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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 OR 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): January 30, 2015 (January 26, 2015)**

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**ACI WORLDWIDE, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**0-25346**  
(Commission  
File Number)

**47-0772104**  
(I.R.S. Employer  
Identification No.)

**3520 Kraft Rd, Suite 300**  
**Naples, FL 34105**  
(Address of principal executive offices) (Zip Code)

**Registrant's telephone number, including area code: (239) 403-4600**

**(Former Name or Former Address, if Changed Since Last Report) N/A**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

(e) New Forms of Award Agreements. On January 26, 2015, the Compensation and Leadership Development Committee (the “Compensation Committee”) of the Board of Directors of ACI Worldwide, Inc. (the “Company”) approved, as discussed below, the Company’s 2015 supplemental long-term incentive program (the “2015 Supplemental LTIP”). In conjunction with the 2015 Supplemental LTIP, the following forms of equity agreements were adopted: (i) form of LTIP Supplemental Performance Shares Agreement attached hereto as Exhibit 10.1 (the “Supplemental Performance Shares Agreement”); and (ii) form of LTIP Supplemental Non-Qualified Stock Option Agreement attached hereto as Exhibit 10.2 (the “Supplemental Non-Qualified Stock Option Agreement”)

In addition, on January 26, 2015, the Compensation Committee approved amendments to the Company’s base 2015 long-term incentive program (the “2015 LTIP”) equity agreements as part of the Company’s transition to the use of electronic equity agreements. The following amended equity agreements were adopted: (i) form of LTIP Performance Shares Agreement attached hereto as Exhibit 10.3 (the “Performance Shares Agreement”); and (ii) form of LTIP Non-Qualified Stock Option Agreement attached hereto as Exhibit 10.4 (the “Non-Qualified Stock Option Agreement”). Exhibits 10.1, 10.2, 10.3 and 10.4 to this Current Report on Form 8-K are incorporated herein by reference.

Grant of 2015 LTIP. Consistent with past practice, on January 26, 2015, the Compensation Committee granted awards of performance shares (“Performance Shares”) and nonqualified stock options as part of the 2015 LTIP. The Performance Shares comprised 60% of the grant value delivered pursuant to the 2015 LTIP awards and the nonqualified stock options comprised 40% of the grant value delivered pursuant to the 2015 LTIP awards. In prior years, LTIP awards were typically granted in December of the prior year. This year, the 2015 LTIP awards were granted in January. Each of the following executives were granted Performance Shares using the Company’s form of Performance Shares Agreement:

Name	Number of Targeted Performance Shares (assumes 100% attainment of performance goals)
Philip G. Heasley, President and Chief Executive Officer*	125,786
Scott W. Behrens, Senior Executive Vice President, Chief Financial Officer and Chief Accounting Officer*	62,992
Dennis P. Byrnes, Executive Vice President, Chief Administrative Officer, General Counsel and Secretary*	62,992
Daniel Frate, Group President, Strategic Products & Global Markets	62,992
Carolyn Homberger, Group President, Customer Management and Maintenance	62,992
Craig A. Maki, Executive Vice President, Chief Corporate Development Officer and Treasurer*	62,992
David N. Morem, Executive Vice President and Chief Risk Officer*	62,992
Apratim Purakayastha, Group President, ACI On-Demand	62,992
Tony Scotto, Senior Executive Vice President, Technology	62,992

\* listed as a named executive officer in the Company’s proxy statement for its 2014 annual meeting of stockholders

Performance Shares under the 2015 LTIP are earned based upon the achievement, over a three-year period (the “Performance Period”), of performance goals relating to the following: (1) revenue growth as measured by compound annual growth rate over the Performance Period in the Company’s consolidated Sales, Net of Term Extensions (“SNET CAGR”) and (2) contribution margin as measured by the cumulative consolidated operating income over the Performance Period (“Cumulative Operating Income”).

The grantees will earn the Performance Shares only if both the SNET CAGR and Cumulative Operating Income performance goals exceed threshold performance levels. If the Company achieves the threshold performance level for both SNET CAGR and Cumulative Operating Income, then grantees will earn Performance Shares based on a performance matrix that provides 50% of the awarded Performance Shares are earned for threshold performance, 100% of the awarded Performance Shares are earned for target performance and 200% of Performance Shares are earned for performance at or

above the maximum level and other specified earning percentages based on the actual performance of the Company against the performance goals. If the performance of the SNET CAGR and Cumulative Operating Income performance goals fall between the specified percentage ranges set forth in the performance matrix, the Compensation Committee will determine the award percentage earned by mathematical interpolation and rounded to the nearest whole share.

The 2015 LTIP awards also included a grant of nonqualified stock options representing 40% of the 2015 LTIP's grant value to executives which stock options were granted using the Company's form of Non-Qualified Stock Option Agreement. These stock options are scheduled to vest in three equal installments on the first, second and third anniversary of the grant date.

#### Grant of 2015 Supplemental LTIP

As a new type of award, on January 26, 2015, as an enhancement to the 2015 LTIP awards, the Compensation Committee granted 2015 Supplemental LTIP awards consisting of Supplemental Performance Shares and Supplemental Stock Options to certain executives. The Supplemental Performance Shares comprised 60% of the grant value delivered pursuant to the 2015 Supplemental LTIP awards and the Supplemental Stock Options comprised 40% of the grant value delivered pursuant to the 2015 Supplemental LTIP awards. Each of the following executives were granted Supplemental Performance Shares using the Company's form of Supplemental Performance Shares Agreement:

Name	Number of Targeted Supplemental Performance Shares (assumes 100% attainment of performance goals)
Scott W. Behrens, Senior Executive Vice President, Chief Financial Officer and Chief Accounting Officer*	47,244
Daniel Frate, Group President, Strategic Products & Global Markets	31,496
Carolyn Homberger, Group President, Customer Management and Maintenance	47,244
Apratim Purakayastha, Group President, ACI On-Demand	47,244
Tony Scotto, Senior Executive Vice President, Technology	31,496

\* listed as a named executive officer in the Company's proxy statement for its 2014 annual meeting of stockholders

Supplemental Performance Shares under the 2015 Supplemental LTIP are earned based upon the achievement, over a five-year period (the "Supplemental Performance Period"), of performance goals relating to the following: (1) revenue growth as measured by compound annual growth rate over the Supplemental Performance Period in the Company's consolidated Sales, Net of Term Extensions ("Supplemental SNET CAGR") and (2) contribution margin as measured by the cumulative consolidated operating income over the Supplemental Performance Period ("Supplemental Cumulative Operating Income").

The grantees will earn the Supplemental Performance Shares only if both the Supplemental SNET CAGR and Supplemental Cumulative Operating Income performance goals exceed threshold performance levels. If the Company achieves the threshold performance level for both Supplemental SNET CAGR and Supplemental Cumulative Operating Income, then grantees will earn Supplemental Performance Shares based on a performance matrix that provides 50% of the awarded Supplemental Performance Shares are earned for threshold performance, 100% of the awarded Supplemental Performance Shares are earned for target performance and 200% of Supplemental Performance Shares are earned for performance at or above the maximum level and other specified earning percentages based on the actual performance of the Company against the performance goals. If the performance of the Supplemental SNET CAGR and Supplemental Cumulative Operating Income performance goals fall between the specified percentage ranges set forth in the performance matrix, the Compensation Committee will determine the award percentage earned by mathematical interpolation and rounded to the nearest whole share.

The Supplemental 2015 LTIP awards also included a grant to each of the executives who received a grant of Supplemental Performance Shares of Supplemental Stock Options representing 40% of the 2015 Supplemental LTIP's grant value which stock options were granted using the Company's form of Supplemental Non-Qualified Stock Option Agreement. These stock options are scheduled to vest in three equal annual installments on the third, fourth and fifth

anniversary of the grant date. In addition, these options become exercisable, if at all, in three equal increments if the closing price per share of the Company's common stock on the NASDAQ Global Select Market meets or exceeds 133%, 167% and 200%, respectively, of the closing price of the Company's common stock on the grant date for at least 20 consecutive trading days prior to the fifth anniversary of the grant date.

**2015 Executive MIC.** On January 26, 2015, the Compensation Committee approved the 2015 Executive Management Incentive Compensation plan (the "**2015 Executive MIC**") for the Company's executives, including the Company's named executive officers. The 2015 Executive MIC, including the 2015 short-term incentive goals (the "**2015 Executive MIC Goals**"), was established pursuant to and in accordance with the Executive Management Incentive Compensation Plan adopted by the Company's stockholders at the Company's 2013 annual stockholders' meeting.

The objective of the 2015 Executive MIC is to incent executives to achieve or exceed the Company's financial and performance goals for the Company's fiscal year commencing January 1, 2015 (the "**MIC Performance Period**"). MIC bonus amounts are determined based upon the achievement of three categories of performance metrics: (1) Funding Metrics, (2) Operational Excellence, and (3) Business Unit Performance Metrics. A MIC bonus may be more or less than 100% (up to a maximum of 200%) of its target level depending upon the percentage attainment of the performance metrics in the executive's plan. Performance attainment less than the threshold level indicated yields zero payout for that metric.

The Funding Metrics consist of the two consolidated Company financial metrics set forth in the table below. The total funded incentive pool available for payout to executives will be calculated based upon the achievement of these two metrics.

Company Performance Metric	Metric Weighting	Attainment Percentage	Payout Percentage
Operating Income	75%	90%	40%
		100%	100%
		118%	200%
Sales, Net of Term Extensions	25%	90%	40%
		100%	100%
		114%	200%

Certain executives have MIC plans comprised solely of the Funding Metrics above and Operational Excellence. Other executives have MIC plans that also include one or more Business Unit Performance Metrics.

Distribution of the funded incentive pool to executives depends upon each executive's performance against his or her individual MIC plan metrics. In no event will the aggregate MIC bonuses paid to all plan participants exceed the amount of the funded incentive pool.

In order to be entitled to any payment under the 2015 Executive MIC, the executive must be an employee of the Company on the date of payment, except to the extent otherwise provided by the Company. If the executive's employment with the Company is terminated for any reason prior to the payment date, the executive will not be eligible for a MIC bonus for the MIC Performance Period, and the executive will forfeit all rights to such payment except to the extent otherwise provided by the Company.

The Company reserves the right at any time during the MIC Performance Period to: (1) amend or terminate the 2015 Executive MIC in whole or in part, (2) revoke any eligible executive's right to participate in the 2015 Executive MIC and (3) make adjustments to targets and payouts subject to the terms of the 2015 Executive MIC.

