's employment with the Employers terminates for any reason other than death.

### 5.2 Form of Distribution.

(a) Lump Sum Payment. Except as provided in subsection (b) hereof, the vested benefit payable to a Participant under Section 5.1 shall be distributed in the form of a lump sum payment.

(b) Quarterly Installments. A Participant may elect, in writing, at the time he makes his Deferral Election, or at any later time that is at least one year before his retirement date, to have any vested benefit payable under Section 5.1 on account of the Participant's retirement on or after attainment of age 50 and accumulation of 60 Points (as described below) paid in the form of quarterly installments over a five, ten or fifteen year period; provided, if the Participant's vested Account balances are less than \$60,000 on his employment termination date, his entire vested Account balances shall be paid in the form of a lump sum payment as provided in Section 5.2(a) hereof. In the event a Participant elects to have any vested benefit payable under Section 5.1 paid in the form of quarterly installments, such Participant may elect, in writing, at any time that is at least one year before his retirement date, to have his vested benefit paid in the form of a lump sum payment. In the event a Participant elects to have any vested benefit payable under Section 5.1 on account of his retirement on or after attainment of age 50 and accumulation of 60 Points paid in the form of a lump sum payment, such Participant may elect, in writing, at any time that is at least one year before his retirement date, to have his vested benefit paid in the form of annual installments over a five, ten or fifteen year period. A Participant shall be credited with one Point for each whole year of his age and for each whole year of his service as an employee of an Employer, commencing with his date of hire by an Employer and ending with the date he terminates employment with all of the Employers. The Committee shall have complete discretion to adopt and revise rules for determining Participants' years of service for purposes of the preceding sentence.

(i) The installment payments shall be made in quarterly installments (adjusted for earnings or losses between payments in accordance with Section 3.6), commencing as soon as reasonably practicable after the last business day of the calendar quarter in which the Participant terminated employment, and continuing each successive calendar quarter thereafter.

(ii) If a Participant dies after payment of his vested Account balances from the Plan has begun, but before his entire vested Account balances have been distributed, the remaining amount of his vested Account balances shall continue to be distributed to the Participant's beneficiary on the same scheduled payment dates and using the installment method of distribution elected by the Participant.

(iii) Notwithstanding anything in this

subsection (b) to the contrary, if the Participant elected at least one year before his employment termination date to have any vested benefit payable under Section 5.1 paid in the form of quarterly installments and the Committee, in its sole discretion, determines the Participant has a "Disability" at the time his employment terminates, his entire vested Accounts shall be paid in the form of quarterly installment payments as so elected by the Participant. "Disability" shall have the same meaning as when used in the TSA 401(k) Plan. The decision of the Committee as to Disability shall be final and binding.

5.3 Death Benefits. If a Participant's employment with the Employers terminates due to his death, the Participant shall have a 100 percent vested interest in his Employer Contribution Account, if any. Such Participant's beneficiary shall be entitled to receive a lump sum distribution of the total of (i) the entire amount credited to such Participant's Accounts, as adjusted for earnings or losses attributable thereto, determined as of the last business day of the calendar quarter in which the Participant died; plus (ii) the amount of Deferral Contributions and Discretionary Contributions made since such business day, if any; and minus (iii) the amount of any distributions made to or on behalf of the Participant since such business day. If such Participant was an active Participant on the day immediately prior to his death (that is, Deferral Contributions were being made to the Plan on behalf of the Participant for the Plan Year of his death), such active Participant's beneficiary shall also receive a lump sum pre-retirement death benefit equal to \$100,000. The benefits payable under this Section 5.3 shall be distributed to such beneficiary as soon as reasonably practicable after the last business day of the calendar quarter in which the Participant died.

#### 5.4 In-Service Distributions.

(a) Hardship Distributions. Upon receipt of a written application for an in-service hardship distribution and the Committee's decision, made in its sole discretion, that a Participant has suffered a "Financial Hardship", the Participant shall be entitled to receive an in-service distribution from his vested Account balances. "Financial Hardship" shall mean a severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or the Participant's dependent (as defined in Section 152(a) of the Internal Revenue Code of 1986, as amended (the "Code")), loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. Financial Hardship shall be determined by the Committee on the basis of the facts of each case, including information supplied by the Participant in accordance with uniform guidelines prescribed from time to time by the Committee; provided, the Participant will be deemed not to have a Financial Hardship to the extent that such hardship is or may be relieved (i) through reimbursement or compensation by insurance or otherwise; (ii) by liquidation of the Participant's assets, to the extent the liquidation of assets would not itself cause severe financial hardship; or (iii) by cessation of deferrals under the Plan. Examples of what are not considered to be Financial Hardships include the need to send a Participant's child to college or the desire to purchase a home. Such distribution shall be paid in a lump sum payment as soon as reasonably practicable after the Committee determines that the Participant has incurred a Financial Hardship. The amount of such lump sum payment shall not exceed the total of (i) the entire vested amount credited to the Participant's Accounts, as adjusted for earnings or losses attributable thereto, determined as of the business day on which such distribution is processed; plus (ii) the amount of Deferral Contributions and vested Discretionary Contributions made since such business day, if any; and minus (iii) the amount of any distributions made to the Participant since such business day; and, the amount of such lump sum payment shall be further limited to the amount that the Committee determines is reasonably necessary to meet the Participant's requirements resulting from the Financial Hardship. For purposes of this subsection, the "business day on which such distribution is processed" refers to the business day established for such purpose by administrative practice, even if actual payment is made at a later date due to delays in valuation, administration or any other procedure. The amount of such distribution shall reduce the Participant's Account balances as provided in Section 3.5. A Participant who receives an in-service hardship distribution shall not be eligible to make Deferral Contributions under the Plan or be credited with any Discretionary Contributions for the remainder of the Plan Year in which such distribution is made and for the next following Plan Year, and such Participant's current Deferral Election, if any, shall be automatically revoked. When such Participant is again eligible to make Deferral Contributions, such Participant may resume active participation in the Plan by making a new Deferral Election and satisfying any other procedures for participation under Section 2.2.

