

ACI WORLDWIDE, INC.
Form DEF 14A
April 21, 2009

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

ACI Worldwide, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
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April 21, 2009

Dear Stockholder:

You are cordially invited to attend the 2009 Annual Meeting of Stockholders of ACI Worldwide, Inc. to be held on Wednesday, June 10, 2009, at 8:30 a.m. EDT at the company's principal executive offices located at 120 Broadway, Suite 3350, New York, New York 10271.

Details of the business to be conducted at our 2009 Annual Meeting of Stockholders are provided in the attached Notice of Annual Meeting of Stockholders and Proxy Statement.

You may have noticed changes in the way we are providing proxy materials to our stockholders in connection with our 2009 Annual Meeting. This year we have elected to use the Internet as our primary means of furnishing proxy materials to our stockholders under the U.S. Securities and Exchange Commission's notice and access rules. Consequently, most stockholders will not receive paper copies of our proxy materials. We instead sent these stockholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our 2009 Proxy Statement and our Annual Report and vote via the Internet. The notice also included instructions on how you may receive a paper copy of your proxy materials. If you received your annual meeting materials by mail, your proxy materials, including your proxy card, were enclosed. We believe that this new process should expedite stockholders receipt of proxy materials, lower the costs of our annual meeting and help to conserve natural resources.

Your vote is very important. Please use this opportunity to take part in the affairs of your company. Whether or not you plan to attend the annual meeting, please vote as soon as possible. You may vote over the Internet, as well as by telephone or, if you requested to receive printed proxy materials, by mailing a completed proxy card. Voting by any of these methods will ensure your representation at the annual meeting.

On behalf of the Board of Directors, we appreciate your continued interest in your company.

Sincerely,

Harlan F. Seymour
Chairman of the Board of Directors

ACI WORLDWIDE, INC.

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
to be held on June 10, 2009**

The 2009 Annual Meeting of Stockholders (the Annual Meeting) of ACI Worldwide, Inc. will be held on Wednesday, June 10, 2009, at 8:30 a.m. EDT at the company s principal executive offices located at 120 Broadway, Suite 3350, New York, New York 10271. We are holding the meeting to:

1. Elect eight directors to our Board of Directors to hold office until the 2010 Annual Meeting of Stockholders; and
2. Transact such other business as may properly come before the Annual Meeting and any adjournment or postponement.

Our Board of Directors has fixed the close of business on April 13, 2009 as the record date for determining the stockholders entitled to notice of and to vote at the Annual Meeting and any adjournment. Each share of our common stock is entitled to one vote on all matters presented at the Annual Meeting.

By Order of the Board of Directors,

Dennis P. Byrnes
Secretary

YOUR VOTE IS VERY IMPORTANT.

Whether or not you plan to attend the Annual Meeting, please vote as soon as possible. You may vote over the Internet, as well as by telephone or, if you requested to receive printed proxy materials, by mailing a completed proxy card. For more detailed information regarding how to vote your shares, please refer to the Notice of Internet Availability of Proxy Materials you received in the mail, the section entitled Voting Instructions beginning on page 1 of the Proxy Statement, or if you requested to receive printed proxy materials, your enclosed proxy card.

April 21, 2009

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This Proxy Statement contains a report issued by the Audit Committee relating to certain of its activities during the three-month period ended December 31, 2007 (the Transition Period) and 2008, a report issued by the Compensation Committee relating to executive compensation during the Transition Period and 2008 and a chart titled Company Stock Performance Graph. Stockholders should be aware that under Securities and Exchange Commission rules, these committee reports and the stock price performance chart are not considered filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, and are not incorporated by reference in any past or future filing by the Company under the Securities Exchange Act of 1934 or the Securities Act of 1933, unless specifically referenced.

ACI WORLDWIDE, INC.

**PROXY STATEMENT
for the
ANNUAL MEETING OF STOCKHOLDERS
to be held on June 10, 2009**

INFORMATION ABOUT THE MEETING, VOTING AND PROXIES

Date, Time and Place of Meeting

This Proxy Statement is being furnished in connection with the solicitation by and on behalf of the Board of Directors (the Board) of ACI Worldwide, Inc. (the Company, we, us or our), of proxies to be used at our 2009 Annual Meeting of Stockholders (the Annual Meeting) to be held on Wednesday, June 10, 2009, at 8:30 a.m. EDT at the Company's principal executive offices located at 120 Broadway, Suite 3350, New York, New York, 10271, and any postponement or adjournment. A copy of our annual report to stockholders, including our annual report on Form 10-K for the fiscal year ended December 31, 2008, which includes our financial statements for 2008 (the Annual Report), accompanies this Proxy Statement. Beginning on or about April 21, 2009, we made this Proxy Statement available to our stockholders.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
STOCKHOLDER MEETING TO BE HELD ON JUNE 10, 2009**