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**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

- 10.1 Form of 2015 Supplemental Performance Shares Agreement for the Company's 2005 Equity and Performance Incentive Plan, as amended.
- 10.2 Form of 2015 Supplemental Non-Qualified Stock Option Agreement for the Company's 2005 Equity and Performance Incentive Plan, as amended.
- 10.3 Form of 2015 Performance Shares Agreement for the Company's 2005 Equity and Performance Incentive Plan, as amended.
- 10.4 Form of 2015 Non-Qualified Stock Option Agreement – Employee for the Company's 2005 Equity and Performance Incentive Plan, as amended.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ACI WORLDWIDE, INC.

Dated: January 30, 2015

By: /s/ Dennis P. Byrnes  
Dennis P. Byrnes  
Executive Vice President

## INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
10.1	Form of 2015 Supplemental Performance Shares Agreement for the Company's 2005 Equity and Performance Incentive Plan, as amended.
10.2	Form of 2015 Supplemental Non-Qualified Stock Option Agreement for the Company's 2005 Equity and Performance Incentive Plan, as amended.
10.3	Form of 2015 Performance Shares Agreement for the Company's 2005 Equity and Performance Incentive Plan, as amended.
10.4	Form of 2015 Non-Qualified Stock Option Agreement – Employee for the Company's 2005 Equity and Performance Incentive Plan, as amended.

## ACI WORLDWIDE, INC.

**Supplemental LTIP Performance Shares Agreement**  
**2005 Equity and Performance Incentive Plan**  
**(Amended by the Stockholders June 14, 2012 and further revised to reflect 3 for 1 stock**  
**split effective July 10, 2014)**

This Supplemental LTIP Performance Shares Agreement (this "Agreement") is made as of the effective date set forth in Schedule A hereto (the "Effective Date") between ACI Worldwide, Inc., a Delaware corporation (the "Corporation") and the individual identified in Schedule A hereto, an employee of the Corporation or its Subsidiaries (the "Grantee").

WHEREAS, the Board of Directors of the Corporation (the "Board of Directors") has duly adopted, and the stockholders of the Corporation have approved, the 2005 Equity and Performance Incentive Plan, as amended (the "Plan"), which authorizes the Corporation to grant to eligible individuals performance shares, each such performance share being equal in value to one share of the Corporation's common stock, par value of \$0.005 per share (the "Common Shares"); and

WHEREAS, the Board of Directors has determined that it is desirable and in the best interests of the Corporation and its stockholders to approve a long-term incentive program and, in connection therewith, to grant the Grantee a certain number of performance shares, in order to provide the Grantee with an incentive to advance the interests of the Corporation, all according to the terms and conditions set forth herein and in the Plan.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereto do hereby agree as follows:

1. **Grant of Performance Shares.**

- (a) Subject to the terms of the Plan, the Corporation hereby grants to the Grantee the number of performance shares (the "Performance Shares") set forth in Schedule A, payment of which depends on the Corporation's performance as set forth in this Agreement and in the Statement of Performance Goals attached hereto and incorporated herein by this reference (the "Statement of Performance Goals") approved by the Compensation Committee of the Board of Directors (the "Committee").
- (b) The Grantee's right to receive all or any portion of the Performance Shares will be contingent upon the achievement of certain management objectives (the "Management Objectives"), as set forth in the Statement of Performance Goals. The achievement of the Management Objectives will be measured during the performance period set forth on the Statement of Performance Goals.
- (c) The Management Objectives for the Performance Period will be as set forth on the Statement of Performance Goals.



2. **Earning of Performance Shares.**

- (a) **Threshold Level Requirement.** If, upon the conclusion of the Performance Period, any of the Management Objectives fall below the threshold levels set forth in the performance matrix contained in the Statement of Performance Goals (the "Performance Matrix"), none of the Performance Shares shall become earned.
- (b) **Earning Calculation.** If, upon the conclusion of the Performance Period, the Management Objectives equal or exceed the threshold levels set forth in the Performance Matrix, a proportionate number of the Performance Shares shall become earned, as determined by mathematical interpolation and rounded up to the nearest whole share.
- (c) **Modification.** If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Corporation, the manner in which it conducts business or other events or circumstances render the Management Objectives to be unsuitable, the Committee may modify such Management Objectives or the related levels of achievement, in whole or in part, as the Committee deems appropriate; **provided, however,** that in the case of an award to a Covered Employee intended to qualify for an exemption under Section 162(m) of the Internal Revenue Code of 1986 (the "Code"), no such action may result in the loss of the otherwise available exemption of the award under Section 162(m).
- (d) **Conditions; Determination of Earned Award.** Except as otherwise provided herein, the Grantee's right to receive any Performance Shares is contingent upon his or her remaining in the continuous employ of the Corporation or a Subsidiary through the end of the Performance Period. For purposes of this Agreement, the continuous employ of the Grantee shall not be considered interrupted or terminated in the case of transfers between locations of the Corporation and its Subsidiaries. Following the Performance Period, with respect to Grantees that are Covered Employees, the Committee shall certify that the Management Objectives have been satisfied and shall determine the number of Performance Shares that shall have become earned hereunder. In all circumstances, the Committee shall have the ability and authority to reduce, but not increase, the amount of Performance Shares that become earned hereunder.

3. **Retirement, Disability, Death or Termination without Cause.** If the Grantee's employment with the Corporation or a Subsidiary terminates following completion of the first full fiscal quarter of the Performance Period but before the payment of the Performance Shares as set forth in Section 6 below due to (a) the Grantee's retirement approved by the Corporation, (b) Disability (as defined below), (c) death or (d) a termination by the Corporation without cause, the Corporation shall pay to the Grantee or his or her executor or administrator, as the case may be, at the time specified in Section 6, a number of Performance Shares equal to (i) the number of Performance Shares to which the Grantee would have been entitled under Section 2 above based on the performance of the Corporation for the full Performance Period, multiplied by (ii) a fraction, the

numerator of which is the number of full fiscal quarters the Grantee was employed during the Performance Period and the denominator of which is the number of full fiscal quarters in the Performance Period. The remaining Performance Shares shall be forfeited. For purposes of this Agreement, "Disability" means the Grantee's permanent and total disability as defined in Section 22(e)(3) of the Code.

4. **Other Termination.** If the Grantee's employment with the Corporation or a Subsidiary terminates before the payment of the Performance Shares as provided in Section 6 hereof for any reason other than as set forth in Section 3 above, the Performance Shares will be forfeited.
5. **Leaves of Absence.** If the Grantee was on short-term disability, long-term disability or unpaid leave of absence approved by the Corporation for more than thirty (30) consecutive calendar days during any fiscal quarter during Performance Period, the number of Performance Shares earned by the Grantee will be reduced such that the Grantee will only be entitled to (i) the number of Performance Shares to which the Grantee would have been entitled under Section 2 above based on the performance of the Corporation during the Performance Period, multiplied by (ii) a fraction, the numerator of which is the number of fiscal quarters the Grantee was employed during the Performance Period (excluding any fiscal quarters during which the Grantee was on a leave of absence for more than thirty (30) consecutive calendar days) and the denominator of which is the number of full fiscal quarters in the Performance Period.
6. **Payment of Performance Shares.** Payment of any Performance Shares that become earned as set forth herein will be made in the form of Common Shares, in cash, or in a combination of the two, as determined in the sole discretion of the Committee. Payment will be made as soon as practicable after the receipt of audited financial statements of the Corporation relating to the last fiscal year of the Performance Period and with respect to Covered Employees, the determination by the Committee of the level of attainment of the Management Objectives. Performance Shares will be forfeited if they are not earned at the end of the Performance Period and, except as otherwise provided in this Agreement, if the Grantee ceases to be employed by the Corporation or a Subsidiary at any time prior to such shares becoming earned.
7. **Withholding of Taxes.**
  - (a) The Grantee shall be liable for any and all federal, state, local or non-US taxes applicable to the Grantee, including, without limitation, withholding taxes, social security/national insurance contributions and employment taxes, arising out of this grant of Performance Shares, the issuance of Common Shares as payment for earned Performance Shares hereunder or the payment of cash for earned Performance Shares. In the event that the Corporation or the Grantee's employer (the "Employer") is required to withhold taxes as a result of the grant of the Performance Shares, the issuance of Common Shares as payment for earned Performance Shares or the payment of cash for earned Performance Shares, the Grantee shall at the election of the Corporation, in its sole discretion, either (i) surrender a sufficient number of whole Common Shares, having a Market Value

per Share on the date such Performance Shares become taxable equal to the amount of such taxes, or (ii) make a cash payment, as necessary to cover all applicable required withholding taxes and required social security/national insurance contributions on the date such Performance Shares become taxable, unless the Corporation, in its sole discretion, has established alternative procedures for such payment. If the number of shares required to cover all applicable withholding taxes and required social security/national insurance contributions includes a fractional share, then Grantee shall deliver cash in lieu of such fractional share. All matters with respect to the total amount to be withheld shall be determined by the Corporation in its sole discretion.

(b) Regardless of any action the Corporation or the Grantee's Employer takes with respect to any or all income tax, social security/national insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), the Grantee acknowledges and agrees that the ultimate liability for all Tax-Related Items legally due by him is and remains the Grantee's responsibility and that the Corporation and or the Employer (i) make no representations nor undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this grant of Performance Shares, including the grant of Performance Shares, the issuance of Common Shares as payment for earned Performance Shares, the payment of cash for earned Performance Shares or the subsequent sale of any Common Shares issued hereunder and receipt of any dividends; and (ii) do not commit to structure the terms or any aspect of this grant of Performance Shares to reduce or eliminate the Grantee's liability for Tax-Related Items. The Grantee shall pay the Corporation or the Employer any amount of Tax-Related Items that the Corporation or the Employer may be required to withhold as a result of the Grantee's participation in the Plan or the Grantee's grant of Performance Shares, the Common Shares issued as payment for earned Performance Shares or the payment of cash for earned Performance Shares that cannot be satisfied by the means previously described above in Section 7(a). The Corporation may refuse to issue Common Shares as payment of earned Performance Shares related thereto if the Grantee fails to comply with the Grantee's obligations in connection with the Tax-Related Items.