(b) Distributions with Forfeiture. Notwithstanding any other provision of this Article 5 to the contrary, a Participant may elect, in writing, at any time prior to the complete distribution of his vested Plan Accounts, to receive a distribution of 90 percent of the total of (i) the entire vested amount credited to his Accounts, as adjusted for earnings or losses attributable thereto, determined as of the last business day of the month preceding the date of his distribution election; plus (ii) the amount of Deferral Contributions and vested Discretionary Contributions made since such

business day, if any; and minus (iii) the amount of any distributions made to the Participant since such business day. Such distribution shall be made as soon as reasonably practicable after the date of the Participant's distribution election under this subsection (b). As of the date such distribution is made, an amount equal to ten percent of such Participant's total Account balances determined as of the business day immediately prior to the date such distribution is made, both vested and nonvested portions, shall be permanently and irrevocably forfeited, and such Participant shall not be eligible to make Deferral Contributions under the Plan or to be credited with any Discretionary Contributions for the remainder of the Plan Year in which such distribution is made and for the next following Plan Year, and such Participant's current Deferral Election, if any, shall be automatically revoked. When such Participant is again eligible to make Deferral Contributions, such Participant may resume active participation in the Plan by making a new Deferral Election and satisfying any other procedures for participation under Section 2.2. The amount of the distribution and the amount of the forfeiture under this subsection (b) shall reduce the Participant's Account balances as provided in Section 3.5.

(c) Specified In-Service Distributions. Notwithstanding any other provision of this Article 5 to the contrary, a Participant may elect on his Deferral Election to receive an in-service distribution of the aggregate Deferral Contributions made pursuant to such Deferral Election, as adjusted for earnings or losses attributable thereto and reduced for any distributions thereof under subsection (a) or (b) above, determined as of the December 31 immediately preceding the date such distribution is made. Such distribution shall be made in a lump sum payment in January of the Plan Year designated by the Participant on his Deferral Election provided that such Plan Year begins after the third anniversary of the date the Deferral Contribution to be distributed would have been paid to the Participant but for his Deferral Election. The amount of such distribution shall reduce the Participant's Deferral Contribution Account balance as provided in Section 3.5. Any portion of the Participant's Deferral Contribution Account which is not distributed under this subsection (c) shall be distributed in accordance with Section 5.1 or 5.3, whichever is applicable, and shall remain available for distributions under this Section 5.4. If the Participant's employment with the Employers terminates for any reason prior to the payment of his in-service distribution hereunder, his in-service distribution election shall be cancelled and of no effect and the Participant's Deferral Contribution Account shall be distributed in accordance with Section 5.1 or 5.3, whichever is applicable. In the event a Participant elects to receive an in-service distribution under this subsection (c), such Participant may elect, in writing, at any time that is at least one year before the first day of the January that the in-service distribution would otherwise be paid, to defer such in-service distribution to any succeeding January.

(d) Deductible Limit. Notwithstanding anything in the Plan to the contrary, the distribution of a Participant's benefit hereunder shall be limited to an amount that would not cause the Participant to receive compensation that the Committee determines would not be deductible under Code Section 162(m). Any amount that is not distributed to the Participant pursuant to the preceding sentence shall be distributed to the Participant, as adjusted for earnings or losses attributable thereto, as soon as reasonably practicable after the Committee determines that such distribution would be permissible under the terms and conditions of the preceding sentence.

5.5 Beneficiary Designation. Participants shall designate and from time to time may redesignate their beneficiaries to receive any death benefits that may be payable under the Plan upon such Participant's death in such form and manner as the Committee may determine. In the case of a Participant who is legally married on the date of his death, his beneficiary shall be his surviving spouse unless such spouse validly consents in writing to a different beneficiary designation or the Participant establishes to the satisfaction of the Committee that the consent cannot be obtained because there is no spouse, the spouse cannot be found or some other reasonable excuse. In the event that:

(i) a Participant dies without designating a beneficiary;

(ii) the beneficiary designated by a Participant is not alive when a payment is to be made to such person under the Plan, and no contingent beneficiary has been designated; or

(iii) the beneficiary designated by a Participant cannot be located by the Committee within one year from the date benefits are to be paid to such person;

then, in any of such events, the beneficiary of such Participant with respect to any benefits that remain payable under the Plan shall be the Participant's surviving spouse, if any, and if not, the estate of the Participant.

#### Article 6 Claims

6.1 Initial Claim. Claims for benefits under the Plan may be

filed with the Committee on forms or in such other written documents, as the Committee may prescribe. The Committee shall furnish to the claimant written notice of the disposition of a claim within 90 days after the application therefor is filed. In the event the claim is denied, the notice of the disposition of the claim shall provide the specific reasons for the denial, citations of the pertinent provisions of the Plan, and, where appropriate, an explanation as to how the claimant can perfect the claim or submit the claim for review.

6.2 Appeal. Any Participant or beneficiary who has been denied a benefit shall be entitled, upon request to the Committee, to appeal the denial of his claim. The claimant (or his duly authorized representative) may review pertinent documents related to the Plan and in the Committee's possession in order to prepare the appeal. The request for review, together with a written statement of the claimant's position, must be filed with the Committee no later than 60 days after receipt of the written notification of denial of a claim provided for in Section 6.1. The Committee's decision shall be made within 60 days following the filing of the request for review. If unfavorable, the notice of the decision shall explain the reasons for denial and indicate the provisions of the Plan or other documents used to arrive at the decision.

6.3 Satisfaction of Claims. Any payment to a Participant or beneficiary shall to the extent thereof be in full satisfaction of all claims hereunder against the Committee and the Company, either of whom may require such Participant or beneficiary, as a condition to such payment, to execute a receipt and release therefor in such form as shall be determined by the Committee or the Company. If receipt and release is required but the Participant or beneficiary (as applicable) does not provide such receipt and release in a timely enough manner to permit a timely distribution in accordance with the general timing of distribution provisions in the Plan, the payment of any affected distribution may be delayed until the Committee or the Company receives a proper receipt and release.

#### Article 7 No Funding of Plan Benefits

The Company may establish a trust (known as a "grantor trust" within the meaning of the Code) for the purpose of accumulating funds to satisfy the obligations incurred by the Company under the Plan. Notwithstanding the preceding sentence, nothing herein shall require the Company to segregate or set aside any funds or other property for the purpose of paying any benefits under the Plan. Nothing contained in this Plan, and no action taken pursuant to its provisions by the Company or the Committee shall create, nor be construed to create, a trust of any kind or a fiduciary relationship between the Company and the Participant, his beneficiary, or any other person. Benefits hereunder shall be paid from assets which shall continue, for all purposes, to be a part of the general, unrestricted assets of the Company. The obligation of the Company hereunder shall be an unfunded and unsecured promise to pay money in the future. To the extent that the Participant or his beneficiary is entitled to receive payments from the Company under the provisions hereof, such right shall be no greater than the right of any unsecured general creditor of the Company; no such person shall have nor acquire any legal or equitable right, interest or claim in or to any property or assets of the Company. It is intended that the Plan be unfunded for tax purposes and for purposes of Title I of ERISA.