**Our Proxy Statement and Annual Report are also available online at
www.proxydocs.com/aciw**

Internet Availability of Proxy Materials

Under the U.S. Securities and Exchange Commission's notice and access rules, we have elected to use the Internet as our primary means of furnishing proxy materials to our stockholders. Consequently, most stockholders will not receive paper copies of our proxy materials. We instead sent these stockholders a Notice of Internet Availability of Proxy Materials (Internet Availability Notice) containing instructions on how to access this Proxy Statement and our Annual Report and vote via the Internet. The Internet Availability Notice also included instructions on how to receive a paper copy of your proxy materials, if you so choose. If you received your annual meeting materials by mail, your proxy materials, including your proxy card, were enclosed. We believe that this new process should expedite stockholders' receipt of proxy materials, lower the costs of our Annual Meeting and help to conserve natural resources.

Voting Instructions

If your shares are registered directly in your name with our transfer agent, Wells Fargo Bank Minnesota, National Association (Wells Fargo), the Internet Availability Notice was sent directly to you by the Company. The Internet Availability Notice provides instructions on how to request printed proxy materials and how to access your proxy card which contains instructions on how to vote via the Internet or by telephone. For stockholders who receive a paper proxy card, instructions for voting via the Internet or by telephone are set forth on the proxy card. The Internet and telephone voting facilities for stockholders of record will close at 5:00 p.m. EDT on June 8, 2009. If your shares are

held in an account at a brokerage firm, bank, trust or other similar organization, like the vast majority of our stockholders, you are considered the *beneficial owner* of shares held in *street name* and the Internet Availability Notice was forwarded to you by that organization. You will receive instructions from your broker, bank, trustee or other nominee that must be followed in order for your broker, bank, trustee or other nominee to vote your shares per your instructions.

Revocability of Proxies

A holder of our common stock who has given a proxy may revoke it prior to its exercise either by giving written notice of revocation to the Secretary of the Company or by giving a duly executed proxy bearing a later date. Attendance in person at the Annual Meeting does not itself revoke a proxy; however, any stockholder who attends the Annual Meeting may revoke a previously submitted proxy by voting in person. If you are a beneficial owner of our shares, you will need to contact your bank or brokerage firm to revoke any prior voting instructions.

Proxy Voting

Subject to any revocation as described above, all common stock represented by properly executed proxies will be voted in accordance with the specifications on the proxy. If no such specifications are made, proxies will be voted **FOR** each proposal described herein and, as to any other matter that may be brought before the Annual Meeting, in accordance with the judgment of the person or persons voting the same.

Record Date, Outstanding Shares and Quorum

Only holders of our common stock of record at the close of business on April 13, 2009 (the Record Date) are entitled to notice of and to vote at the Annual Meeting. At the close of business on the Record Date, there were 35,008,469 shares of our common stock issued and outstanding, excluding 5,813,047 shares of common stock held as treasury stock by the Company. Shares of common stock held as treasury stock are not entitled to be voted at the Annual Meeting. Each stockholder is entitled to one vote per share of common stock held on all matters to be voted on by our stockholders. Stockholders may not cumulate their votes in the election of directors. Unless the context requires otherwise, any reference to shares in this Proxy Statement refers to all shares of common stock entitled to vote at the Annual Meeting. The presence in person or by proxy at the Annual Meeting of the holders of a majority of the issued and outstanding shares entitled to vote at the Annual Meeting shall constitute a quorum.

Proxy Solicitation

The Company will bear the expense of this solicitation of proxies, including the preparation, assembly, printing and mailing of the Internet Availability Notice, this Proxy Statement, the proxy and any additional solicitation material that the Company may provide to stockholders. Copies of the proxy materials and any other solicitation materials will be provided to brokerage firms, banks, fiduciaries and custodians holding shares in their names that are beneficially owned by others so that they may forward the solicitation material to such beneficial owners. We will reimburse such brokerage firms, banks, fiduciaries and other custodians for the reasonable out-of-pocket expenses incurred by them in connection with forwarding the proxy materials and any other solicitation materials. We have retained Mediant Communications LLC to assist us with the distribution of proxies. The original solicitation of proxies by mail may be supplemented by solicitation by telephone and other means by directors, officers and employees of the Company. No additional compensation will be paid to these individuals for any such services.

Abstentions and Broker Non-Votes

While there is no definitive statutory or case law authority in Delaware as to the proper treatment of abstentions, we believe that abstentions should be counted for purposes of determining both (i) the presence or absence of a quorum for the transaction of business and (ii) the total number of shares present in person or by proxy at the Annual Meeting with respect to a proposal (other than the election of directors). In the absence of a controlling precedent to the contrary, we intend to treat abstentions in this manner. The effect of an abstention on the outcome of the voting on a particular proposal depends on the vote required to approve that proposal, as described in the Vote Required section below.