8. **Forfeiture and Right of Recoupment.** Notwithstanding anything contained herein to the contrary, by accepting these Performance Shares, Grantee understands and agrees that if (a) the Corporation is required to restate its consolidated financial statements because of material noncompliance due to irregularities with the federal securities laws, which restatement is due, in whole or in part, to the misconduct of Grantee, or (b) it is determined that the Grantee has otherwise engaged in misconduct (whether or not such misconduct is discovered by the Corporation prior to the termination of Grantee's employment), the Board of Directors or a committee thereof (in each case, the "Board") may take such action with respect to the Performance Shares as the Board, in its sole discretion, deems necessary or appropriate and in the best interest of the Corporation and its stockholders. Such action may include, without limitation, causing the forfeiture of unearned Performance Shares, requiring the transfer of ownership back to the

Corporation of Common Shares issued as payment for earned Performance Shares and still held by the Grantee, cash received by the Grantee as payment for earned Performance Shares and the recoupment of any proceeds from the sale of Common Shares issued as payment for Performance Shares earned pursuant to this Agreement. For purposes of this Section 8, "misconduct" shall mean a deliberate act or acts of dishonesty or misconduct which either (i) were intended to result in substantial personal enrichment to the Grantee at the expense of the Corporation or (ii) have a material adverse effect on the Corporation. Any determination hereunder, including with respect to Grantee's misconduct, shall be made by the Board in its sole discretion. Notwithstanding any provisions herein to the contrary, Grantee expressly acknowledges and agrees that the rights of the Board set forth in this Section 8 shall continue after Grantee's employment with the Corporation or its Subsidiary is terminated, whether termination is voluntary or involuntary, with or without cause, and shall be in addition to every other right or remedy at law or in equity that may otherwise be available to the Corporation.

9. **Cash Dividends.** Cash dividends on the Performance Shares covered by this Agreement shall be sequestered by the Corporation from and after the Effective Date until such time as any of such Performance Shares become earned in accordance with this Agreement, whereupon such dividends shall be converted into a number of Common Shares (based on the Market Value per Share on the date such Performance Shares become earned) to the extent such dividends are attributable to Performance Shares that have become earned. To the extent that Performance Shares covered by this Agreement are forfeited, all of the dividends sequestered with respect to such Performance Shares shall also be forfeited. No interest shall be payable with respect to any such dividends.
10. **Non-Assignability.** The Performance Shares and the Common Shares subject to this grant of Performance Shares are personal to the Grantee and may not be sold, exchanged, assigned, transferred, pledged, encumbered or otherwise disposed of by the Grantee until they become earned as provided in this Agreement; provided, however, that the Grantee's rights with respect to such Performance Shares and Common Shares may be transferred by will or pursuant to the laws of descent and distribution or pursuant to a domestic relations order (within the meaning of Rule 16a-12 under the Securities Exchange Act of 1934, as amended). Any purported transfer or encumbrance in violation of the provisions of this Section 10, shall be void, and the other party to any such purported transaction shall not obtain any rights to or interest in such Performance Shares or Common Shares.
11. **Adjustments.** In the event of any change in the number of Common Shares by reason of a merger, consolidation, reorganization, recapitalization, or similar transaction, or in the event of a stock dividend, stock split, or distribution to shareholders (other than normal cash dividends), the Committee shall adjust the number and class of shares subject to outstanding Performance Shares and other value determinations applicable to outstanding Performance Shares. No adjustment provided for in this Section 11 shall require the Corporation to issue any fractional share.
12. **Compliance with Section 409A of the Code.** To the extent applicable, it is intended that this Agreement and the Plan comply with the provisions of Section 409A of the

Code, so that the income inclusion provisions of Section 409A(a)(1) of the Code do not apply to the Grantee. This Agreement and the Plan shall be administered in a manner consistent with this intent.

13. **Miscellaneous.**

- (a) The contents of this Agreement are subject in all respects to the terms and conditions of the Plan as approved by the Board of Directors and the stockholders of the Corporation, which are controlling. The interpretation and construction by the Board of Directors and/or the Committee of any provision of the Plan or this Agreement shall be final and conclusive upon the Grantee, the Grantee's estate, executor, administrator, beneficiaries, personal representative and guardian and the Corporation and its successors and assigns. Unless otherwise indicated, the capitalized terms used in this Agreement shall have the same meanings as set forth in the Plan.
- (b) The grant of the Performance Shares is discretionary and will not be considered to be an employment contract or a part of the Grantee's terms and conditions of employment or of the Grantee's salary or compensation. The Grantee's acceptance of this grant constitutes the Grantee's consent to the transfer of data and information from non-U.S. entities related to the Corporation concerning or arising out of this grant to the Corporation and to entities engaged by the Corporation to provide services in connection with this grant for purposes of any applicable privacy, information or data protection laws and regulations.
- (c) This Agreement, and the terms and conditions of the Plan, shall bind, and inure to the benefit of the Grantee, the Grantee's estate, executor, administrator, beneficiaries, personal representative and guardian and the Corporation and its successors and assigns.
- (d) This Agreement shall be governed by the laws of the State of Delaware (but not including the choice of law rules thereof).
- (e) Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto. The terms and conditions of this Agreement may not be modified, amended or waived, except by an instrument in writing signed by a duly authorized executive officer at the Corporation. Notwithstanding the foregoing, no amendment shall adversely affect the Grantee's rights under this Agreement without the Grantee's consent.

14. **Notices.** Any notice hereunder by the Grantee to the Corporation shall be in writing and shall be deemed duly given (i) if mailed or delivered to the Corporation at its principal office, addressed to the attention of Stock Plan Administration, (ii) if electronically delivered to the e-mail address, if any, for Stock Plan Administration or (iii) if so mailed, delivered or electronically delivered to such other address or e-mail address as the Corporation may hereafter designate by notice to the Grantee. Any notice hereunder by the Corporation to the Grantee shall be in writing and shall be deemed duly given (i) if

mailed or delivered to the Grantee at Grantee's address listed in the Corporation's records, (ii) if electronically delivered to the e-mail address, if any, for Optionee listed in the Corporation's records or (iii) if so mailed, delivered or electronically delivered to such other address or e-mail address as the Grantee may hereafter designate by written notice given to the Corporation.

15. **Electronic Delivery and Acceptance**. The Corporation may, in its sole discretion, decide to deliver any documents or notices related to current or future participation in the Plan by electronic means. By accepting the Performance Shares, electronically or otherwise, Grantee hereby consents to receive such documents or notices by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Corporation or a third party designated by the Corporation, including the use of electronic signatures or click-through acceptance of terms and conditions or other electronic means such as an e-mail acknowledgement.

This Agreement will be deemed to be signed by the Corporation and Grantee upon Grantee's acceptance of the Notice of Grant of Award attached as Schedule A.

## ACI WORLDWIDE, INC.

**Supplemental Nonqualified Stock Option Agreement – Employee  
2005 Equity and Performance Incentive Plan  
(Amended by the Stockholders on June 14, 2012 and further revised to reflect the 3 for 1  
stock split effective July 10, 2014)**

This Supplemental Stock Option Agreement (the “Option Agreement”) is made as of the effective date set forth in Schedule A hereto (the “Effective Date”), by and between ACI Worldwide, Inc., a Delaware corporation (the “Corporation”), and the individual identified in Schedule A hereto, an employee of the Corporation or its Subsidiaries (the “Optionee”).

WHEREAS, the Board of Directors of the Corporation has duly adopted, and the stockholders of the Corporation have approved, the 2005 Equity and Performance Incentive Plan, as amended (the “Plan”), which Plan authorizes the Corporation to grant to eligible individuals options for the purchase of shares of the Corporation’s Common Stock (the “Stock”); and

WHEREAS, the Board of Directors of the Corporation has determined that it is desirable and in the best interests of the Corporation and its stockholders to grant the Optionee an option to purchase a certain number of shares of Stock, in order to provide the Optionee with an incentive to advance the interests of the Corporation, all according to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereto do hereby agree as follows:

## 1. GRANT OF NON-QUALIFIED STOCK OPTION

Subject to the terms of the Plan, the Corporation hereby grants to the Optionee the right and option (the “Option”) to purchase from the Corporation, on the terms and subject to the conditions set forth in this Option Agreement, the number of shares of Stock (the “Option Shares”) set forth in Schedule A. The Date of Grant of this Option is the Effective Date (defined above). **This Option shall not constitute an incentive stock option within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”).**

## 2. TERMS OF PLAN

The Option granted pursuant to this Option Agreement is granted subject to the terms and conditions set forth in the Plan, a copy of which has been delivered to the Optionee. All terms and conditions of the Plan, as may be amended from time to time, are hereby incorporated into this Option Agreement by reference and shall be deemed to be a part of this Option Agreement, without regard to whether such terms and conditions (including, for example, provisions relating to certain changes in capitalization of the Corporation) are otherwise set forth in this Option Agreement. In the event that there is any inconsistency between the provisions of this Option Agreement and of the Plan, the provisions of the Plan shall govern. Capitalized terms used herein that are not otherwise defined shall have the meaning ascribed to them in the Plan.

### 3. EXERCISE PRICE

The exercise price for the shares of Stock subject to the Option granted by this Option Agreement is the price per share set forth in Schedule A (the "Exercise Price").

### 4. EXERCISE OF OPTION

Subject to the provisions of the Plan and subject to the earlier expiration or termination of this Option in accordance with its terms, the Option granted pursuant to this Option Agreement shall be exercisable only as follows:

#### 4.1. Time of Exercise of Option

- 4.1.1. First Tranche. The Option shall become exercisable, if at all, with respect to one-third of the Option Shares (the "First Tranche Options") upon satisfaction of both of the following criteria: (i) Optionee's continued employment by the Corporation or any of its Subsidiaries as of the third anniversary of the Date of Grant, and (ii) subject to the Optionee's continued employment by the Corporation or any of its Subsidiaries on such date, the first date, which must be on or before the fifth anniversary of the Date of Grant, that the closing price per share of Stock on the NASDAQ Global Select Stock Market has met or exceeded 133% of the Exercise Price for at least 20 consecutive trading days (the "First Tranche Share Price Component"). The First Tranche Options shall not become exercisable if the First Tranche Share Price Component is not satisfied on or before the fifth anniversary of the Date of Grant.
- 4.1.2. Second Tranche. The Option shall become exercisable, if at all, with respect to one-third of the Option Shares (the "Second Tranche Options") upon satisfaction of both of the following criteria: (i) Optionee's continued employment by the Corporation or any of its Subsidiaries as of the fourth anniversary of the Date of Grant, and (ii) subject to the Optionee's continued employment by the Corporation or any of its Subsidiaries on such date, the first date, which must be on or before the fifth anniversary of the Date of Grant, that the closing price per share of Stock on the NASDAQ Global Select Stock Market has met or exceeded 167% of the Exercise Price for at least 20 consecutive trading days (the "Second Tranche Share Price Component"). The Second Tranche Options shall not become exercisable if the Second Tranche Share Price Component is not satisfied on or before the fifth anniversary of the Date of Grant.
- 4.1.3. Third Tranche. The Option shall become exercisable, if at all, with respect to one-third of the Option Shares (the "Third Tranche Options") upon satisfaction of both of the following criteria prior to the expiration of the Option: (i) Optionee's continued employment by the Corporation or any of its Subsidiaries as of the fifth anniversary of the Date of Grant, and (ii) subject to the Optionee's continued employment by the Corporation or any of its Subsidiaries on such date, the first date which must be on or before the fifth anniversary of the Date of Grant, that the closing price per share of Stock on the NASDAQ Global Select Stock Market



has met or exceeded 200% of the Exercise Price for at least 20 consecutive trading days (the “Third Tranche Share Price Component”). The Third Tranche Options shall not become exercisable if the Third Tranche Share Price Component is not satisfied on or before the fifth anniversary of the Date of Grant.

