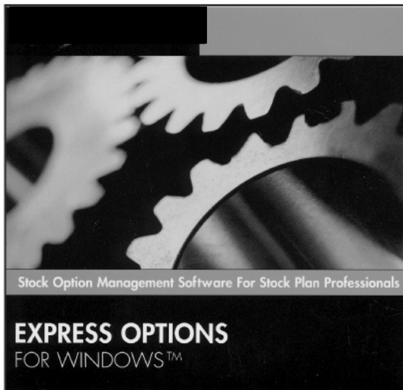
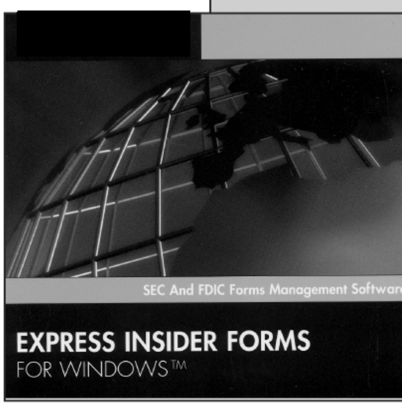
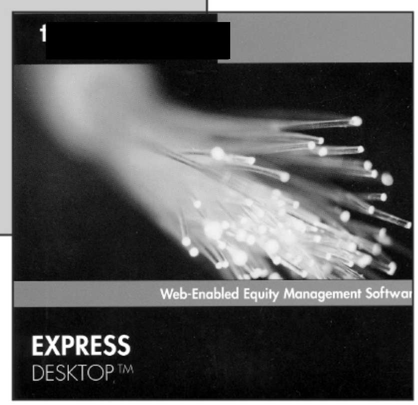
[redacted]







Latest Features, Functions and Updates for [redacted] Suite

[redacted] SUITE

VERSION 3.7 RELEASE NOTES

Contents

About the [redacted] Suite

The purpose of this document is to outline the features of [redacted] Suite version 3.7 and to make you aware of any new features, known issues, and other considerations that may affect your use of certain functionality in this release. Please review all of the information in this document before you begin using E[redacted]y Suite version 3.7 or any of the modules included in this suite of products.

Today, more than 2,500 companies–including 40 percent of the Fortune 500–use [redacted]. We are pleased to welcome you to this group of satisfied customers.

[redacted] Options

[redacted] Options streamlines every facet of stock option administration. Benefits include:

- Automated record-keeping for many different grant types: nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock awards, and reloadable stock options
- Automatic calculation of daily, monthly, and yearly vesting schedules
- Processing of stock splits and stock dividends
- Processing of all types of option exercises, including cash, same-day sales, stock swaps, restricted lapse, and repurchases
- Calculation of tax information for year-end reporting
- Global automatic grant repricing functionality
- Tracking disqualified dispositions for corporate tax deductions
- Easy exchange of data with brokers
- Maintenance of broker fees and commissions
- Processing of terminations, transfers of options, and leaves of absence
- Flexible reporting for speedy analysis and export of data to other applications
- Integrated Crystal Reports for creation and modification of customized reports

[redacted] Forms

[redacted] Forms simplifies and automates the mandatory SEC filings for Section 16 insiders. Benefits include:

- On-screen interactive SEC forms
- Ability to view all individual transactions and associated filings by year
- Handling of all types of securities, even securities without expiration or exercisable dates
- Direct filing with the SEC through EDGARLink
- Fifteen standard reports along with SEC Forms 3, 4, 5 and FDIC Forms F-7, F-8, and F-8A, and Crystal Reports integration
- Ability to work alone or share a database with [redacted] Options / [redacted] Stock Purchase

[redacted] Purchase

[redacted] Purchase allows you to manage equity compensation programs such as employee stock purchase plans at both privately held and public companies. Benefits include:

- Ability to track employee contributions, stock purchases, and stock sales
- Built-in reporting for FASB compliance
- Ability to display participant histories, including all purchases, contributions, withdrawals, dispositions, offering periods, and taxes associated with transactions
- Optional tax withholding capability at purchase and at disposition
- Ability to track disqualified dispositions for corporate tax deduction
- Easy integration with existing corporate payroll and brokerage systems
- Support for employee enrollments, multiple offering periods, and multiple purchases
- User-definable plan limits, as well as individual limits per participant
- Integrated Crystal Reports for flexible creation of customized reports
- Ability to process leaves of absence and terminations
- Comprehensive selection of standard reports and statements

[redacted] Desktop

[redacted] Desktop provides self-service access to employees for personal stock plan and stock purchase data via the Internet and/or corporate intranet. E[redacted] Desktop is used in conjunction [redacted] You can:

- View all personal stock data: grants, exercises, contributions, dispositions, vesting schedules
- View previous activity and other historical information
- Analyze the value of the portfolio at different share prices and on different dates
- Print statements and reports
- Model a variety of "what if" scenarios, viewing the potential gain as well as option costs, taxes, and fees
- Model different types of exercises: cash, cashless, sell to cover, net proceeds
- Place an order for exercise or disposition (optional, per each company's discretion)
- View and print key plan data and other communications from management
- Communicate with the stock plan administrator via built-in email feedback functionality

[redacted] API Server

The [redacted] API Server provides a [redacted] interface for use by custom programmers to retrieve data from [redacted]. It also performs certain actions pertaining to user self-service and implementing a trading system interface.

Features and Fixes

The following topics provide information on new features, enhancements, and modifications made in this release. A *maintenance* release does not include any enhancements. Its purpose is to ensure that the quality and performance of the system are improved. An *enhancement* release includes significant new functionality. Its purpose is to ensure that the functionality and usability of the system are improved.

General Features

- **System Requirements Change:** The minimum system requirements for efficient use of the products in the [redacted] Suite have changed with the implementation of new and more powerful features. This information supersedes the existing documentation for all versions of the [redacted] Suite of products. These requirements are recommended for running licensed and supported database platforms. Client systems must be running the client version of the software (licensed from the manufacturer as required).

[redacted] Suite System Requirements

Application Server, standalone configuration or client only:

Operating System	Windows 98, Windows NT 4.0 SP6a, or Windows 2000 SP2
Memory Requirement	64 MB RAM minimum 128 MB RAM recommended
Processor	Pentium III 333 MHz or higher
Hard disk drive Space	▪ System: 75 MB or more ▪ SQL Anywhere (optional): 15 MB ▪ Client: 5 MB (plus database client) ▪ Server (Total): 50 to 165 MB ▪ Standalone (Total): 55 to 170 MB ▪ Database: 5 MB to 300 MB or more

- **About Box:** The About box has been updated for each product in this release. The new information can be accessed through the Help menu under About <product>. This selection displays basic information on the product you are using, which is helpful when trying to determine the cause of any technical problems you may experience. The About box has a System Info button that displays your system hardware and software information, including operating system, processor, memory, and database management system. There is also a More Info button that opens the Windows System Information utility, providing more detailed information on your configuration.

- **Database Upgrade Authorization:** Only the database owner (DBO) can upgrade the database in any of the [redacted] Suite products.

- **New Information Roadmap:** This release includes a printed Information Roadmap that shows you graphically the documentation you received with this release. Components are organized by product, allowing you to quickly see if the documentation set includes a help system, a PDF file, or both, for a product.

- **New PDF Format for Documents:** You can now use Adobe Acrobat Reader to view and print user documentation. For information on using Adobe Acrobat Reader, see the back of the Information Roadmap. The PDF and print versions of these documents (except for Express[redacted] systems for all products have been updated with the most recent information available. PDF versions of the following documents are included with this release:

  [redacted]

- **Documentation Survey:** A documentation survey is included with your shipment. To receive a prize, complete and return this survey!

- **Solutions Central:** Information is now available online through Solutions Central, our client-only support site [redacted] This site offers last-minute changes, answers to frequently asked questions, document updates, and product and documentation alerts to make system maintenance and troubleshooting easier.

[redacted]

[redacted] version 3.7 is a maintenance release. This section outlines key features and functions that have been modified in this version.