Broker non-votes are shares present by proxy at the Annual Meeting and held by brokers or nominees as to which (i) instructions to vote have not been received from the beneficial owners and (ii) the broker or nominee does not have discretionary voting power on a particular matter. Broker non-votes will be counted for purposes of determining the presence or absence of a quorum for the transaction of business at the Annual Meeting, but broker non-votes will not be counted for purposes of determining the number of shares present in person or by proxy at the

Annual Meeting with respect to a particular proposal on which the broker has expressly not voted. Accordingly, a broker non-vote will not have any effect on the outcome of the voting on a proposal.

Vote Required

Election of a director requires the affirmative vote of the holders of a plurality of the shares present in person or represented by proxy at a meeting at which a quorum is present. The eight persons receiving the greatest number of votes at the Annual Meeting shall be elected as directors. Since only affirmative votes count for this purpose, abstentions will not affect the outcome of the voting on this proposal.

The inspector of elections appointed for the Annual Meeting will separately tabulate affirmative and negative votes, abstentions and broker non-votes.

PROPOSAL

ELECTION OF DIRECTORS

Our Board currently consists of eight members. Our Board, as recommended by the Nominating and Corporate Governance Committee, has nominated for re-election as directors Alfred R. Berkeley, III, John D. Curtis, Philip G. Heasley, James C. McGroddy, Harlan F. Seymour, John M. Shay, Jr., John E. Stokely and Jan H. Suwinski, each to serve until the 2010 Annual Meeting of Stockholders and thereafter, until his respective successor is duly elected and qualified. We expect that each of the nominees will be available for election, but if any of them is unwilling or unable to serve as a candidate at the time the election occurs, it is intended that each share represented by proxy at the Annual Meeting will be voted for the election of another nominee to be designated by the Board to fill any such vacancy. Biographical information regarding each nominee is set forth below.

Nominees

Alfred R. Berkeley, III. Mr. Berkeley has been a director of the Company since September 2007. Mr. Berkeley currently serves as Chairman and Chief Executive Officer of Pipeline Financial Group, Inc., the parent of Pipeline Trading Systems, L.L.C., a block trading brokerage service. He also serves as Vice-Chairman of the National Infrastructure Advisory Council for the President of the United States. He serves as Vice Chairman of the Nomination Evaluation Committee for the National Medal of Technology and Innovation which makes candidate recommendations to the Secretary of Commerce. He was appointed Vice Chairman of the NASDAQ Stock Market Inc. in July 2000, serving through July 2003, and served as President of NASDAQ from 1996 until 2000. From 1972 to 1996, Mr. Berkeley served in a number of capacities at Alex. Brown & Sons Inc. Most recently, he was Managing Director in the corporate finance department where he financed computer software and electronic commerce companies. He joined Alex. Brown & Sons Inc. as a research analyst in 1972 and became a general partner in 1983. From 1985 to 1987, he served as head of information services for the firm. From 1988 to 1990, Mr. Berkeley took a leave of absence from Alex. Brown & Sons Inc. to serve as President and Chief Executive Officer of Rabbit Software Inc., a public telecommunications software company. He also served as a captain in the United States Air Force and a major in the United States Air Force Reserve. Mr. Berkeley holds a B.A. from the University of Virginia and received his M.B.A. from The Wharton School at the University of Pennsylvania. Mr. Berkeley also served as a director of Webex Communications, Inc. which was acquired by Cisco Systems, Inc. (NASDAQ: CSCO) in May 2007. Mr. Berkeley also served as a director of Kintera, Inc. (NASDAQ: KNTA) until May 2008 when it was acquired by Blackbaud, Inc. (NASDAQ: BLKB). Mr. Berkeley served as a director of the National Research Exchange Inc., a registered broker dealer, until it ceased operations in December 2007. Mr. Berkeley serves as a director of several private companies. Mr. Berkeley is 64 years old.

John D. Curtis. Mr. Curtis has been a director of the Company since March 2003. Since August 2002, Mr. Curtis has provided legal and business consulting services to various clients. From July 2001 to July 2002, Mr. Curtis was General Counsel of Combined Specialty Corporation and a director of Combined Specialty Insurance Company, wholly-owned subsidiaries of Aon Corporation (NYSE: AOC). From November 1995 to July 2001, when Aon Corporation acquired the company, Mr. Curtis was President of First Extended, Inc., a holding company with two principal operating subsidiaries: First Extended Service Corporation, an administrator of vehicle

extended service contracts, and FFG Insurance Company, a property and casualty insurance company. Mr. Curtis also serves as a director on one private company board. Mr. Curtis is 68 years old.