#### **4.2. Limitations**

The portion of the Option that has not become exercisable as of the date of the Optionee’s termination of employment with the Corporation or any of its Subsidiaries for any reason shall automatically terminate as of the date of the Optionee’s termination of employment with the Corporation or its Subsidiaries and shall not become exercisable after such termination. To the extent the Option is exercisable, it may be exercised, in whole or in part; provided, that no single exercise of the Option shall be for less than 100 shares, unless at the time of the exercise, the maximum number of shares available for purchase under this Option is less than 100 shares. In no event shall the Option be exercised for a fractional share.

#### **4.3. Termination of Option**

This Agreement and the Option granted hereby shall terminate automatically and without further notice on the earliest of the following dates:

- 4.3.1. 90 calendar days from the date of the Optionee’s termination of employment with the Corporation or a Subsidiary for any reason other than death or Disability (as defined below);
- 4.3.2. one year after the Optionee’s permanent and total disability as defined in Section 22(e)(3) of the Code (“Disability”);
- 4.3.3. one year after the Optionee’s death, if such death occurs (i) while the Optionee is employed by the Corporation or a Subsidiary, (ii) within the 90-day period following the Optionee’s termination of employment for any reason other than Disability; or (iii) within the one-year period following the Optionee’s termination of employment by reason of the Optionee’s Disability; or
- 4.3.4. ten years from the Date of Grant.

The Corporation shall have the authority to determine the date an Optionee ceases to be an employee by reason of Disability. In the case of death, the Option may be exercised by the executor or administrator of the Optionee’s estate or by any person or persons who shall have acquired the Option directly from the Optionee by bequest or inheritance. The Optionee shall be deemed to be an employee of the Corporation or any Subsidiary if on a leave of absence approved by the Board of Directors of the Corporation and the continuous employment of the Optionee with the Corporation or any of its Subsidiaries will not be deemed to have been interrupted, and the Optionee shall not be deemed to have ceased to be an employee of the Corporation or its Subsidiaries, by reason of the transfer of the Optionee’s employment among the Corporation and its Subsidiaries.

#### 4.4. Limitations on Exercise of Option

In no event may the Option be exercised, in whole or in part, after the occurrence of an event which results in termination of the Option, as set forth in Section 4.3 above. The Option shall not be exercisable if and to the extent the Corporation determines such exercise or method of exercise would violate applicable securities laws, the rules and regulations of any securities exchange or quotation system on which the Stock is listed, or the Corporation's policies and procedures.

#### 4.5. Method of Exercise of Option

- 4.5.1. To the extent then exercisable, the Option may be exercised in whole or in part by written notice to the Corporation stating the number of shares for which the Option is being exercised and the intended manner of payment. The date of such notice shall be the exercise date. Payment equal to the aggregate Exercise Price of the shares shall be payable (i) in cash in the form of currency or check or other cash equivalent acceptable to the Corporation, (ii) by actual or constructive transfer to the Corporation of nonforfeitable, outstanding shares of Stock that have been owned by the Optionee for at least six months prior to the date of exercise, (iii) by any combination of the foregoing methods of payment or (iv) in accordance with such other method or manner as set forth below.

(A) Cash Exercise (to exercise and retain the Option Shares): Subject to the terms and conditions of this Option Agreement and the Plan, the Option may be exercised by delivering written notice of exercise to the Corporation, at its principal office, addressed to the attention of Stock Plan Administration, or to the agent/broker designated by the Corporation, which notice shall specify the number of shares for which the Option is being exercised, and shall be accompanied by payment in full of the Exercise Price of the shares for which the Option is being exercised plus the full amount of all applicable withholding taxes due on the Option exercise. Payment of the Exercise Price for the shares of Stock purchased pursuant to the exercise of the Option shall be made either in cash or by certified check payable to the order of the Corporation. If the person exercising the Option is not the Optionee, such person shall also deliver with the notice of exercise appropriate proof of his or her right to exercise the Option, as the Corporation may require in its sole discretion. Promptly after exercise of the Option as provided for above, the Corporation shall deliver to the person exercising the Option a certificate or certificates for the shares of Stock being purchased.

(B) Same-Day-Sale Exercise (to exercise and immediately sell all the Option Shares): Subject to the terms and conditions of this Option Agreement and the Plan, the Option may be exercised by delivering written notice of exercise to the agent/broker designated by the Corporation, which notice shall specify the number of shares for which the Option is being exercised and irrevocable instructions to promptly (1) sell all of the shares of Stock to be issued upon exercise and (2) remit to the Corporation the portion of the sale proceeds sufficient to pay the Exercise Price for the shares of Stock purchased pursuant to

the exercise of the Option and all applicable taxes due on the Option exercise. The agent/broker shall request issuance of the shares and immediately and concurrently sell the shares on the Optionee's behalf. Payment of the Exercise Price for the shares of Stock purchased pursuant to the exercise of the Option, any brokerage fees, transfer fees, and all applicable taxes due on the Option exercise, shall be deducted from the proceeds of the sale of the shares. If the person exercising the Option is not the Optionee, such person shall also deliver with the notice of exercise appropriate proof of his or her right to exercise the Option, as the Corporation may require in its sole discretion. Promptly after exercise of the Option as provided for above, the agent/broker shall deliver to the person exercising the Option the net proceeds from the sale of the shares of Stock being exercised and sold.

(C) Sell-to-Cover Exercise (to exercise and immediately sell a portion of the Option Shares): Subject to the terms and conditions of this Option Agreement and the Plan, the Option may be exercised by delivering written notice of exercise to the agent/broker designated by the Corporation, which notice shall specify the number of shares for which the Option is being exercised and irrevocable instructions to promptly (1) sell the portion (which must be a whole number) of the shares of Stock to be issued upon exercise sufficient to generate proceeds to pay the Exercise Price for the shares of Stock purchased pursuant to the exercise of the Option, any brokerage or transfer fees, and all applicable taxes due on the Option exercise (collectively the "Exercise Costs") and (2) remit to the Corporation a sufficient portion of the sale proceeds to pay the Exercise Price for the shares of Stock purchased pursuant to the exercise of the Option and all applicable taxes due on the Option exercise. The agent/broker shall request issuance of the shares and immediately and concurrently sell on the Optionee's behalf only such number of the Shares as is required to generate proceeds sufficient to pay the Exercise Costs. Promptly after exercise of the Option as provided for above, the Corporation shall deliver to the person exercising the Option a certificate for the shares of Stock issued upon exercise which are not sold to pay the Exercise Costs. Promptly after exercise of the Option as provided for above, the agent/broker shall deliver to the person exercising the Option any net proceeds from the sale of the Shares in excess of the Exercise Costs. If the person exercising the Option is not the Optionee, such person shall also deliver with the notice of exercise appropriate proof of his or her right to exercise the Option, as the Corporation may require in its sole discretion.

- 4.5.2. As soon as practicable upon the Corporation's receipt of the Optionee's notice of exercise and payment, the Corporation shall direct the due issuance of the shares so purchased.
- 4.5.3. As a further condition precedent to the exercise of this Option in whole or in part, the Optionee shall comply with all regulations and the requirements of any regulatory authority having control of, or supervision over, the issuance of the shares of Stock and in connection therewith shall execute any documents which the Board shall in its sole discretion deem necessary or advisable.

#### **4.6 Forfeiture and Right to Recoupment.**

Notwithstanding anything contained herein to the contrary, by accepting this Option, Optionee understands and agrees that if (a) the Corporation is required to restate its consolidated financial statements because of material noncompliance due to irregularities with the federal securities laws, which restatement is due, in whole or in part, to the misconduct of Optionee, or (b) it is determined that the Optionee has otherwise engaged in misconduct (whether or not such misconduct is discovered by the Corporation prior to the termination of Optionee's employment), the Board of Directors or a committee thereof (in each case, the "Board") may take such action with respect to the Option as the Board, in its sole discretion, deems necessary or appropriate and in the best interest of the Corporation and its stockholders. Such action may include, without limitation, causing the forfeiture or cancellation of the unvested and/or vested portion of the Option and the recoupment of any proceeds from the exercise or vesting of the Option and/or the sale of Option Shares issued pursuant to this Agreement. For purposes of this Section 4.6, "misconduct" shall mean a deliberate act or acts of dishonesty or misconduct which either (i) were intended to result in substantial personal enrichment to the Optionee at the expense of the Corporation or (ii) have a material adverse effect on the Corporation. Any determination hereunder, including with respect to Optionee's misconduct, shall be made by the Board in its sole discretion. Notwithstanding any provisions herein to the contrary, Optionee expressly acknowledges and agrees that the rights of the Board set forth in this Section 4.6 shall continue after Optionee's employment with the Corporation is terminated, whether termination is voluntary or involuntary, with or without cause, and shall be in addition to every other right or remedy at law or in equity that may otherwise be available to the Corporation.

#### **5. TRANSFERABILITY OF OPTIONS**

During the lifetime of an Optionee, only such Optionee (or, in the event of legal incapacity or incompetency, the Optionee's guardian or legal representative) may exercise the Option. No Option shall be assignable or transferable by the Optionee to whom it is granted, other than by will or the laws of descent and distribution.

#### **6. COMPLIANCE WITH LAW**

The Corporation shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, that notwithstanding any other provision of this Option Agreement, the Option shall not be exercisable if the exercise thereof would result in a violation of any such law.

#### **7. RIGHTS AS STOCKHOLDER**

Neither the Optionee nor any executor, administrator, distributee or legatee of the Optionee's estate shall be, or have any of the rights or privileges of, a stockholder of the Corporation in respect of any shares of Stock issuable hereunder unless and until such shares have been fully paid and certificates representing such shares have been endorsed, transferred and delivered, and the name of the Optionee (or of such personal representative, administrator, distributee or legatee of the Optionee's estate) has been entered as the stockholder of record on the books of the Corporation.

## **8. WITHHOLDING OF TAXES**

If the Corporation shall be required to withhold any federal, state, local or foreign tax in connection with exercise of this Option, it shall be a condition to such exercise that the Optionee pay or make provision satisfactory to the Corporation for payment of all such taxes. The Optionee may elect that all or any part of such withholding requirement be satisfied by retention by the Corporation of a portion of the shares purchased upon exercise of this Option. If such election is made, the shares so retained shall be credited against such withholding requirement at the fair market value on the date of exercise.