#### Article 8 Committee

8.1 Committee's Duties. The Committee is the plan administrator. Except as otherwise specifically provided and in addition to the powers, rights and duties specifically given to the Committee elsewhere in the Plan, the Committee shall have the following discretionary powers, rights and duties:

(a) To construe and interpret the Plan, to decide all questions of Plan eligibility, to determine the amount, manner and time of payment of any benefits under the Plan, and to remedy ambiguities, inconsistencies or omissions in its sole and complete discretion.

(b) To adopt such rules of procedure as may be necessary for the efficient administration of the Plan and as are consistent with the Plan, and to enforce the Plan in accordance with its terms and such rules.

(c) To make determinations as to the right of any person to a benefit, to afford any person dissatisfied with such determination the right to a hearing thereon, and to direct payments or distributions in accordance with the provisions of the Plan.

(d) To furnish the Company and Participants with such information as may be required by them for tax or other purposes in connection with the Plan.

(e) To enroll Participants in the Plan, distribute and receive Plan administration forms and comply with all applicable governmental reporting and disclosure requirements.

(f) To employ agents, attorneys, accountants, actuaries or other persons (who also may be employed by an Employer), and to allocate or delegate to them such powers, rights and duties as the Committee considers necessary or advisable to properly carry out the administration of the Plan, provided that any such allocation or delegation and the acceptance thereof must be in writing.

(g) To report at least annually to the Board of Directors of the Company or to such person or persons as the Board of Directors of the Company designates as to the administration of the Plan, any significant problems which have developed in connection with the administration of the Plan and any recommendations which the Committee may have as to the amendment of the Plan or the modification of Plan administration. At least once for each Plan Year, the Committee shall cause a written statement of a Participant's Account balances to be distributed to the Participant.

8.2 Action by Plan Administration. During a period in which two or more Committee members are acting, any action by the Committee will be subject to the following provisions:

(a) The Committee may act by meeting (including a meeting from different locations by telephone conference) or by document signed without meeting, and documents may be signed through the use of a single document or concurrent documents; provided, action shall be taken only upon the vote or other affirmative expression of a majority of the Committee members qualified to vote with respect to such action.

(b) A Committee member by writing may delegate part or all of his rights, powers, duties and discretion to any other Committee member, with such other Committee member's consent.

(c) No member of the Committee shall be liable or responsible for an act or omission of other Committee members in which the former has not concurred.

(d) The Committee shall choose a secretary who shall keep minutes of the Committee's proceedings and all records and documents pertaining to the administration of the Plan. The secretary may execute any certificate or other written direction on behalf of the Committee.

8.3 Information Required for Plan Administration. The Employers shall furnish the Committee with such data and information as the Committee considers necessary or desirable to perform its duties with respect to Plan administration. The records of an Employer as to an employee's or Participant's period or periods of employment, termination of employment and the reason therefor, leaves of absence, reemployment and base salary and variable compensation will be conclusive on all persons unless determined to the Committee's satisfaction to be incorrect. Participants and other persons entitled to benefits under the Plan also shall furnish the Committee with such evidence, data or information as the Committee considers necessary or desirable for the Committee to perform its duties with respect to Plan administration.

8.4 Decision of Committee Final. Subject to applicable law and Article 6, any interpretation of the provisions of the Plan and any decision on any matter within the discretion of the Committee made by the Committee in good faith shall be binding on all persons. A misstatement or other mistake of fact shall be corrected when it becomes known and the Committee shall make such adjustment on account thereof as the Committee considers equitable and practicable.

8.5 Interested Committee Member. If a member of the Committee is also a Participant in the Plan, he may not decide or determine any matter or question concerning his benefits unless such decision or determination could be made by him under the Plan if he were not a Committee member.

8.6 Indemnification. No person (including any present or former Committee member, and any present or former director, officer or employee of the Company) shall be personally liable for any act done or omitted to be done in good faith in the administration of the Plan. Each present or former director, officer or employee of the Company to whom the Committee or the Company has delegated any portion of its responsibilities under the Plan and each present or former Committee member shall be indemnified and saved harmless by the Company (to the extent not indemnified or saved harmless under any liability insurance or other indemnification arrangement with respect to the Plan) from and against any and all claims of liability to which they are subjected by reason of any act done or omitted to be done in good faith in connection with the administration of the Plan, including all expenses reasonably incurred in their defense if the Company fails to provide such defense. No member of the Committee shall be liable for any act or omission of any other member of the Committee, nor for any act or omission upon his own part, excepting his own willful misconduct.



9.1 Action by Company. Any action required or permitted of the Company under the Plan shall be by resolution of its Board of Directors or by a duly authorized committee of its Board of Directors, or by a person or persons authorized by resolution of its Board of Directors or such committee.

#### Article 10 Amendment and Termination

10.1 Amendment. While the Company expects and intends to continue the Plan, the Company must necessarily reserve and hereby does reserve the right to amend the Plan from time to time. Any amendment of the Plan will be by resolution of the Board of Directors of the Company or any committee of the Board of Directors to whom such authority has been delegated. Notwithstanding the preceding sentence, the Committee may amend the Plan in the following respects without the approval of the Board of Directors of the Company: (i) amendments required by law; (ii) amendments that relate to the administration of the Plan and that do not materially change the cost of the Plan; and (iii) amendments that are designed to resolve possible ambiguities, inconsistencies, or omissions in the Plan and that do not materially increase the cost of the Plan. No amendment shall reduce the value of a Participant's vested Account balances to less than the amount (as subsequently adjusted for earnings and losses attributable thereto) he would be entitled to receive if he had resigned from the employ of all of the Employers on the day of the amendment.

10.2 Termination. The Plan will terminate on the first to occur of the following:

(a) The date it is terminated by the Company.

(b) The date the Company is judicially declared bankrupt or insolvent.

(c) The dissolution, merger, consolidation or reorganization of the Company, or the sale of all or substantially all of its assets, except that in any such event arrangements may be made whereby the Plan will be continued by any successor to the Company or any purchaser of all or substantially all of its assets without a termination thereof, in which case the successor or purchaser will be substituted for the Company under the Plan.