Philip G. Heasley. Mr. Heasley has been a director and our President and Chief Executive Officer since March 2005. Mr. Heasley has a comprehensive background in payment systems and financial services. From October 2003 to March 2005, Mr. Heasley served as Chairman and Chief Executive Officer of PayPower LLC, an acquisition and consulting firm specializing in financial services and payment services. Mr. Heasley served as Chairman and Chief Executive Officer of First USA Bank from October 2000 to November 2003. Prior to joining First USA Bank, from 1987 until 2000, Mr. Heasley served in various capacities for U.S. Bancorp, including Executive Vice President, and President and Chief Operating Officer. Before joining U.S. Bancorp, Mr. Heasley spent 13 years at Citicorp, including three years as President and Chief Operating Officer of Diners Club, Inc. Mr. Heasley is also a director of Fidelity National Title Group, now known as Fidelity National Financial, Inc. (NYSE: FNF), and Tier Technologies, Inc. (NASDAQ: TIER). Mr. Heasley served as a director of Kintera, Inc. (NASDAQ: KNTA) until May 2008 when it was acquired by Blackbaud, Inc. (NASDAQ: BLKB). Mr. Heasley also serves on the National Infrastructure Advisory Council and the board of Public Radio International. Mr. Heasley is 59 years old.

James C. McGroddy. Dr. McGroddy has been a director of the Company since September 2008. Dr. McGroddy, a self-employed consultant, was employed by International Business Machines Corporation from 1965 through 1996 in various capacities, including seven years as Senior Vice President of Research. Dr. McGroddy is Chairman of the Board of MIQS, Inc., a Colorado-based healthcare information technology company, Chairman of the Board of Advanced Networks and Service, Inc., a nonprofit corporation dedicated to advancing education by accelerating the use of computer networking applications and technology, and a member of the Board of Directors of Forth Dimension Displays Limited, a high resolution near to eye microdisplay supplier. Dr. McGroddy served as a member of the Board of Directors of Paxar Corporation (NYSE: PXR), a provider of merchandising systems for the retail and apparel industry, from January 1998 through June 2007. He is also a member of the U.S. National Academy of Engineering. Dr. McGroddy is 72 years old.

Harlan F. Seymour. Mr. Seymour has been a director of the Company since May 2002, and has served as Chairman of the Board since September 2002. Since 2001, Mr. Seymour has been the sole owner of HFS, LLC, a privately-held investment and business advisory firm. Mr. Seymour previously served as Executive Vice President of Envoy Corporation, which provides electronic processing services, primarily to the health care industry. Prior to taking his position with Envoy Corporation, Mr. Seymour's business experience included being a partner in Jefferson Capital Partners, Ltd., serving as Executive Vice President and Chief Operating Officer of Trigon Blue Cross Blue Shield and serving as President and Chief Executive Officer of First Health Services Corporation. Mr. Seymour is also a director of Pool Corporation (NASDAQ: POOL), a wholesale distributor of swimming pool supplies and related equipment, and serves on its audit, governance and strategic planning committees. Mr. Seymour also serves as a director on two private company boards. Mr. Seymour is 59 years old.

John M. Shay, Jr. Mr. Shay has been a director of the Company since May 2006. Mr. Shay is a certified public accountant and is presently the President and owner of Fairway Consulting LLC, a business consulting firm. From 1972 through March 2006, Mr. Shay was employed by Ernst & Young LLP, a Big Four accounting firm offering audit, business advisory and tax services. From October 1984 to March 2006, Mr. Shay was an audit partner at Ernst & Young LLP. He also served as managing partner of the firm's New Orleans office from October 1998 through June 2005. While with Ernst & Young LLP, Mr. Shay served as an adjunct auditing professor in the graduate business program of the A.B. Freeman School of Business at Tulane University for a period of approximately 10 years. Mr. Shay also serves as a director on a private company board. Mr. Shay is 61 years old.

John E. Stokely. Mr. Stokely has been a director of the Company since March 2003. Mr. Stokely is currently retired. From August 1999 through 2007, Mr. Stokely served as President of JES, Inc., an investment and consulting firm

providing strategic and financial advice to companies in various industries. From 1996 to August 1999, Mr. Stokely served as President, Chief Executive Officer and Chairman of the Board of Richfood Holdings, Inc., a publicly-traded Fortune 500 food retailer and wholesale grocery distributor, which merged with Supervalu Inc. (NYSE: SVU) in August 1999. Mr. Stokely is also a director of (i) Imperial Sugar (NASDAQ: IPSU), a sugar manufacturer, and (ii) Pool Corporation (NASDAQ: POOL), a wholesale distributor of swimming pool supplies and

related equipment. Mr. Stokely served as a director of O Charley's Inc. (NASDAQ: CHUX), a casual dining restaurant company until March 12, 2008. Mr. Stokely is 56 years old.

Jan H. Suwinski. Mr. Suwinski has been a director of the Company since September 2007. Since 1996, Mr. Suwinski has been a Professor of Business Operations at the Samuel Curtis Johnson Graduate School of Management at Cornell University in Ithaca, New York. Mr. Suwinski joined Corning Incorporated in 1965, holding a variety of management positions in Corning's technology based businesses. From 1990 to 1996, he was executive vice president of the Opto Electronics Group and served as chairman of Siecor Corporation, a Corning joint venture with Siemens AG from 1992 to 1996. Mr. Suwinski holds an M.B.A. and B.M.E. from Cornell University. Mr. Suwinski is also a director of Tellabs, Inc. (NASDAQ: TLAB) and Thor Industries, Inc. (NYSE: THO). Mr. Suwinski also serves as a director on two private company boards. Mr. Suwinski is 67 years old.