## **9. DISCLAIMER OF RIGHTS**

No provision in this Option Agreement shall be construed to confer upon the Optionee the right to be employed by the Corporation or any Subsidiary, or to interfere in any way with the right and authority of the Corporation or any Subsidiary either to increase or decrease the compensation of the Optionee at any time, or to terminate any employment or other relationship between the Optionee and the Corporation or any Subsidiary.

## **10. INTENTIONALLY LEFT BLANK.**

## **11. COMPLIANCE WITH SECTION 409A OF THE CODE.**

To the extent applicable, it is intended that this Option Agreement and the Plan comply with the provisions of Section 409A of the Code, so that the income inclusion provisions of Section 409A(a)(1) do not apply to Optionee. This Option Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause the Option Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force and effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Corporation without the consent of the Optionee).

## **12. INTERPRETATION OF THIS OPTION AGREEMENT**

All decisions and interpretations made by the Board or the Compensation Committee thereof with regard to any question arising under the Plan or this Option Agreement shall be binding and conclusive on the Corporation and the Optionee and any other person entitled to exercise the Option as provided for herein.

## **13. GOVERNING LAW**

This Option Agreement shall be governed by the laws of the State of Delaware (but not including the choice of law rules thereof).

#### **14. BINDING EFFECT**

Subject to all restrictions provided for in this Option Agreement, the Plan, and by applicable law relating to assignment and transfer of this Option Agreement and the Option provided for herein, this Option Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

#### **15. NOTICE**

Any notice hereunder by the Optionee to the Corporation shall be in writing and shall be deemed duly given (i) if mailed or delivered to the Corporation at its principal office, addressed to the attention of Stock Plan Administration, (ii) if electronically delivered to the e-mail address, if any, for Stock Plan Administration or (iii) if so mailed, delivered or electronically delivered to such other address or e-mail address as the Corporation may hereafter designate by notice to the Optionee. Any notice hereunder by the Corporation to the Optionee shall be in writing and shall be deemed duly given (i) if mailed or delivered to the Optionee at Optionee's address listed in the Corporation's records, (ii) if electronically delivered to the e-mail address, if any, for Optionee listed in the Corporation's records or (iii) if so mailed, delivered or electronically delivered to such other address or e-mail address as the Optionee may hereafter designate by written notice given to the Corporation.

#### **16. SEVERABILITY**

If one or more of the provisions of this Option Agreement is invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

#### **17. ELECTRONIC DELIVERY AND ACCEPTANCE**

The Corporation may, in its sole discretion, decide to deliver any documents or notices related to current or future participation in the Plan by electronic means. By accepting or exercising this Option, electronically or otherwise, Optionee hereby consents to receive such documents or notices by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Corporation or a third party designated by the Corporation, including the use of electronic signatures or click-through acceptance of terms and conditions or other electronic means such as an e-mail acknowledgement.

#### **18. ENTIRE AGREEMENT; ELIGIBILITY**

This Option Agreement and the Plan together constitute the entire agreement and supersedes all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. Except for amendments to the Plan incorporated into this Option Agreement by reference pursuant to Section 2 above, neither this Option Agreement nor any

term hereof may be amended, waived, discharged or terminated except by a written instrument signed by the Corporation and the Optionee; provided, however, that the Corporation unilaterally may waive any provision hereof in writing to the extent that such waiver does not adversely affect the interests of the Optionee hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof. In the event that it is determined that the Optionee was not eligible to receive this Option, the Option and this Option Agreement shall be null and void and of no further effect.

This Option Agreement will be deemed to be signed by the Corporation and Optionee upon Optionee's acceptance of the Notice of Grant of Stock Options attached as Schedule A.

## ACI WORLDWIDE, INC.

**LTIP Performance Shares Agreement**  
**2005 Equity and Performance Incentive Plan**  
**(Amended by the Stockholders June 14, 2012 and further revised to reflect 3 for 1 stock**  
**split effective July 10, 2014)**

This LTIP Performance Shares Agreement (this "Agreement") is made as of the effective date set forth in Schedule A hereto (the "Effective Date") between ACI Worldwide, Inc., a Delaware corporation (the "Corporation") and the individual identified in Schedule A hereto, an employee of the Corporation or its Subsidiaries (the "Grantee").

WHEREAS, the Board of Directors of the Corporation (the "Board of Directors") has duly adopted, and the stockholders of the Corporation have approved, the 2005 Equity and Performance Incentive Plan, as amended (the "Plan"), which authorizes the Corporation to grant to eligible individuals performance shares, each such performance share being equal in value to one share of the Corporation's common stock, par value of \$0.005 per share (the "Common Shares"); and

WHEREAS, the Board of Directors has determined that it is desirable and in the best interests of the Corporation and its stockholders to approve a long-term incentive program and, in connection therewith, to grant the Grantee a certain number of performance shares, in order to provide the Grantee with an incentive to advance the interests of the Corporation, all according to the terms and conditions set forth herein and in the Plan.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereto do hereby agree as follows:

1. **Grant of Performance Shares.**

- (a) Subject to the terms of the Plan, the Corporation hereby grants to the Grantee the number of performance shares (the "Performance Shares") set forth in Schedule A, payment of which depends on the Corporation's performance as set forth in this Agreement and in the Statement of Performance Goals attached hereto and incorporated herein by this reference (the "Statement of Performance Goals") approved by the Compensation Committee of the Board of Directors (the "Committee").
- (b) The Grantee's right to receive all or any portion of the Performance Shares will be contingent upon the achievement of certain management objectives (the "Management Objectives"), as set forth in the Statement of Performance Goals. The achievement of the Management Objectives will be measured during the performance period set forth on the Statement of Performance Goals.
- (c) The Management Objectives for the Performance Period will be as set forth on the Statement of Performance Goals.



2. **Earning of Performance Shares.**

- (a) **Threshold Level Requirement.** If, upon the conclusion of the Performance Period, any of the Management Objectives fall below the threshold levels set forth in the performance matrix contained in the Statement of Performance Goals (the "Performance Matrix"), none of the Performance Shares shall become earned.
- (b) **Earning Calculation.** If, upon the conclusion of the Performance Period, the Management Objectives equal or exceed the threshold levels set forth in the Performance Matrix, a proportionate number of the Performance Shares shall become earned, as determined by mathematical interpolation and rounded up to the nearest whole share.
- (c) **Modification.** If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Corporation, the manner in which it conducts business or other events or circumstances render the Management Objectives to be unsuitable, the Committee may modify such Management Objectives or the related levels of achievement, in whole or in part, as the Committee deems appropriate; **provided, however,** that in the case of an award to a Covered Employee intended to qualify for an exemption under Section 162(m) of the Internal Revenue Code of 1986 (the "Code"), no such action may result in the loss of the otherwise available exemption of the award under Section 162(m).
- (d) **Conditions; Determination of Earned Award.** Except as otherwise provided herein, the Grantee's right to receive any Performance Shares is contingent upon his or her remaining in the continuous employ of the Corporation or a Subsidiary through the end of the Performance Period. For purposes of this Agreement, the continuous employ of the Grantee shall not be considered interrupted or terminated in the case of transfers between locations of the Corporation and its Subsidiaries. Following the Performance Period, with respect to Grantees that are Covered Employees, the Committee shall certify that the Management Objectives have been satisfied and shall determine the number of Performance Shares that shall have become earned hereunder. In all circumstances, the Committee shall have the ability and authority to reduce, but not increase, the amount of Performance Shares that become earned hereunder.

3. **Change in Control.** If a Change in Control (as defined on Exhibit A to this Agreement) occurs following completion of the first full fiscal quarter of the Performance Period but before the payment of the Performance Shares as set forth in Section 7 below, the Corporation shall pay to the Grantee, within sixty (60) days following the Change in Control, a number of Performance Shares equal to (i) the number of Performance Shares to which the Grantee would have been entitled under Section 2 above based on the performance of the Corporation at the 100% target level for the full Performance Period, multiplied by (ii) a fraction, the numerator of which is the number of full fiscal quarters in the Performance Period completed prior to the Change in Control and the denominator of which is the number of full fiscal quarters in the Performance Period. The remaining Performance Shares shall be forfeited.

4. **Retirement, Disability, Death or Termination without Cause.** If the Grantee's employment with the Corporation or a Subsidiary terminates following completion of the first full fiscal quarter of the Performance Period but before the payment of the Performance Shares as set forth in Section 7 below due to (a) the Grantee's retirement approved by the Corporation, (b) Disability (as defined below), (c) death or (d) a termination by the Corporation without cause, the Corporation shall pay to the Grantee or his or her executor or administrator, as the case may be, at the time specified in Section 7, a number of Performance Shares equal to (i) the number of Performance Shares to which the Grantee would have been entitled under Section 2 above based on the performance of the Corporation for the full Performance Period, multiplied by (ii) a fraction, the numerator of which is the number of full fiscal quarters the Grantee was employed during the Performance Period and the denominator of which is the number of full fiscal quarters in the Performance Period. The remaining Performance Shares shall be forfeited. For purposes of this Agreement, "Disability" means the Grantee's permanent and total disability as defined in Section 22(e)(3) of the Code.
5. **Other Termination.** If the Grantee's employment with the Corporation or a Subsidiary terminates before the payment of the Performance Shares as provided in Section 7 hereof for any reason other than as set forth in Section 4 above, the Performance Shares will be forfeited.
6. **Leaves of Absence.** If the Grantee was on short-term disability, long-term disability or unpaid leave of absence approved by the Corporation for more than thirty (30) consecutive calendar days during any fiscal quarter during Performance Period, the number of Performance Shares earned by the Grantee will be reduced such that the Grantee will only be entitled to (i) the number of Performance Shares to which the Grantee would have been entitled under Section 2 above based on the performance of the Corporation during the Performance Period, multiplied by (ii) a fraction, the numerator of which is the number of fiscal quarters the Grantee was employed during the Performance Period (excluding any fiscal quarters during which the Grantee was on a leave of absence for more than thirty (30) consecutive calendar days) and the denominator of which is the number of full fiscal quarters in the Performance Period.
7. **Payment of Performance Shares.** Payment of any Performance Shares that become earned as set forth herein will be made in the form of Common Shares, in cash, or in a combination of the two, as determined in the sole discretion of the Committee. Except as otherwise provided in Section 3, payment will be made as soon as practicable after the receipt of audited financial statements of the Corporation relating to the last fiscal year of the Performance Period and with respect to Covered Employees, the determination by the Committee of the level of attainment of the Management Objectives. Performance Shares will be forfeited if they are not earned at the end of the Performance Period and, except as otherwise provided in this Agreement, if the Grantee ceases to be employed by the Corporation or a Subsidiary at any time prior to such shares becoming earned.