10.3 Distribution on Termination. On termination of the Plan, each affected Participant's Accounts shall be fully vested and shall be distributed in a lump sum payment as soon as practicable after the date the Plan is terminated. The amount of any such distribution shall be determined as of the business day on which such distribution is processed. For purposes of this Section, the "business day on which such distribution is processed" refers to the business day established for such purpose by administrative practice, even if actual payment is made at a later date due to delays in valuation, administration or any other procedure. Such determination shall be binding on all Participants and beneficiaries.

#### Article 11 General Provisions

11.1 Notices. Any notice or document relating to the Plan required to be given to or filed with the Committee or the Company shall be considered as given or filed if delivered or mailed by registered or certified mail, postage prepaid, to the Committee, in care of the Company.

11.2 Nonalienation of Plan Benefits. The rights or interests of any Participant or any Participant's beneficiaries to any benefits or future payments under the Plan shall not be subject to attachment or garnishment or other legal process by any creditor of any such Participant or beneficiary nor shall any such Participant or beneficiary have any right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or rights which he may expect to receive under the Plan, except as may be required by the tax withholding provisions of the Code or a state's income tax act.

11.3 Payment with Respect to Incapacitated Persons. If any person entitled to benefits under the Plan is under a legal disability or, in the Committee's opinion, is incapacitated in any way so as to be unable to manage his financial affairs, the Committee may direct the payment of such benefits to such person's legal representative or to a relative or friend of such person for such person's benefit, or the Committee may direct the application of such benefit for the benefit of such person in any manner which the Committee may select that is consistent with the Plan. Any payments made in accordance with the foregoing provisions of this Section 11.3 shall be a full and complete discharge of any liability for such payments.

11.4 No Employment or Benefit Guaranty. None of the establishment of the Plan, any modification thereof, the creation of any fund or account, or the payment of any benefits shall be construed as giving to any Participant or other person any legal or equitable right against the Company or the Committee except as provided herein. Under no circumstances shall the maintenance of this Plan constitute a contract of employment or shall the terms of employment of any Participant be modified or in any way affected hereby. Accordingly, participation in the Plan will not give any Participant

a right to be retained in the employ of any Employer.

11.5 Litigation. In any action or proceeding regarding any Plan benefits or the administration of the Plan, employees or former employees of the Employers, their beneficiaries and any other persons claiming to have an interest in the Plan shall not be necessary parties and shall not be entitled to any notice of process. Any final judgment which is not appealed or appealable and which may be entered in any such action or proceeding shall be binding and conclusive on the parties hereto and on all persons having or claiming to have any interest in the Plan. Acceptance of participation in the Plan shall constitute a release of the Company, the Committee and their agents from any and all liability and obligation not involving willful misconduct or gross neglect.

11.6 Headings. The headings of the various Articles and Sections in the Plan are solely for convenience and shall not be relied upon in construing any provisions hereof. Any reference to a Section shall refer to a Section of the Plan unless specified otherwise.

11.7 Evidence. Evidence required of anyone under the Plan shall be signed, made or presented by the proper party or parties and may be by certificate, affidavit, document or other information which the person acting thereon considers pertinent and reliable.

11.8 Gender and Number. Words denoting the masculine gender shall include the feminine and neuter genders, the singular shall include the plural and the plural shall include the singular wherever required by the context.

11.9 Waiver of Notice. Any notice required under the Plan may be waived by the person entitled to notice.

11.10 Applicable Law. The Plan shall be construed in accordance with the laws of the State of Nebraska.

11.11 Severability. Whenever possible, each provision of the Plan shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of the Plan is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, and the Plan shall be reformed, construed and enforced in such jurisdiction so as to best give effect to the intent of the Company under the Plan.

11.12 Withholding for Taxes. Notwithstanding any other provisions of the Plan, the Company may withhold from any payment to be made under the Plan such amount or amounts as may be required for purposes of complying with the tax withholding provisions of the Code, any state or local income tax act or any applicable similar laws.

11.13 Successors. The Plan is binding on all persons entitled to benefits hereunder and their respective heirs and legal representatives, on the Committee and its successor and on the Company and its successor, whether by way of merger, consolidation, purchase or otherwise.

11.14 Effect on Other Employee Benefit Plans. Any benefit paid or payable under this Plan shall not be included in a Participant's or employee's compensation for purposes of computing benefits under any employee benefit plan maintained or contributed to by an Employer except as may otherwise be required under the terms of such employee benefit plan.

TRANSACTION SYSTEMS ARCHITECTS, INC.  
DEFERRED COMPENSATION PLAN TRUST

This Trust Agreement made effective this 1st day of January, 1999, by and between Transaction Systems Architects, Inc. (hereinafter called the "Company") and First American Trust Company (hereinafter called the "Trustee"), as Trustee.

WITNESSETH:

WHEREAS, Company has adopted the Transaction Systems Architects, Inc. Deferred Compensation Plan (the "Plan"), a nonqualified deferred compensation plan; and

WHEREAS, Company has incurred or expects to incur liability under the terms of such Plan with respect to the individuals participating in such Plan; and

WHEREAS, Company wishes to establish this trust (hereinafter called the "Trust") and to contribute to the Trust assets which shall be held as herein set forth, subject to the claims of Company's creditors in the event of Company's Insolvency, as herein defined, until paid to Plan participants and their beneficiaries in such manner and at such times as specified in the Plan; and

WHEREAS, it is the intention of the parties that this Trust shall constitute an unfunded arrangement and shall not affect the status of the Plan as an unfunded plan maintained for the purpose of providing deferred compensation for a select group of management or highly compensated employees for purposes of Title I of the Employee Retirement Income Security Act of 1974; and

WHEREAS, it is the intention of Company to make contributions to the Trust to provide itself with a source of funds to assist it in the meeting of its liabilities under the Plan.

NOW, THEREFORE, the parties do hereby establish the Trust and agree that the Trust shall be comprised, held, and disposed of as follows:

Section 1. Establishment of Trust.

(a) Company hereby deposits with Trustee in trust the amount of \$1.00, which shall become the principal of the Trust to be held, administered, and disposed of by Trustee as provided in this Trust Agreement.

(b) The Trust hereby established is revocable by Company; it shall become irrevocable upon a Change in Control, as defined in Section 13(d).

(c) The Trust is intended to be a grantor trust, of which Company is the grantor, within the meaning of subpart E, part I, subchapter J, chapter 1, subtitle A of the Internal Revenue Code of 1986, as amended, and shall be construed accordingly.