OUR BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE NOMINEES LISTED ABOVE.

CHANGE IN FISCAL YEAR

Effective January 1, 2008, the Company changed its fiscal year end from September 30 to December 31 to align its sales contracting and delivery processes with those of its customers and to allow for more effective communication with the capital markets and investment community. The Company's new fiscal year commenced January 1, 2008 and ended on December 31, 2008. Accordingly, in this Proxy Statement, we are providing certain information related to the three months ended December 31, 2007 (the Transition Period) in addition to the fiscal year ended December 31, 2008.

GENERAL INFORMATION REGARDING OUR BOARD AND ITS COMMITTEES

Director Independence

The Company is governed by our Board of Directors. In accordance with our Corporate Governance Guidelines, at least a majority of our Board must consist of independent directors. For a director to be considered independent, our Board must determine that the director does not have any direct or indirect material relationship with the Company. Our Board has established guidelines to assist it in determining director independence, which conform to the independence requirements in the NASDAQ listing standards. In addition to applying these guidelines, our Board considers all relevant facts and circumstances in making an independence determination. With the exception of Mr. Heasley, our President and Chief Executive Officer (CEO), each of our directors is independent.

All members of the Board's standing Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee must be independent directors as defined by our Corporate Governance Guidelines. Members of the Audit Committee must also satisfy a separate Securities and Exchange Commission (SEC) independence requirement, which provides that they may not accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries other than their directors' compensation.

Our Board held four meetings during the Transition Period with three of the Board meetings conducted as telephonic meetings. All of the directors attended at least 80% of the meetings of the Board and the Board committees on which they served. Our Board held 10 meetings during 2008 with five of the Board meetings conducted as telephonic meetings. All but one director who was a member of the Board during 2008 attended more than 80% of the meetings of the Board and the Board committees on which they served. During 2008, Mr. Berkeley attended 73% of the aggregate number of meetings of the Board and the committees on which he served. Our Board has adopted a policy

that requires all directors to attend our annual meetings of stockholders unless it is not reasonably practicable for a director to do so. All of the directors serving as of June 10, 2008 attended our 2008 Annual Meeting of Stockholders.

Board Committees and Committee Meetings

Our Board has standing Audit, Compensation, Nominating and Corporate Governance and Technology Committees. The Audit Committee assists our Board in its general oversight of our financial reporting, internal controls and audit functions, and is directly responsible for the appointment, retention, compensation and oversight of the work of our independent auditor. Additional information regarding the Audit Committee of our Board (the Audit Committee) is included in the Report of the Audit Committee below.

The Compensation Committee reviews and determines salaries, performance-based incentives and other matters relating to executive compensation, and generally administers our equity award and stock option plans, including reviewing and granting stock options and other equity awards to our executive officers, but excluding the grant of stock option and other equity awards, if any, to independent directors. The Compensation Committee also reviews and determines various other Company compensation policies and matters. Additional information regarding the Compensation Committee of our Board (the Compensation Committee) is included in the Compensation Discussion and Analysis section and the Compensation Committee Report below.

The Nominating and Corporate Governance Committee (the Corporate Governance Committee) reviews and reports to our Board on a periodic basis with regard to matters of corporate governance and assists our Board in fulfilling its responsibilities to assure that we are governed in a manner consistent with the interests of our stockholders. Additional information regarding the Corporate Governance Committee is included in the Corporate Governance section below.

On September 10, 2008, our Board established a Technology Committee. The Technology Committee reviews and provides oversight of and counsel on matters relating to technology and innovation and assists our Board in its guidance of our technology strategies. The Technology Committee consists of Board members and may also consist of management personnel. Members of the Technology Committee are recommended by the Corporate Governance Committee and appointed by our Board.

The table below provides meeting information for our Board and each of its committees during the Transition Period:

Type of Meeting				Nominating and Corporate
	Full Board	Audit	Compensation	Governance
In Person	1	1	0	0
Telephonic	3	4	1	0
Total Meetings in Transitional Period	4	5	1	0

The table below provides meeting information for our Board and each of its committees during 2008:

Type of Meeting					Nominating and Corporate	Technology
	Full Board	Audit	Compensation	Governance		

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In Person	5	5	5	6	3
Telephonic	5	4	6	1	0
Total Meetings in 2008	10	9	11	7	3

The table below provides membership information for each of the Board committees during the Transition Period and 2008:

Name	Audit	Compensation	Nominating and Corporate Governance	Technology
Alfred R. Berkeley, III	X			X
John D. Curtis			Chair	
James C. McGroddy				Chair
Harlan F. Seymour		X	X	
John M. Shay, Jr.	X	Chair		
John E. Stokely	Chair		X	
Jan H. Suwinski		X		

DIRECTOR COMPENSATION

It is our Board's general policy that compensation for independent directors should be a mix of cash and equity-based compensation. As part of a director's total compensation, and to create a direct linkage with corporate performance and stockholder interests, our Board believes that a meaningful portion of a director's compensation should be provided in, or otherwise based on, the value of appreciation in our common stock. We do not pay our employee directors for service on our Board in addition to their regular employee compensation.