8. **Withholding of Taxes.**

- (a) The Grantee shall be liable for any and all federal, state, local or non-US taxes applicable to the Grantee, including, without limitation, withholding taxes, social security/national insurance contributions and employment taxes, arising out of this grant of Performance Shares, the issuance of Common Shares as payment for earned Performance Shares hereunder or the payment of cash for earned Performance Shares. In the event that the Corporation or the Grantee's employer (the "Employer") is required to withhold taxes as a result of the grant of the Performance Shares, the issuance of Common Shares as payment for earned Performance Shares or the payment of cash for earned Performance Shares, the Grantee shall at the election of the Corporation, in its sole discretion, either (i) surrender a sufficient number of whole Common Shares, having a Market Value per Share on the date such Performance Shares become taxable equal to the amount of such taxes, or (ii) make a cash payment, as necessary to cover all applicable required withholding taxes and required social security/national insurance contributions on the date such Performance Shares become taxable, unless the Corporation, in its sole discretion, has established alternative procedures for such payment. If the number of shares required to cover all applicable withholding taxes and required social security/national insurance contributions includes a fractional share, then Grantee shall deliver cash in lieu of such fractional share. All matters with respect to the total amount to be withheld shall be determined by the Corporation in its sole discretion.
- (b) Regardless of any action the Corporation or the Grantee's Employer takes with respect to any or all income tax, social security/national insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), the Grantee acknowledges and agrees that the ultimate liability for all Tax-Related Items legally due by him is and remains the Grantee's responsibility and that the Corporation and or the Employer (i) make no representations nor undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of this grant of Performance Shares, including the grant of Performance Shares, the issuance of Common Shares as payment for earned Performance Shares, the payment of cash for earned Performance Shares or the subsequent sale of any Common Shares issued hereunder and receipt of any dividends; and (ii) do not commit to structure the terms or any aspect of this grant of Performance Shares to reduce or eliminate the Grantee's liability for Tax-Related Items. The Grantee shall pay the Corporation or the Employer any amount of Tax-Related Items that the Corporation or the Employer may be required to withhold as a result of the Grantee's participation in the Plan or the Grantee's grant of Performance Shares, the Common Shares issued as payment for earned Performance Shares or the payment of cash for earned Performance Shares that cannot be satisfied by the means previously described above in Section 8(a). The Corporation may refuse to issue Common Shares as payment of earned Performance Shares related thereto if the Grantee fails to comply with the Grantee's obligations in connection with the Tax-Related Items.

9. **Forfeiture and Right of Recoupment.** Notwithstanding anything contained herein to the contrary, by accepting these Performance Shares, Grantee understands and agrees that if (a) the Corporation is required to restate its consolidated financial statements because of material noncompliance due to irregularities with the federal securities laws, which restatement is due, in whole or in part, to the misconduct of Grantee, or (b) it is determined that the Grantee has otherwise engaged in misconduct (whether or not such misconduct is discovered by the Corporation prior to the termination of Grantee's employment), the Board of Directors or a committee thereof (in each case, the "Board") may take such action with respect to the Performance Shares as the Board, in its sole discretion, deems necessary or appropriate and in the best interest of the Corporation and its stockholders. Such action may include, without limitation, causing the forfeiture of unearned Performance Shares, requiring the transfer of ownership back to the Corporation of Common Shares issued as payment for earned Performance Shares and still held by the Grantee, cash received by the Grantee as payment for earned Performance Shares and the recoupment of any proceeds from the sale of Common Shares issued as payment for Performance Shares earned pursuant to this Agreement. For purposes of this Section 9, "misconduct" shall mean a deliberate act or acts of dishonesty or misconduct which either (i) were intended to result in substantial personal enrichment to the Grantee at the expense of the Corporation or (ii) have a material adverse effect on the Corporation. Any determination hereunder, including with respect to Grantee's misconduct, shall be made by the Board in its sole discretion. Notwithstanding any provisions herein to the contrary, Grantee expressly acknowledges and agrees that the rights of the Board set forth in this Section 9 shall continue after Grantee's employment with the Corporation or its Subsidiary is terminated, whether termination is voluntary or involuntary, with or without cause, and shall be in addition to every other right or remedy at law or in equity that may otherwise be available to the Corporation.
10. **Cash Dividends.** Cash dividends on the Performance Shares covered by this Agreement shall be sequestered by the Corporation from and after the Effective Date until such time as any of such Performance Shares become earned in accordance with this Agreement, whereupon such dividends shall be converted into a number of Common Shares (based on the Market Value per Share on the date such Performance Shares become earned) to the extent such dividends are attributable to Performance Shares that have become earned. To the extent that Performance Shares covered by this Agreement are forfeited, all of the dividends sequestered with respect to such Performance Shares shall also be forfeited. No interest shall be payable with respect to any such dividends.
11. **Non-Assignability.** The Performance Shares and the Common Shares subject to this grant of Performance Shares are personal to the Grantee and may not be sold, exchanged, assigned, transferred, pledged, encumbered or otherwise disposed of by the Grantee until they become earned as provided in this Agreement; provided, however, that the Grantee's rights with respect to such Performance Shares and Common Shares may be transferred by will or pursuant to the laws of descent and distribution or pursuant to a domestic relations order (within the meaning of Rule 16a-12 under the Securities Exchange Act of 1934, as amended). Any purported transfer or encumbrance in violation of the provisions of this Section 11, shall be void, and the other party to any such purported transaction shall not obtain any rights to or interest in such Performance Shares or Common Shares.

12. **Adjustments.** In the event of any change in the number of Common Shares by reason of a merger, consolidation, reorganization, recapitalization, or similar transaction, or in the event of a stock dividend, stock split, or distribution to shareholders (other than normal cash dividends), the Committee shall adjust the number and class of shares subject to outstanding Performance Shares and other value determinations applicable to outstanding Performance Shares. No adjustment provided for in this Section 12 shall require the Corporation to issue any fractional share.
13. **Compliance with Section 409A of the Code.** To the extent applicable, it is intended that this Agreement and the Plan comply with the provisions of Section 409A of the Code, so that the income inclusion provisions of Section 409A(a)(1) of the Code do not apply to the Grantee. This Agreement and the Plan shall be administered in a manner consistent with this intent.
14. **Miscellaneous.**
- (a) The contents of this Agreement are subject in all respects to the terms and conditions of the Plan as approved by the Board of Directors and the stockholders of the Corporation, which are controlling. The interpretation and construction by the Board of Directors and/or the Committee of any provision of the Plan or this Agreement shall be final and conclusive upon the Grantee, the Grantee's estate, executor, administrator, beneficiaries, personal representative and guardian and the Corporation and its successors and assigns. Unless otherwise indicated, the capitalized terms used in this Agreement shall have the same meanings as set forth in the Plan.
  - (b) The grant of the Performance Shares is discretionary and will not be considered to be an employment contract or a part of the Grantee's terms and conditions of employment or of the Grantee's salary or compensation. The Grantee's acceptance of this grant constitutes the Grantee's consent to the transfer of data and information from non-U.S. entities related to the Corporation concerning or arising out of this grant to the Corporation and to entities engaged by the Corporation to provide services in connection with this grant for purposes of any applicable privacy, information or data protection laws and regulations.
  - (c) This Agreement, and the terms and conditions of the Plan, shall bind, and inure to the benefit of the Grantee, the Grantee's estate, executor, administrator, beneficiaries, personal representative and guardian and the Corporation and its successors and assigns.
  - (d) This Agreement shall be governed by the laws of the State of Delaware (but not including the choice of law rules thereof).
  - (e) Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto. The terms and

conditions of this Agreement may not be modified, amended or waived, except by an instrument in writing signed by a duly authorized executive officer at the Corporation. Notwithstanding the foregoing, no amendment shall adversely affect the Grantee's rights under this Agreement without the Grantee's consent.

15. **Notices.** Any notice hereunder by the Grantee to the Corporation shall be in writing and shall be deemed duly given (i) if mailed or delivered to the Corporation at its principal office, addressed to the attention of Stock Plan Administration, (ii) if electronically delivered to the e-mail address, if any, for Stock Plan Administration or (iii) if so mailed, delivered or electronically delivered to such other address or e-mail address as the Corporation may hereafter designate by notice to the Grantee. Any notice hereunder by the Corporation to the Grantee shall be in writing and shall be deemed duly given (i) if mailed or delivered to the Grantee at Grantee's address listed in the Corporation's records, (ii) if electronically delivered to the e-mail address, if any, for Optionee listed in the Corporation's records or (iii) if so mailed, delivered or electronically delivered to such other address or e-mail address as the Grantee may hereafter designate by written notice given to the Corporation.
16. **Electronic Delivery and Acceptance.** The Corporation may, in its sole discretion, decide to deliver any documents or notices related to current or future participation in the Plan by electronic means. By accepting the Performance Shares, electronically or otherwise, Grantee hereby consents to receive such documents or notices by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Corporation or a third party designated by the Corporation, including the use of electronic signatures or click-through acceptance of terms and conditions or other electronic means such as an e-mail acknowledgement.

This Agreement will be deemed to be signed by the Corporation and Grantee upon Grantee's acceptance of the Notice of Grant of Award attached as Schedule A.

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Schedule A  
(Attached)

## Exhibit A

For purposes of this Agreement, “Change in Control” means:

(1) Any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (a “Person”) becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (A) the then-outstanding shares of common stock of the Corporation (the “Outstanding Corporation Common Stock”) or (B) the combined voting power of the then-outstanding voting securities of the Corporation entitled to vote generally in the election of directors (the “Outstanding Corporation Voting Securities”); *provided, however*, that, for purposes of this definition of Change in Control, the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Corporation, (ii) any acquisition by the Corporation, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any company controlled by, controlling or under common control with the Corporation, (iv) any acquisition by any Person pursuant to a transaction that complies with (3)(A) below; or (v) any acquisition of beneficial ownership of not more than 25% of the Outstanding Corporation Voting Securities by any Person that is entitled to and does report such beneficial ownership on Schedule 13G under the Exchange Act (a “13G Filer”), *provided, however*, that this clause (v) shall cease to apply when a Person who is a Schedule 13G Filer becomes required to file a Schedule 13D under the Exchange Act with respect to beneficial ownership of 20% or more of the Outstanding Corporation Common Stock or Outstanding Corporation Voting Securities. Notwithstanding any other provision hereof, if a Business Combination (as defined below) is completed during the Performance Period and the Outstanding Corporation Voting Securities are converted into voting securities of the Combined Corporation (as defined below), but such Business Combination does not constitute a “Change in Control” under (3) below, “Outstanding Corporation Voting Securities” shall thereafter mean voting securities of the Combined Corporation entitled to vote generally in the election of the members of the Combined Corporation Board.