(d) The principal of the Trust, and any earnings thereon, shall be held separate and apart from other funds of Company, and, after the Trust has become irrevocable, shall be used exclusively for the uses and purposes of Plan participants and general creditors as herein set forth. Plan participants and their beneficiaries shall have no preferred claim on, or any beneficial ownership interest in, any assets of the Trust. Any rights created under the Plan and this Trust Agreement shall be mere unsecured contractual rights of the Plan participants and their beneficiaries against Company. Any assets held by the Trust will be subject to the claims of Company's general creditors under federal and state law in the event of Insolvency, as defined in Section 3(a) herein.

(e) Company, in its sole discretion, may at any time, or from time to time, make additional deposits of cash or other property in trust with Trustee to augment the principal to be held, administered, and disposed of by Trustee as provided in this Trust Agreement. Neither Trustee nor any Plan participant or beneficiary shall have any right to compel such additional deposits.

(f) Within thirty days following a Change in Control (as defined in Section 13(d)), the Company shall make an irrevocable contribution to the Trust in an amount that is sufficient to pay the Plan participants or their beneficiaries the benefits to which the Plan participants or their beneficiaries would be entitled pursuant to the terms of the Plan as of the Change in Control. Within such thirty-day period, the Company shall also make an irrevocable contribution to the Trust in the amount of \$10,000 to fund an expense reserve for the Trustee.

Section 2. Payments to Plan Participants and Their Beneficiaries.

(a) Company shall deliver to Trustee a schedule (the "Payment Schedule") that indicates the amounts payable in respect of each Plan participant (and his or her beneficiaries), that provides a formula or other

instructions acceptable to Trustee for determining the amounts so payable, the form in which such amount is to be paid (as provided for or available under the Plan), and the time of commencement for payment of such amounts. Except as otherwise provided herein, Trustee shall make payments to the Plan participants and their beneficiaries in accordance with such Payment Schedule. At the direction of Company, Trustee shall make provision for the reporting and withholding of any federal, state or local taxes that may be required to be withheld with respect to the payment of benefits pursuant to the terms of the Plan and shall pay amounts withheld to the appropriate taxing authorities.

(b) The entitlement of a Plan participant or his or her beneficiaries to benefits under the Plan shall be determined by Company, or such party as it shall designate under the Plan, and any claim for such benefits shall be considered and reviewed under the procedures set out in the Plan.

(c) Company may make payment of benefits directly to the Plan participants or their beneficiaries as they become due under the terms of the Plan. Company shall notify Trustee of its decision to make payment of benefits directly prior to the time amounts are payable to participants or their beneficiaries. In addition, if the principal of the Trust, and any earnings thereon, are not sufficient to make payments of benefits in accordance with the terms of the Plan, Company shall make the balance of each such payment as it falls due. Trustee shall notify Company where principal and earnings are not sufficient.

### Section 3. Trustee Responsibility Regarding Payments to the Trust Beneficiary When Company is Insolvent.

(a) Trustee shall cease payment of benefits to Plan participants and their beneficiaries if Company is Insolvent. Company shall be considered "Insolvent" for purposes of this Trust Agreement if (i) Company is unable to pay its debts as they become due, or (ii) Company is subject to a pending proceeding as a debtor under the United States Bankruptcy Code.

(b) At all times during the continuance of this Trust, as provided in Section 1(d) hereof, the principal and income of the Trust shall be subject to claims of general creditors of Company under federal and state law as set forth below.

(1) The Board of Directors and the Chief Executive Officer of Company shall have the duty to inform Trustee in writing of Company's Insolvency. If a person claiming to be a creditor of Company alleges in writing to Trustee that Company has become Insolvent, Trustee shall promptly notify Company in writing of such allegation and, pending determination of whether Company is Insolvent, Trustee shall discontinue payment of benefits to Plan participants or their beneficiaries. Company shall confirm or deny Insolvency in a writing delivered to Trustee within 15 days after receipt from Trustee of such notification. If Company denies the allegation of Insolvency or fails to respond within such 15 day period, Trustee shall thereupon determine whether Company is Insolvent. Company agrees to reimburse Trustee for all reasonable fees and disbursements paid by Trustee to accountants, financial consultants or other professionals to assist it in performing its duties pursuant to this Section 3(b)(1).

(2) Unless Trustee has actual knowledge of Company's Insolvency, or has received notice from Company or a person claiming to be a creditor alleging that Company is Insolvent, Trustee shall have no duty to inquire whether Company is Insolvent. Trustee may, in all events, rely on such evidence concerning Company's solvency as may be furnished to Trustee and that provides Trustee with a reasonable basis for making a determination concerning Company's solvency. Evidence upon which Trustee may rely as aforesaid includes but is not limited to written notice from any of Company's Board of Directors, Chief Executive Officer, Chief Financial Officer, a Senior Vice President or General Counsel, its current independent accountant or outside attorney, or an accountant or outside attorney employed by Trustee, or written notice of the appointment of a receiver of any of Company's property by any court in the United States.

(3) If at any time Trustee has determined that Company is Insolvent, Trustee shall discontinue payments to Plan participants or their beneficiaries and shall hold the assets of the Trust for the benefit of Company's general creditors. Nothing in this Trust Agreement shall in any way diminish any rights of Plan participants or their beneficiaries to pursue their rights as general creditors of Company with respect to benefits due under the Plan or otherwise.

(4) Trustee shall resume the payment of benefits to Plan participants or their beneficiaries in accordance with Section 2 of this Trust Agreement only after Trustee has determined that Company is not Insolvent (or is no longer Insolvent).

(c) Provided that there are sufficient assets, if Trustee discontinues the payment of benefits from the Trust pursuant to Section 3(b) hereof, and subsequently resumes such payments, the first payment following such discontinuance shall include the aggregate amount of all payments due to Plan participants or their beneficiaries under the terms of the Plan for the

period of such discontinuance, less the aggregate amount of any payments made to Plan participants or their beneficiaries by Company in lieu of the payments provided hereunder during any such period of discontinuance.

#### Section 4. Payments to Company.

Except as provided in Section 3 hereof, after the Trust has become irrevocable, Company shall have no right or power to direct Trustee to return to Company or to divert to others any of the Trust assets before all payment of benefits have been made to Plan participants and their beneficiaries pursuant to the terms of the Plan.