- **APB 25 Accrual Report:** The accrual ratio formula has changed so that the accrual ratio will never be greater than 1; the accrual ratio will be 1 if the Vest Date and the Grant Date are the same. The column labeled Options Outstanding has been changed to Options Vesting, and now displays the number of options vesting for each period. The Optionee Name heading has changed to accommodate more characters, and totals have been added to the Options Vesting and Accrual columns. Unvested cancelled shares are not included in options vesting.
- **Tax Withholding:** The Federal withholding rate for supplemental income, such as the exercise of Non-Qualified stock options, decreased from 28% to 27.5% effective for wages paid after August 6, 2001 (or as soon as possible thereafter). The default Federal Tax Rate in Express Options has been updated to reflect this change. Express Options uses this default tax rate when the tax rate table is not populated with a Federal rate.
- **Social Security:** The earnings ceiling to which social security taxes apply has increased from $76,200 (the ceiling in 2000) to $80,400.
- **EPS Dilution Report:** The size of the Common Shares Outstanding field has increased to accept a maximum value of 999,999,999,999.
- **Deletion of Multi-limit Order Exercise:** When a multi-limit order exercise is deleted, the system will delete all of the exercises associated with the multi-limit order.
- **Taxes Import:** An error and a log file with the "Disposition does not exist" message is generated if taxes are imported and a corresponding disposition does not exist.
- **Repurchasable Shares:** When an optionee who has been issued a grant with repurchasable shares is terminated, the user is given the option of modifying any repurchase that has taken place.
- **Prices Import:** When importing prices, the system uses the price parameters format set in price parameters.
  - If the price parameter is set to enter Market Price, the record will not import if your Market price is lower than the Low price or higher than the High price. In addition, a blank or zero will not be treated as a valid price (lower than the Low price) and will not import. Either of these results generates an error message in the log file.
  - If the price parameter is set to Close, the Market price will equal the closing price on file (regardless of the price in the import file). No error message will be generated if the Market price for an import record is set to a value lower than the Low price.

- **Fractional Share Processing:** Provides the ability to segregate fractional share processing and fractional share purchases. Companies may want to process fractional shares (e.g., during stock splits), but may not want to allow the purchase of fractional shares. Processes and purchases are specified for up to eight decimal places.

- **Termination Schedule Options:** The termination schedule options have expanded to include automatic withdrawal of funds upon termination.

- **Share Disposition via Import:** Stock plan administrators can now dispose specific shares via the All Dispositions import file.

- **Employee Offering Period Overview:** Administrators now have an easy way to determine the offering periods in which an optionee is enrolled. An Offering Period tab in the Optionee History window now lists all of the currently "enrolled in" offering periods.

- **Tax Processing:** Tax-Processing functionality has been added and optional withholding on multiple tax parameters is now allowed. Administrators can now optionally withhold FICA at purchase and all federal, state, and local taxes at the time of disposition (qualified plans), or all taxes at once at the time of purchase (for non-qualified plans). Participants may be assigned a total of five tax rates, with individual allocations for each. The tax rate table and FICA tables are shared across the [redacted] if they are sharing the same database.

- **Offering Period Contribution and Purchase Limits:** Participant enrollment records now accept share and dollar limits per participant per purchase period, as well as total share and dollar limits for an optionee in a given offering period. The system uses whichever limit (including plan limits) is the most restrictive to determine an individual participant's limitation.

- **Qualified Disposition "As Of" Dates:** On the Stock Acquisition tab of the Optionee History dialog, a column has been added to indicate the date that shares purchased (from a Qualified Plan) are eligible for the beneficial tax treatment afforded by Section 423 of the tax code. Shares purchased in a Non-Qualified Plan will display as N/A, indicating that they are not available for a Qualifying Disposition.

- **Delete From All Offering Periods:** On the Select Offering Period section of the Delete Purchases Wizard and the Delete Contributions Wizard, an All selection now allows you to delete all transactions in all offering periods for a particular plan on a specified date.

- **New Reports:** Several new reports have been added to [redacted]. The new reports include:

  - Offering Period Overview
  - Roll Balances Forward
  - Participant Taxes Withheld
  - Residual Summary
  - Purchase Taxes Withheld

Date Range Filters: Numerous reports have been modified to include date range filters. The modified reports include:

- Confirmation of Purchase
- Confirmation of Sale
- Confirmation of Refund
- Participant Statement
- Participant Tax Summary
- Broker Stock Sale Summary
- Transfer Agent Issuance Summary
- Contribution Summary
- Enrollment Summary
- Stock Purchase Summary
- Stock Certification Summary
- Alternative Disposition Summary
- Stock Sale Summary
- Purchase Account Summary
- Withdrawal Summary
- Corporate Tax Summary
- Disposition Summary
- Disqualified Disposition Summary
- Potential Disposition Summary
- Potential Disqualified Disposition Summary
- Potential Qualified Disposition Summary
- Qualified Disposition Summary
- Plan Summary
- Price Listing

[redacted] Desktop

[redacted] version 3.7 is a maintenance release. The following features have been modified within the E[redacted]s Desktop system:

- Product stability and performance have been improved.

- [redacted] has been modified to display the taxes withheld by the four additional local tax options that were added to Express Options version 3.60. All applicable screens, in addition to the optionee statements, have been updated to reflect the additional tax withholding parameters.

- [redacted] Desktop can now be configured to run on a Windows 2000 or Windows NT web farm. All session specific information, previously stored through the use of state keys, is now stored in the underlying database and is removed upon expiration of the session.