The compensation program for independent directors has not changed since 2005. In 2008, our Board engaged Hewitt Associates LLP (Hewitt) to evaluate the competitiveness of our independent director compensation program. The Corporate Governance Committee reviewed Hewitt's analysis of the level and mix of compensation paid to independent directors of the companies listed as peers for executive compensation purposes in the Compensation Discussion and Analysis section below. After considering the competitive information, trends in compensation for independent directors in general, the workload carried by our Board, and the difficulty of recruiting and retaining highly qualified independent directors, the Corporate Governance Committee determined that the existing program meets the Company's needs. The Corporate Governance Committee reviews our independent director compensation program annually.

Cash Compensation

Our independent director compensation program provides that each independent director receives a \$10,000 quarterly retainer fee. The chairman of the Board receives an additional \$5,000 quarterly retainer fee. The chairman of the Audit Committee receives an additional \$2,500 quarterly retainer fee and other independent directors who serve on the Audit Committee receive an additional \$1,000 quarterly retainer fee. Each Board committee chairman, other than the chairman of the Audit Committee, receives an additional \$1,250 quarterly retainer fee and independent directors who serve on Board committees, other than the Audit Committee, receive an additional \$750 quarterly retainer fee for service on each committee. Each independent director receives \$2,000 for each Board or Board committee meeting attended in person and \$1,000 for each Board or Board committee meeting attended by telephone. All directors are reimbursed for expenses incurred in connection with attendance at Board and Board committee meetings and our annual meetings of stockholders.

Equity-Based Compensation

Our independent directors are typically granted an award of stock options upon commencing service as a director of the Company and an annual equity award grant thereafter. Such grants are made at the discretion of our Board based on the recommendations of its Corporate Governance Committee. Director equity awards are provided pursuant to the terms of our 2005 Equity and Performance Incentive Plan, as amended (the 2005 Incentive Plan). Commencing in 2008, each director was provided the opportunity to choose the form of his annual equity award. A director could choose to receive non-qualified options to purchase shares of our common stock or one-half as many shares of restricted stock. The two-to-one proportion of stock options to shares of restricted stock reflects the

relative Black-Scholes value of a non-qualified stock option (approximately 50% of a value of a share of common stock) on the date of grant. Accordingly, each award choice represented the same aggregate value on the date of grant. Director equity awards vest on the earlier to occur of (1) the date which is one year following the date of grant, and (2) the day immediately prior to the date of the next annual meeting of our stockholders occurring following the date of grant. The independent directors' equity awards provide for accelerated vesting upon the director's death or disability or upon a change-in-control of the Company. In the case of non-qualified stock options, the exercise price equals the closing sale price (price for last trade) of our common stock as reported by The NASDAQ Global Select Stock Market on the date of grant.

On June 11, 2008 (the grant date), our independent directors were each provided the right to choose between 10,000 stock options with an exercise price equal to \$16.99, and (2) 5,000 shares of restricted stock. Each independent director elected to receive his equity award in the form of stock options. In connection with Dr. McGroddy's election to our Board on September 10, 2008, pursuant to the 2005 Incentive Plan, we granted him a non-qualified option to purchase 10,000 shares of our common stock with an exercise price equal to \$19.31. Future equity awards will be granted at the discretion of our Board based on the recommendations of its Corporate Governance Committee which recommendations are based on continued evaluations of the competitive assessment of our independent director compensation and the level of Board and committee responsibilities and time commitments.

Director Summary Compensation Table

The table below summarizes the compensation we paid to our independent directors during the Transition Period and during the fiscal year ended December 31, 2008.

Director Summary Compensation Table(1)

Name(2) (a)	Period	Fees Earned or	Option	Total
		Paid in Cash (\$) (b)	Awards(3) (\$) (d)	(h)
Alfred R. Berkeley, III	2008	68,500	129,456	197,956
	Transition Period	22,000	47,368	69,368
John D. Curtis	2008	73,000	123,774	196,774
	Transition Period	16,250	44,000	60,250
James C. McGroddy(4)	2008	34,500	37,941	72,441
	Transition Period			
Harlan F. Seymour	2008	109,000	123,774	232,774
	Transition Period	22,500	44,000	66,500
John M. Shay, Jr.	2008	93,000	123,774	216,774
	Transition Period	24,250	44,000	68,250
John E. Stokely	2008	91,000	123,774	214,774
	Transition Period	24,250	44,000	68,250
Jan H. Suwinski	2008	69,000	129,456	198,456
	Transition Period	15,750	47,368	63,118

(1) Columns (c), (e), (f) and (g) to this table entitled "Stock Awards", "Non-Equity Incentive Plan Compensation", "Change in Pension Value and Nonqualified Compensation Earnings" and "All Other Compensation", respectively,

have been omitted because no compensation is reportable thereunder.