#### Section 5. Investment Authority.

(a) With respect to the Trust Fund, Trustee shall have the following powers and rights, in addition to those vested in it elsewhere in this Trust Agreement or by law:

(1) To invest the Trust Fund in such bonds, notes, debentures, mortgages, equipment trust certificates, investment trust certificates, preferred or common stock, equity interests in other entities, derivatives and futures contracts, insurance and annuity contracts, common or collective trust funds, shares of investment companies, shares of open-ended investment companies registered under the Investment Company Act of 1940, as amended, including any such company for which Trustee, or an affiliate thereof, is acting as an investment advisor, or in such other property, real or personal, as Trustee may deem advisable, with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and

(2) To temporarily invest and reinvest the funds in any marketable short- and medium-term fixed income securities (including demand and short-term notes and those commonly known as "Master Notes"), United States Treasury Bills, other short- and medium-term government obligations, commercial paper, other money market instruments and part interests in any one or more of the foregoing, or may maintain cash balances consistent with the liquidity needs of the Plan; and

(3) To invest and reinvest all or any part of the Trust Fund through the medium of any pooled investment fund or group trust (which pooled investment fund or group trust may be trustee by Trustee or one or more affiliates of Trustee) which is invested principally in the property of the kind authorized for investment of the Trust Fund; and

(4) To retain, manage, improve, repair, operate, and control all property, real or personal, at any time comprising part of the Trust Fund; and

(5) To manage, sell, contract to sell, grant options to purchase, convey, exchange, partition, lease for any term (even though such term commences in the future or may extend beyond the duration of the Trust), and otherwise dispose of the Trust Fund from time to time in such a manner, for such consideration, and upon such terms and conditions as Trustee, in its discretion, shall determine; and

(6) Except as otherwise provided in Section 5(d) below or directed pursuant to 5(c) below, to vote any corporate stock, either in person or by proxy, for any person; to exercise or sell any stock subscription or conversion right; to participate in voting trusts; to consent to, take any action in connection with, and receive and retain any securities resulting from any merger, consolidation, reorganization, readjustment of the financial structure, liquidation, sale, lease or other disposition of the assets of any corporation or other organization the securities of which may constitute a portion of the Trust Fund; and

(7) To keep any property in the name of a nominee with or without disclosure of any fiduciary relationship; and

(8) To take any action with respect to conserving or realizing upon the value of any property in the Trust Fund; to collect, pay, contest, compromise, or abandon demands of or against the Trust Fund; to pay any tax, assessment or other charge attributable to the interest of any Plan participant; and

(9) To deposit securities in a security depository and permit the securities so deposited to be held in the name of the depository's nominee, and to deposit securities issued or guaranteed by the United States government or any agency or instrumentality thereof, including securities evidenced by book entry rather than by certificate, with the United States Department of the Treasury, a Federal Reserve Bank, or other appropriate custodial entity, in the same account as Trustee's own property, provided Trustee's records and accounts show that such securities are assets of the Trust Fund; and

(10) Generally, to do all acts, whether or not expressly authorized, which Trustee deems necessary or desirable, but acting at all times according to the principles expressed in Section 8.

(b) Trustee shall place securities orders, settle securities trades, hold securities in custody, and conduct other related activities on behalf of the Trust in such a fashion so as to obtain for the Trust the best execution of each securities transaction and full disclosure of all relationships, including all forms of compensation arrangements, with any broker or dealer that Trustee may use, including any affiliate of Trustee upon condition that such broker or agent commission charged by any affiliate of Trustee shall not exceed that normally charged by such affiliate to its unaffiliated customers for similar securities transactions. Fees and commissions paid to a broker or dealer shall be reviewed and approved by Trustee, prior to using such broker or dealer, as part of its exercise of care, skill, prudence, and diligence under Section 8(a).

Trustee is authorized to disclose such information as is necessary to the operation and administration of the Trust to such persons or organizations that Trustee determines have a legitimate business purpose for obtaining such information.

(c) Company may direct the Trustee in writing to segregate all or any portion of the assets of the Trust in a separate account or accounts and may appoint one or more investment advisors or, prior to a Change in Control, an investment committee established by Company to direct the investment and reinvestment of each such account or accounts. Any such appointment shall be in writing and shall delineate the duties, responsibilities, and liabilities of the investment advisor or investment committee with respect to the assets of the Trust under the control of the investment advisor or investment committee. Any such investment advisor appointed by Company shall be an independent person or entity, but members of the investment committee may be employees of Company or any of its affiliates. Notwithstanding the foregoing, subsequent to a Change in Control (as defined in Section 13(d)), (i) any appointment or termination of appointment of an investment advisor by Company requires the prior written consent of a majority of the Plan participants; and (ii) any account that was subject to the direction of an investment committee immediately prior to the Change in Control shall be invested and reinvested by Trustee from and after the Change in Control, either as a separate investment account or combined with the other assets of the Trust, in accordance with Sections 5(a), 5(b) and 5(d) hereof unless and until an investment advisor is appointed by Company with the prior written consent of a majority of the Plan participants for such account.

Trustee shall be under no duty to question, or make inquiries as to, any action or direction of any investment advisor or investment committee as provided herein, or any failure to give directions, or to review the securities subject to the investment direction of any investment advisor or investment committee, or to make any suggestions to an investment advisor or investment committee with respect to investment and reinvestment of, or disposing of investments in, the assets of the Trust subject to the investment discretion of any investment advisor or investment committee, unless Trustee knows that by such action or failure to act it will be participating in a breach of fiduciary duty by the investment advisor or investment committee.

Notwithstanding the foregoing, the Trustee, without obtaining prior approval or direction from an investment advisor or investment committee, shall invest cash balances held by it from time to time in short-term cash equivalents and, furthermore, shall sell such short-term cash equivalents as may be necessary to carry out the instructions of an investment advisor or investment committee.

If the appointment of any investment advisor or investment committee with respect to a separate account is terminated by the Company without the appointment of a successor thereto, the separate account may continue to be maintained as a separate account or may be combined with the other assets of the Trust in the sole discretion of the Trustee and, in any event, shall be invested and reinvested by the Trustee in accordance with Sections 5(a), 5(b), and 5(d) hereof.

(d) Trustee may invest in securities (including stock or rights to acquire stock) or obligations issued by Company; provided Trustee first obtains the prior written consent of Company to such investments unless such investment is a de minimis amount held in common investment vehicles in which Trustee invests. Except as otherwise provided in Section 5(c), all rights associated with assets of the Trust shall be exercised by Trustee or the person designated by Trustee, and shall in no event be exercisable by or rest with Plan participants, except that voting rights with respect to Trust assets that are securities or obligations issued by Company will rest with Company. Company shall have the right, at any time, and from time to time in its sole discretion, to substitute assets of equal fair market value for any assets held by the Trust. This right is exercisable by Company in a nonfiduciary capacity without the approval or consent of any person in a fiduciary capacity.