(2) Any time at which individuals who, as of the date hereof, constitute the Board of Directors (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board of Directors other than as a result of a Business Combination that does not constitute a “Change in Control” under Sections (1) above or (3)(A) below; *provided, however*, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Corporation’s stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors (an “Election Contest”);

(3) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Corporation or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Corporation, or the acquisition of assets or stock of another entity by the Corporation or any of its subsidiaries (each, a “Business”);



Combination”), in each case unless, following such Business Combination, (A) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Corporation or such corporation resulting from such Business Combination (the “Combined Corporation”) beneficially owns, directly or indirectly, such number of the then-Outstanding Corporation Voting Securities as would constitute a “Change in Control” under (1) above, and at least one-half of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination (the “Combined Corporation Board”) were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board of Directors providing for such Business Combination (the “Business Combination Agreement”); or

(4) Approval by the stockholders of the Corporation of a complete liquidation or dissolution of the Corporation.

## ACI WORLDWIDE, INC.

**Nonqualified Stock Option Agreement – Employee  
2005 Equity and Performance Incentive Plan  
(Amended by the Stockholders June 14, 2012 and further revised to reflect the 3 for 1 stock  
split effective July 10, 2014)**

This Stock Option Agreement (the “Option Agreement”) is made as of the effective date set forth in Schedule A hereto (the “Effective Date”), by and between ACI Worldwide, Inc., a Delaware corporation (the “Corporation”), and the individual identified in Schedule A hereto, an employee of the Corporation or its Subsidiaries (the “Optionee”).

WHEREAS, the Board of Directors of the Corporation has duly adopted, and the stockholders of the Corporation have approved, the 2005 Equity and Performance Incentive Plan, as amended (the “Plan”), which Plan authorizes the Corporation to grant to eligible individuals options for the purchase of shares of the Corporation’s Common Stock (the “Stock”); and

WHEREAS, the Board of Directors of the Corporation has determined that it is desirable and in the best interests of the Corporation and its stockholders to grant the Optionee an option to purchase a certain number of shares of Stock, in order to provide the Optionee with an incentive to advance the interests of the Corporation, all according to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereto do hereby agree as follows:

## 1. GRANT OF NON-QUALIFIED STOCK OPTION

Subject to the terms of the Plan, the Corporation hereby grants to the Optionee the right and option (the “Option”) to purchase from the Corporation, on the terms and subject to the conditions set forth in this Option Agreement, the number of shares of Stock (the “Option Shares”) set forth in Schedule A. The Date of Grant of this Option is the Effective Date (defined above). **This Option shall not constitute an incentive stock option within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”).**

## 2. TERMS OF PLAN

The Option granted pursuant to this Option Agreement is granted subject to the terms and conditions set forth in the Plan, a copy of which has been delivered to the Optionee. All terms and conditions of the Plan, as may be amended from time to time, are hereby incorporated into this Option Agreement by reference and shall be deemed to be a part of this Option Agreement, without regard to whether such terms and conditions (including, for example, provisions relating to certain changes in capitalization of the Corporation) are otherwise set forth in this Option Agreement. In the event that there is any inconsistency between the provisions of this Option Agreement and of the Plan, the provisions of the Plan shall govern. Capitalized terms used herein that are not otherwise defined shall have the meaning ascribed to them in the Plan.

### **3. EXERCISE PRICE**

The exercise price for the shares of Stock subject to the Option granted by this Option Agreement is the price per share set forth in Schedule A (the "Exercise Price").

### **4. EXERCISE OF OPTION**

Subject to the provisions of the Plan and subject to the earlier expiration or termination of this Option in accordance with its terms, the Option granted pursuant to this Option Agreement shall be exercisable only as follows:

#### **4.1 Time of Exercise of Option**

- 4.1.1 The Option shall become exercisable with respect to the Option Shares only as follows: One-third of the Option Shares shall become exercisable on each of the first three anniversaries of the Date of Grant if the Optionee shall have remained in the continuous employ of the Corporation or any of its Subsidiaries as of each such date.
- 4.1.2 Notwithstanding Section 4.1.1 above, in accordance with the provisions of the Plan, if the Optionee ceases to be an employee of the Corporation or a Subsidiary of the Corporation by reason of Disability (as defined in Section 4.3.2 below), the unexercised portion of any Option held by such Optionee at that time will become immediately vested and will be exercisable until terminated in accordance with Section 4.3 below.
- 4.1.3 Notwithstanding Section 4.1.1 above, in accordance with the provisions of the Plan, if the Optionee dies while employed by the Corporation or a Subsidiary of the Corporation (or dies within a period of one month after ceasing to be an employee for any reason other than Disability or within a period of one year after ceasing to be an employee by reason of Disability), the unexercised portion of any Option held by such Optionee at the time of death will become immediately vested and will be exercisable until terminated in accordance with Section 4.3 below.
- 4.1.4 Notwithstanding Section 4.1.1 above, in accordance with the provisions of the Plan, the Option granted under this Option Agreement shall become immediately exercisable upon the occurrence, after the Date of Grant, of a Change in Control (as defined in Section 10 below) if the Optionee is an employee of the Corporation or any Subsidiary on the date of the consummation of such Change in Control.

#### **4.2 Limitations**

The portion of the Option that has not become exercisable as of the date of the Optionee's termination of employment with the Corporation or any of its Subsidiaries for any reason shall automatically terminate as of the date of the Optionee's termination of employment with the Corporation or its Subsidiaries and shall not become exercisable after such termination. To the

extent the Option is exercisable, it may be exercised, in whole or in part; provided, that no single exercise of the Option shall be for less than 100 shares, unless at the time of the exercise, the maximum number of shares available for purchase under this Option is less than 100 shares. In no event shall the Option be exercised for a fractional share.

#### **4.3 Termination of Option**

This Agreement and the Option granted hereby shall terminate automatically and without further notice on the earliest of the following dates:

- 4.3.1 90 calendar days from the date of the Optionee's termination of employment with the Corporation or a Subsidiary for any reason other than death or Disability (as defined below);
- 4.3.2 one year after the Optionee's permanent and total disability as defined in Section 22(e)(3) of the Code ("Disability");
- 4.3.3 one year after the Optionee's death, if such death occurs (i) while the Optionee is employed by the Corporation or a Subsidiary, (ii) within the 90-day period following the Optionee's termination of employment for any reason other than Disability; or (iii) within the one-year period following the Optionee's termination of employment by reason of the Optionee's Disability; or
- 4.3.4 ten years from the Date of Grant.

The Corporation shall have the authority to determine the date an Optionee ceases to be an employee by reason of Disability. In the case of death, the Option may be exercised by the executor or administrator of the Optionee's estate or by any person or persons who shall have acquired the Option directly from the Optionee by bequest or inheritance. The Optionee shall be deemed to be an employee of the Corporation or any Subsidiary if on a leave of absence approved by the Board of Directors of the Corporation and the continuous employment of the Optionee with the Corporation or any of its Subsidiaries will not be deemed to have been interrupted, and the Optionee shall not be deemed to have ceased to be an employee of the Corporation or its Subsidiaries, by reason of the transfer of the Optionee's employment among the Corporation and its Subsidiaries.

#### **4.4 Limitations on Exercise of Option**

In no event may the Option be exercised, in whole or in part, after the occurrence of an event which results in termination of the Option, as set forth in Section 4.3 above. The Option shall not be exercisable if and to the extent the Corporation determines such exercise or method of exercise would violate applicable securities laws, the rules and regulations of any securities exchange or quotation system on which the Stock is listed, or the Corporation's policies and procedures.

#### **4.5 Method of Exercise of Option**

- 4.5.1 To the extent then exercisable, the Option may be exercised in whole or in part by written notice to the Corporation stating the number of shares for which the Option is being exercised and the intended manner of payment. The date of such

notice shall be the exercise date. Payment equal to the aggregate Exercise Price of the shares shall be payable (i) in cash in the form of currency or check or other cash equivalent acceptable to the Corporation, (ii) by actual or constructive transfer to the Corporation of nonforfeitable, outstanding shares of Stock that have been owned by the Optionee for at least six months prior to the date of exercise, (iii) by any combination of the foregoing methods of payment or (iv) in accordance with such other method or manner as set forth below.

(A) Cash Exercise (to exercise and retain the Option Shares): Subject to the terms and conditions of this Option Agreement and the Plan, the Option may be exercised by delivering written notice of exercise to the Corporation, at its principal office, addressed to the attention of Stock Plan Administration, or to the agent/broker designated by the Corporation, which notice shall specify the number of shares for which the Option is being exercised, and shall be accompanied by payment in full of the Exercise Price of the shares for which the Option is being exercised plus the full amount of all applicable withholding taxes due on the Option exercise. Payment of the Exercise Price for the shares of Stock purchased pursuant to the exercise of the Option shall be made either in cash or by certified check payable to the order of the Corporation. If the person exercising the Option is not the Optionee, such person shall also deliver with the notice of exercise appropriate proof of his or her right to exercise the Option, as the Corporation may require in its sole discretion. Promptly after exercise of the Option as provided for above, the Corporation shall deliver to the person exercising the Option a certificate or certificates for the shares of Stock being purchased.

(B) Same-Day-Sale Exercise (to exercise and immediately sell all the Option Shares): Subject to the terms and conditions of this Option Agreement and the Plan, the Option may be exercised by delivering written notice of exercise to the agent/broker designated by the Corporation, which notice shall specify the number of shares for which the Option is being exercised and irrevocable instructions to promptly (1) sell all of the shares of Stock to be issued upon exercise and (2) remit to the Corporation the portion of the sale proceeds sufficient to pay the Exercise Price for the shares of Stock purchased pursuant to the exercise of the Option and all applicable taxes due on the Option exercise. The agent/broker shall request issuance of the shares and immediately and concurrently sell the shares on the Optionee's behalf. Payment of the Exercise Price for the shares of Stock purchased pursuant to the exercise of the Option, any brokerage fees, transfer fees, and all applicable taxes due on the Option exercise, shall be deducted from the proceeds of the sale of the shares. If the person exercising the Option is not the Optionee, such person shall also deliver with the notice of exercise appropriate proof of his or her right to exercise the Option, as the Corporation may require in its sole discretion. Promptly after exercise of the Option as provided for above, the agent/broker shall deliver to the person exercising the Option the net proceeds from the sale of the shares of Stock being exercised and sold.