- (2) Philip G. Heasley, our President and CEO, is not included in this table as he is an employee of the Company and thus, receives no compensation for his service as a director. The compensation received by Mr. Heasley as an employee of the Company is shown in the Summary Compensation Table in the Executive Compensation section below.
- (3) The amounts in column (d) reflect the dollar amount recognized for financial statement reporting purposes for the Transition Period and the fiscal year ended December 31, 2008 in accordance with FAS 123(R) and thus,

may include amounts from awards granted in and prior to the Transition Period or 2008. Pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. The amounts shown reflect our accounting for these awards and do not correspond to the actual value that will be realized by the independent director. The assumptions used in the calculation of these amounts are included in footnote 13 to the Company's audited financial statements for the fiscal year ended December 31, 2008, included in our Annual Report. The grant date fair value of the options granted to our independent directors on June 11, 2008 was \$8.34 each with an aggregate grant date fair value for all options granted to our independent directors on June 11, 2008 of \$500,538. The grant date fair value of the options granted to Dr. McGroddy on September 10, 2008 was \$9.28 with an aggregate grant date fair value for all options granted to Dr. McGroddy on September 10, 2008 of \$92,819. The following table sets forth each independent director's aggregate number of option awards outstanding as of December 31, 2008:

Name	Vested Stock Option Awards	Unvested Stock Option Awards	Aggregate Stock Option Awards
Alfred R. Berkeley, III	10,000	10,000	20,000
John D. Curtis	52,000	10,000	62,000
James C. McGroddy(4)	0	10,000	10,000
Harlan F. Seymour	56,000	10,000	66,000
John M. Shay, Jr.	20,000	10,000	30,000
John E. Stokely	52,000	10,000	62,000
Jan H. Suwinski	10,000	10,000	20,000

(4) James C. McGroddy was appointed to our Board of Directors on September 10, 2008. Accordingly, compensation information for 2008 reflects less than full-year amounts.

Independent Director Stock Ownership Guidelines

In order to further link the interests of our Board to the upward and downward movements of our common stock that our stockholders experience, in September 2007, the Corporate Governance Committee adopted stock ownership guidelines which provide that each of our independent directors should have equity positions in the Company with a value equal to four times the annual retainer amount for his Board position(s). Direct and indirect stock ownership, including the vested in-the-money portion of any stock options held by the independent director, will be included in determining each independent director's equity position. Each independent director has five years from the adoption of the stock ownership guidelines, or from election to our Board, whichever is later, to achieve the target ownership levels. Failure to achieve the target ownership levels within the applicable five-year period means that the individual director will not be eligible for any equity awards until he achieves compliance.

CORPORATE GOVERNANCE

We are committed to maintaining the highest standards of business conduct and corporate governance, which we believe are essential to running our business efficiently, serving stockholders well and maintaining our integrity in the marketplace. Our Board has a standing Nominating and Corporate Governance Committee (Corporate Governance Committee) which operates pursuant to a charter. The full text of the Nominating and Corporate Governance Committee charter is published on our website at www.aciworldwide.com in the Investor Relations Corporate Governance section. During the Transition Period and 2008, the members of the Corporate Governance Committee consisted of Messrs. Curtis, Seymour and Stokely, each of whom is independent as defined in Rule 4200(a) of the

NASDAQ listing standards.

The Corporate Governance Committee regularly monitors corporate governance developments and reviews our policies, processes and procedures in light of these developments to ensure that the Company and our Board adhere to best practices in this arena. The Corporate Governance Committee also provides advice to our Board with respect to:

Board organization, membership and function;

Compensation of our directors, including their compensation for service on committees of our Board;

Board committee structure, membership and purpose;

Our Corporate Governance Guidelines;

Oversight of our policies and positions regarding significant stockholder relations issues;

Evaluation of, and successor planning for, our CEO and other executive officers; and

Other matters relating to corporate governance and the rights and interests of our stockholders.

Corporate Governance Guidelines

Our Corporate Governance Guidelines are designed to ensure that our Board follows practices and procedures that serve our best interests and the best interests of our stockholders. The Corporate Governance Committee is responsible for overseeing these guidelines and making recommendations to our Board regarding any changes. These guidelines address, among other things, the following topics:

Performance assessments of our Board and its committees;

Composition and independence of our Board and its committees;

Director orientation and continuing education;

Policy on directors that change corporate affiliations; and

Management responsibilities and Board access to management.