(e) Each insurance contract or policy issued shall provide that Trustee shall be the owner thereof with the power to exercise all rights, privileges, options and elections granted by or permitted under such contract or policy or under the rules of the insurer. The exercise by Trustee of any incidents of ownership under any contract or policy shall, prior to a Change in Control, be subject to the direction of Company. After a Change in

Control, Trustee shall have the right to exercise any incidents of ownership under any contract or policy in its sole discretion.

Trustee shall have no power to name a beneficiary of the contract or policy other than the Trust, to assign the contract or policy (as distinct from conversion of the contract or policy to a different form) other than to a successor Trustee, or to loan to any person the proceeds of any borrowing against an insurance contract or policy held in the Trust Fund. However, notwithstanding the foregoing provisions of this Section 5(e), prior to a Change in Control, Trustee may loan to Company the proceeds of any borrowing against an insurance policy held as an asset of the Trust.

No insurer shall be deemed to be a party to the Trust and an insurer's obligations shall be measured and determined solely by the terms of contracts, policies and other agreements executed by the insurer.

#### Section 6. Disposition of Income.

During the term of this Trust, all income received by the Trust, net of expenses and taxes, shall be accumulated and reinvested.

#### Section 7. Accounting by Trustee.

Trustee shall keep accurate and detailed records of all investments, receipts, disbursements, and all other transactions required to be made, including such specific records as shall be agreed upon in writing between Company and Trustee. Within 60 days following the close of each calendar year and within 60 days after the removal or resignation of Trustee, Trustee shall deliver to Company a written account of its administration of the Trust during such year or during the period from the close of the last preceding year to the date of such removal or resignation, setting forth all investments, receipts, disbursements, and other transactions reported to or effected by it.

#### Section 8. Responsibility of Trustee.

(a) Trustee shall act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, provided, however, that Trustee shall incur no liability to any person for any action taken pursuant to a direction, request, or approval given by Company which is contemplated by, and in conformity with, the terms of the Plan or this Trust, and is given in writing by Company. The claim of a Plan participant or his or her beneficiaries to benefits under the Plan shall be determined by the Plan Committee (as such term is defined in the Plan) in its sole and absolute discretion under the procedures set out in the Plan. If necessary the Trustee may apply to a court of competent jurisdiction to resolve a dispute over such benefit claims or to resolve a dispute between the Company or the Plan Committee and any party other than the Trustee (or its affiliates), and the Company shall reimburse the Trustee for all the reasonable costs and expenses involved.

(b) Trustee may consult with legal counsel (who, prior to a Change in Control (as defined in Section 13(d)), may also be counsel for Company generally but who, following a Change in Control, must be independent legal counsel) with respect to any of its duties or obligations hereunder.

(c) Trustee may hire agents, accountants, actuaries, investment advisors, financial consultants, or other professionals to assist it in performing any of its duties or obligations hereunder.

(d) Trustee shall have, without exclusion, all powers conferred on Trustee by applicable law, unless expressly provided otherwise herein.

(e) Notwithstanding any powers granted to Trustee pursuant to this Trust Agreement or to applicable law, Trustee shall not have any power which could give this Trust the objective of carrying on a business and dividing the gains therefrom, within the meaning of Section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Internal Revenue Code.

(f) No Trustee shall be required to furnish bond or other security except as herein expressly provided or except if required to do so under applicable federal law.

(g) In the event of a garnishment, attachment, levy, or other legal process by a creditor of Company of any of the assets of the Trust under circumstances set out in Section 3(b) hereof where Trustee cannot ascertain the Insolvency of Company, Trustee may interplead the assets of the Trust into the court where the creditor has brought such action.

(h) To the extent permitted by law, Trustee shall be indemnified and saved harmless by Company from and against any and all claims of liability, damages, penalties, judgments, expenses, including reasonable attorneys' fees, to which it is subjected by reason of any act done or omitted to be done in good faith in connection with the Trust or the investment of the Trust, including all expenses reasonably incurred in its defense if Company fails to provide such defense (collectively "Damages"); provided, however,

Trustee shall not be indemnified and saved harmless with respect to Damages caused by Trustee's willful misconduct, negligence, failure to follow directions given in accordance with the provisions of the Trust by an investment advisor, investment committee, Company or any person duly authorized by Company or, if Trustee is required by law to act without the receipt of such directions, by its failure to act in the absence of such directions.

#### Section 9. Compensation and Expenses of Trustee.

Company shall pay all administrative and Trustee's fees and expenses, including fees for services provided by persons appointed or hired pursuant to Sections 3(b)(1), 5(c), 8(b) or 8(c). If not so paid, the fees and expenses shall be paid from the Trust. Notwithstanding anything to the contrary in this Section 9, prior to a Change in Control (as defined in Section 13(d)) neither Company nor the Trust shall have any obligation to pay any fee or expense attributable to services rendered by a third party unless Company gave its prior written approval of the appointment, hiring or retention of such third party. Such prior written consent shall not be required following a Change in Control.

#### Section 10. Resignation and Removal of Trustee.

(a) Prior to a Change in Control (as defined in Section 13(d)), Trustee may resign at any time by written notice to Company, which shall be effective 60 days after receipt of such notice unless Company and Trustee agree otherwise. Following a Change in Control, Trustee may resign only after the appointment of a successor Trustee.

(b) Trustee may be removed by Company on one days notice prior to a Change in Control. Subsequent to a Change in Control, Trustee may only be removed by Company with the written consent of a majority of the Plan participants.

(c) Upon resignation or removal of Trustee and appointment of a successor Trustee, all assets shall subsequently be transferred to the successor Trustee. The transfer shall be completed within 30 days after resignation or removal.

(d) If the Trustee resigns or is removed, a successor shall be appointed by Company, in accordance with Section 11 hereof, by the effective date of resignation or removal under Sections 10(a) or 10(b). If no such appointment has been made, Trustee may apply to a court of competent jurisdiction for appointment of a successor or for instructions. All expenses of Trustee in connection with the proceeding shall be allowed as administrative expenses of the Trust to the same extent as though Trustee had received the advance written consent of Company to incurring such expenses.

#### Section 11. Appointment of Successor.

If Trustee resigns or is removed in accordance with Section 10(a) or 10(b) hereof, Company may appoint, subject to Section 10, any third party national banking association with capital and surplus exceeding \$100,000,000 as a successor to replace Trustee upon resignation or removal. The appointment shall be effective when accepted in writing by the successor Trustee. The successor Trustee shall have all of the rights and powers of the former Trustee, including ownership rights in the Trust assets. The former Trustee shall execute any instrument necessary or reasonably requested by Company or the successor Trustee to evidence the transfer.