(C) Sell-to-Cover Exercise (to exercise and immediately sell a portion of the Option Shares): Subject to the terms and conditions of this Option Agreement and the Plan, the Option may be exercised by delivering written notice of exercise to the agent/broker designated by the Corporation, which notice shall specify the number of shares for which the Option is being exercised and irrevocable instructions to promptly (1) sell the portion (which must be a whole number) of the shares of Stock to be issued upon exercise sufficient to generate proceeds to pay the Exercise Price for the shares of Stock purchased pursuant to the exercise of the Option, any brokerage or transfer fees, and all applicable taxes due on the Option exercise (collectively the "Exercise Costs") and (2) remit to the Corporation a sufficient portion of the sale proceeds to pay the Exercise Price for the shares of Stock purchased pursuant to the exercise of the Option and all applicable taxes due on the Option exercise. The agent/broker shall request issuance of the shares and immediately and concurrently sell on the Optionee's behalf only such number of the Shares as is required to generate proceeds sufficient to pay the Exercise Costs. Promptly after exercise of the Option as provided for above, the Corporation shall deliver to the person exercising the Option a certificate for the shares of Stock issued upon exercise which are not sold to pay the Exercise Costs. Promptly after exercise of the Option as provided for above, the agent/broker shall deliver to the person exercising the Option any net proceeds from the sale of the Shares in excess of the Exercise Costs. If the person exercising the Option is not the Optionee, such person shall also deliver with the notice of exercise appropriate proof of his or her right to exercise the Option, as the Corporation may require in its sole discretion.

- 4.5.2 As soon as practicable upon the Corporation's receipt of the Optionee's notice of exercise and payment, the Corporation shall direct the due issuance of the shares so purchased.
- 4.5.3 As a further condition precedent to the exercise of this Option in whole or in part, the Optionee shall comply with all regulations and the requirements of any regulatory authority having control of, or supervision over, the issuance of the shares of Stock and in connection therewith shall execute any documents which the Board shall in its sole discretion deem necessary or advisable.

#### **4.6 Forfeiture and Right to Recoupment.**

Notwithstanding anything contained herein to the contrary, by accepting this Option, Optionee understands and agrees that if (a) the Corporation is required to restate its consolidated financial statements because of material noncompliance due to irregularities with the federal securities laws, which restatement is due, in whole or in part, to the misconduct of Optionee, or (b) it is determined that the Optionee has otherwise engaged in misconduct (whether or not such misconduct is discovered by the Corporation prior to the termination of Optionee's employment), the Board of Directors or a committee thereof (in each case, the "Board") may take such action with respect to the Option as the Board, in its sole discretion, deems necessary or appropriate and in the best interest of the Corporation and its stockholders. Such action may include, without limitation, causing the forfeiture or cancellation of the unvested and/or vested portion of the Option and the recoupment of any proceeds from the exercise or vesting of the

Option and/or the sale of Option Shares issued pursuant to this Agreement. For purposes of this Section 4.6, "misconduct" shall mean a deliberate act or acts of dishonesty or misconduct which either (i) were intended to result in substantial personal enrichment to the Optionee at the expense of the Corporation or (ii) have a material adverse effect on the Corporation. Any determination hereunder, including with respect to Optionee's misconduct, shall be made by the Board in its sole discretion. Notwithstanding any provisions herein to the contrary, Optionee expressly acknowledges and agrees that the rights of the Board set forth in this Section 4.6 shall continue after Optionee's employment with the Corporation is terminated, whether termination is voluntary or involuntary, with or without cause, and shall be in addition to every other right or remedy at law or in equity that may otherwise be available to the Corporation.

## **5. TRANSFERABILITY OF OPTIONS**

During the lifetime of an Optionee, only such Optionee (or, in the event of legal incapacity or incompetency, the Optionee's guardian or legal representative) may exercise the Option. No Option shall be assignable or transferable by the Optionee to whom it is granted, other than by will or the laws of descent and distribution.

## **6. COMPLIANCE WITH LAW**

The Corporation shall make reasonable efforts to comply with all applicable federal and state securities laws; provided, however, that notwithstanding any other provision of this Option Agreement, the Option shall not be exercisable if the exercise thereof would result in a violation of any such law.

## **7. RIGHTS AS STOCKHOLDER**

Neither the Optionee nor any executor, administrator, distributee or legatee of the Optionee's estate shall be, or have any of the rights or privileges of, a stockholder of the Corporation in respect of any shares of Stock issuable hereunder unless and until such shares have been fully paid and certificates representing such shares have been endorsed, transferred and delivered, and the name of the Optionee (or of such personal representative, administrator, distributee or legatee of the Optionee's estate) has been entered as the stockholder of record on the books of the Corporation.

## **8. WITHHOLDING OF TAXES**

If the Corporation shall be required to withhold any federal, state, local or foreign tax in connection with exercise of this Option, it shall be a condition to such exercise that the Optionee pay or make provision satisfactory to the Corporation for payment of all such taxes. The Optionee may elect that all or any part of such withholding requirement be satisfied by retention by the Corporation of a portion of the shares purchased upon exercise of this Option. If such election is made, the shares so retained shall be credited against such withholding requirement at the fair market value on the date of exercise.

## 9. DISCLAIMER OF RIGHTS

No provision in this Option Agreement shall be construed to confer upon the Optionee the right to be employed by the Corporation or any Subsidiary, or to interfere in any way with the right and authority of the Corporation or any Subsidiary either to increase or decrease the compensation of the Optionee at any time, or to terminate any employment or other relationship between the Optionee and the Corporation or any Subsidiary.

## 10. CHANGE IN CONTROL

For purposes of this Option Agreement, "Change in Control" means:

- (a) Any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (a "Person") becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (1) the then-outstanding shares of common stock of the Corporation (the "Outstanding Corporation Common Stock") or (2) the combined voting power of the then-outstanding voting securities of the Corporation entitled to vote generally in the election of directors (the "Outstanding Corporation Voting Securities"); *provided, however*, that, for purposes of this definition of Change in Control, the following acquisitions shall not constitute a Change in Control: (a) any acquisition directly from the Corporation, (b) any acquisition by the Corporation, (c) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any company controlled by, controlling or under common control with the Corporation, (d) any acquisition by any Person pursuant to a transaction that complies with 10(c)(1) below; or (e) any acquisition of beneficial ownership of not more than 25% of the Outstanding Corporation Voting Securities by any Person that is entitled to and does report such beneficial ownership on Schedule 13G under the Exchange Act (a "13G Filer"), *provided, however*, that this clause (v) shall cease to apply when a Person who is a Schedule 13G Filer becomes required to file a Schedule 13D under the Exchange Act with respect to beneficial ownership of 20% or more of the Outstanding Corporation Common Stock or Outstanding Corporation Voting Securities. Notwithstanding any other provision hereof, if a Business Combination (as defined below) is completed during the Performance Period and the Outstanding Corporation Voting Securities are converted into voting securities of the Combined Corporation (as defined below), but such Business Combination does not constitute a "Change in Control" under 10(c) below, "Outstanding Corporation Voting Securities" shall thereafter mean voting securities of the Combined Corporation entitled to vote generally in the election of the members of the Combined Corporation Board.
- (b) Any time at which individuals who, as of the date hereof, constitute the Board of Directors (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors other than as a result of a Business Combination that does not constitute a "Change in Control" under Sections 10(a) above or 10(c)(1) below; *provided, however*, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election



by the Corporation's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors (an "Election Contest");

- (c) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Corporation or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Corporation, or the acquisition of assets or stock of another entity by the Corporation or any of its subsidiaries (each, a "Business Combination"), in each case unless, following such Business Combination, (1) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Corporation or such corporation resulting from such Business Combination (the "Combined Corporation")) beneficially owns, directly or indirectly, such number of the then-Outstanding Corporation Voting Securities as would constitute a "Change in Control" under 10(a) above, and at least one-half of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination (the "Combined Corporation Board") were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board of Directors providing for such Business Combination (the "Business Combination Agreement"); or
- (d) Approval by the stockholders of the Corporation of a complete liquidation or dissolution of the Corporation.

#### **11. COMPLIANCE WITH SECTION 409A OF THE CODE.**

To the extent applicable, it is intended that this Option Agreement and the Plan comply with the provisions of Section 409A of the Code, so that the income inclusion provisions of Section 409A(a)(1) do not apply to Optionee. This Option Agreement and the Plan shall be administered in a manner consistent with this intent, and any provision that would cause the Option Agreement or the Plan to fail to satisfy Section 409A of the Code shall have no force and effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Corporation without the consent of the Optionee).

#### **12. INTERPRETATION OF THIS OPTION AGREEMENT**

All decisions and interpretations made by the Board or the Compensation Committee thereof with regard to any question arising under the Plan or this Option Agreement shall be binding and conclusive on the Corporation and the Optionee and any other person entitled to exercise the Option as provided for herein.

### **13. GOVERNING LAW**

This Option Agreement shall be governed by the laws of the State of Delaware (but not including the choice of law rules thereof).

### **14. BINDING EFFECT**

Subject to all restrictions provided for in this Option Agreement, the Plan, and by applicable law relating to assignment and transfer of this Option Agreement and the Option provided for herein, this Option Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

### **15. NOTICE**

Any notice hereunder by the Optionee to the Corporation shall be in writing and shall be deemed duly given (i) if mailed or delivered to the Corporation at its principal office, addressed to the attention of Stock Plan Administration, (ii) if electronically delivered to the e-mail address, if any, for Stock Plan Administration or (iii) if so mailed, delivered or electronically delivered to such other address or e-mail address as the Corporation may hereafter designate by notice to the Optionee. Any notice hereunder by the Corporation to the Optionee shall be in writing and shall be deemed duly given (i) if mailed or delivered to the Optionee at Optionee's address listed in the Corporation's records, (ii) if electronically delivered to the e-mail address, if any, for Optionee listed in the Corporation's records or (iii) if so mailed, delivered or electronically delivered to such other address or e-mail address as the Optionee may hereafter designate by written notice given to the Corporation.

### **16. SEVERABILITY**

If one or more of the provisions of this Option Agreement is invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

### **17. ELECTRONIC DELIVERY AND ACCEPTANCE**

The Corporation may, in its sole discretion, decide to deliver any documents or notices related to current or future participation in the Plan by electronic means. By accepting or exercising this Option, electronically or otherwise, Optionee hereby consents to receive such documents or notices by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Corporation or a third party designated by the Corporation, including the use of electronic signatures or click-through acceptance of terms and conditions or other electronic means such as an e-mail acknowledgement.

### **18. ENTIRE AGREEMENT; ELIGIBILITY**

This Option Agreement and the Plan together constitute the entire agreement and supersedes all prior understandings and agreements, written or oral, of the parties hereto with respect to the

subject matter hereof. Except for amendments to the Plan incorporated into this Option Agreement by reference pursuant to Section 2 above, neither this Option Agreement nor any term hereof may be amended, waived, discharged or terminated except by a written instrument signed by the Corporation and the Optionee; provided, however, that the Corporation unilaterally may waive any provision hereof in writing to the extent that such waiver does not adversely affect the interests of the Optionee hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof. In the event that it is determined that the Optionee was not eligible to receive this Option, the Option and this Option Agreement shall be null and void and of no further effect.

This Option Agreement will be deemed to be signed by the Corporation and Optionee upon Optionee's acceptance of the Notice of Grant of Stock Options attached as Schedule A.