#### Section 12. Amendment or Termination.

(a) This Trust Agreement may be amended by a written instrument executed by Trustee and Company. Notwithstanding the foregoing, no such amendment shall conflict with the terms of the Plan or shall make the Trust revocable after it has become irrevocable in accordance with Section 1(b) hereof.

(b) The Trust shall not terminate until the date on which Plan participants and their beneficiaries are no longer entitled to benefits pursuant to the terms of the Plan unless sooner revoked in accordance with Section 1(b) hereof. Upon termination of the Trust, any assets remaining in the Trust shall be returned to Company.

(c) Notwithstanding the foregoing, subsequent to a Change in Control (as defined in Section 13(d)), this Trust Agreement may only be amended or terminated by Company with the written consent of a majority of the Plan participants.

#### Section 13. Miscellaneous.

(a) Any provisions of this Trust Agreement prohibited by law shall be ineffective to the extent of any such prohibition, without invalidating the remaining provisions hereof.

(b) Benefits payable to Plan participants and their beneficiaries under this Trust Agreement may not be anticipated, assigned (either at law or in equity), alienated, pledged, encumbered, or subjected to



attachment, levy, execution, or other legal or equitable process.

(c) This Trust Agreement shall be governed by and construed in accordance with laws of the State of Nebraska.

(d) For purposes of this Trust Agreement, Change in Control shall mean the purchase or other acquisition by any person, entity or group of persons, within the meaning of section 13(d) or 14(d) of the Securities Exchange Act of 1934 ("Act"), or any comparable successor provisions, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of 30 percent or more of either the outstanding shares of common stock or the combined voting power of Company's then outstanding voting securities entitled to vote generally, or the approval by the stockholders of Company of a reorganization, merger, or consolidation, in each case, with respect to which persons who were stockholders of Company immediately prior to such reorganization, merger or consolidation do not, immediately thereafter, own more than 50 percent of the combined voting power entitled to vote generally in the election of directors of the reorganized, merged or consolidated Company's then outstanding securities, or of a liquidation or dissolution of Company or of the sale of all or substantially all of Company's assets.

(e) Until further notice from either party hereto, any notices delivered pursuant to this Trust Agreement and all other communications shall be in writing and shall be delivered, sent or transmitted to the persons at the addresses and facsimile numbers set forth hereunder. All notices and other communications shall be effective when received. The party seeking to rely on notice having been given under this paragraph shall be responsible for ascertaining its receipt.

For Company:

Transaction Systems Architects, Inc.  
224 S. 108th Avenue  
Omaha, NE 68154  
Attn.: Judith L. Miller  
Facsimile No. 402-390-8077

For Trustee:

First American Trust Company  
2100 Fifth Avenue  
San Diego, CA 92101  
  
Box 34666  
San Diego, CA 92163-4666  
Attn.: Denise C. Mehus  
Facsimile No. 619-615-4966

(f) This Trust Agreement between Company and Trustee contains the entire understanding between the parties with respect to its subject matter and, as of the effective date of this Trust Agreement, it supersedes and entirely replaces any and all prior agreements between Company and Trustee with respect to the subject matter of this Trust Agreement.

(g) This Trust Agreement shall be binding upon and inure to the benefit of the parties hereof and their heirs, successors, and assignees. This Trust Agreement is not assignable by any party without the express written consent of the other party.

(h) Titles and captions used in this Trust Agreement are included for convenience of reference only and in no way define or delimit any provisions or otherwise alter the construction or effect.

(i) Where the context permits, words in the masculine gender shall include the feminine and neuter genders, the singular shall include the plural, and the plural shall include the singular.

(j) Each of the parties to this Trust Agreement hereby represents and warrants that it is duly authorized and empowered to execute, deliver, and perform this Trust Agreement.

(k) This Trust Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all counterparts shall, together, constitute only one agreement.

Section 14. Effective Date.

The effective date of this Trust Agreement shall be the 1st day of January, 1999.

IN WITNESS WHEREOF, this Trust Agreement is executed as of the day and year first above written.

TRANSACTION SYSTEMS ARCHITECTS, INC.

ATTEST BY: /s/ Judith L. Miller

By: /s/ Dwight G. Hanson

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Name: Dwight G. Hanson

Title: Chief Financial Officer  
(Principal Financial Officer)

FIRST AMERICAN TRUST COMPANY  
as Trustee

ATTEST BY: /s/ Patricia Schmitt

By /s/ Denise Mehus

-----  
Name: Denise Mehus

Title: Vice President

Erickson & Sederstrom  
A Professional Corporation

Regency Westpointe  
10330 Regency Parkway Drive, Suite 100  
Omaha, Nebraska 68114-3761  
November 20, 1998

Board of Directors  
Transaction Systems Architects, Inc.  
224 South 108th Avenue  
Omaha, Nebraska 68154

Re: Transaction Systems Architects, Inc. (the "Company")

Gentlemen:

We refer to the registration, on a Registration Statement on Form S-8 (the "Registration Statement") under the Securities Act of 1933, as amended, of \$30,000,000 of deferred compensation obligations (the "Obligations") of the Company under the Company's Deferred Compensation Plan (the "Plan"). We have reviewed the Plan, the Deferred Compensation Plan Trust, the charter and by-laws of the Company, corporate proceedings of the Board of Directors relating to the Plan, and such other documents, corporate records and questions of laws as we have deemed necessary to the rendering of the opinions expressed below.

Based upon the foregoing, we are of the opinion that the Obligations, when issued in accordance with the provisions of the Plan, will be valid and binding obligations of the Company, enforceable in accordance with their terms, except as may be limited by the effect of bankruptcy, insolvency, reorganization, moratorium, and similar laws affecting the rights and remedies of creditors generally, by the effect of general principles of equity (whether in an action at law or a proceeding in equity), or by the effect of the laws of usury or other laws or equitable principles relating to or limiting the interest rate payable on indebtedness.

We express our opinion as to the laws of any jurisdiction other than the laws of the State of Nebraska.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement.

Very truly yours,

Samuel E. Clark

Consent of Independent Public Accountants

As independent public accountants, we hereby consent to the incorporation by reference in this Form S-8 Registration Statement of our reports dated October 30, 1997, included in Transaction Systems Architects, Inc.'s Annual Report on Form 10-K for the fiscal year ended September 30, 1997 and to all references to our Firm included in this Registration Statement.

Arthur Andersen LLP

Omaha, Nebraska,  
November 20, 1998