Code of Business Conduct and Code of Ethics

We have adopted a Code of Business Conduct and Ethics for our directors, officers (including our principal executive officer, principal financial officer, principle accounting officer and controller) and employees. We have also adopted a Code of Ethics for the Chief Executive Officer and Senior Financial Officers (the Code of Ethics), which applies to our Chief Executive Officer, our Chief Financial Officer, our Chief Accounting Officer, Controller, and persons performing similar functions. The full text of both the Code of Business Conduct and Ethics and Code of Ethics is published on our website at www.aciworldwide.com in the Investor Relations Corporate Governance section. We intend to disclose future amendments to, or waivers of, certain provisions of the Code of Business Conduct and Ethics and the Code of Ethics relating to our Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, Controller or persons performing similar functions on our website promptly following the adoption of any such amendment or waiver.

Director Nomination Process

The role of the Corporate Governance Committee includes identifying, evaluating and recommending director candidates to our Board. The Corporate Governance Committee continues to consider director candidates and takes into consideration the following criteria in selecting and evaluating director candidates:

Independent Directors. Our Board should include at least enough independent directors (as determined by NASDAQ rules and applicable laws and regulations) to satisfy the independent director requirements of such rules, laws and regulations.

Other Directors. Subject to the right of the Corporate Governance Committee and our Board to decide otherwise when appropriate, our CEO generally should be a director. Additionally, depending on the circumstances, certain other members of management, as well as individuals having relationships with the Company that prevent them from being independent directors, may be deemed to be appropriate members of our Board.

General Criteria for Each Director. Candidates for positions on our Board should possess certain qualities. In particular, a director should:

be an individual of the highest character and integrity;

be free of any conflict of interest that would violate any applicable laws, rules, or regulations or interfere with the proper performance of the responsibilities of a director;

be willing and able to devote sufficient time to the affairs of the Company; and

have the capacity and desire to represent the balanced, best interests of our stockholders as a whole.

In addition to the foregoing general criteria, the Corporate Governance Committee may consider specific criteria relating to the skills, experience, particular areas of expertise, specific backgrounds and other characteristics that may enhance the effectiveness of our Board and its committees.

All of the current nominees for director are incumbent directors serving on our existing Board. The Corporate Governance Committee based its decision to re-nominate these incumbent directors on its consideration of each individual's contributions, including the value of his experience as a director, the current composition of our Board and its committees, the availability of other potential director nominees and the Company's needs.

Stockholder Recommendations for Director Nominees

The Corporate Governance Committee considers stockholder recommendations for candidates for our Board furnished to the Company as set forth below in the section entitled "Stockholder Communications with our Board."

The Corporate Governance Committee did not receive, by a date not later than the 120th calendar day before the date we released our proxy statement to our stockholders in connection with our 2008 Annual Meeting of Stockholders, a recommended nominee for election at this Annual Meeting, from a stockholder that beneficially owned more than 5% of our outstanding common stock for at least one year as of the date the recommendation was made, or from a group of security holders that beneficially owned, in the aggregate, more than 5% of our outstanding common stock, with each of the securities used to calculate that ownership held for at least one year as of the date the recommendation was made.

Stockholder Nomination Process

On December 12, 2008, our Board amended our Bylaws to make certain modifications to the stockholder nomination process. Pursuant to our Bylaws, as amended, any stockholder entitled to vote in the election of directors generally may nominate one or more persons for election as directors at a meeting only if written notice of such stockholder's intent to make such nomination or nominations has been received by the Secretary of the Company not less than 90 calendar days nor greater than 120 calendar days prior to the first anniversary of the date of the immediately preceding year's annual meeting of stockholders. Previously, our Bylaws set forth an advance notice window for stockholder director nominations of not less than 60 nor more than 90 calendar days prior to the first anniversary of the date on which the Company first mailed its proxy materials for the preceding year's annual meeting of stockholders.

Each such notice shall set forth: (i) the name and address of the stockholder who intends to make the nomination and of the beneficial owner, if any, on whose behalf the nomination is made; (ii) a representation that the stockholder is a holder of record of our common stock entitled to vote for the election of directors on the date of such notice and

intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (iii) the class and number of shares owned beneficially and of record by the stockholder giving notice and by the beneficial owner, if any, on whose behalf the nomination is made, (iv) a description of all arrangements or understandings between or among the stockholder, the beneficial owner on whose behalf the notice is given and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder; (v) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC, had the nominee been nominated, or intended to be nominated, by our Board; (vi) the consent of each nominee to serve as a director of the Company if so elected; and (vii) whether the stockholder or the beneficial owner on

whose behalf the nomination is made intend to deliver a proxy statement and form of proxy to holders of at least the percentage of shares of our common stock entitled to vote required to elect the nominee(s).

The amendments to our Bylaws adopted by our Board in December 2008, clarified that in addition to the name and address of the stockholder making the nomination, as they appear on the Company's books, the notice must also include the name and principal business address of all (A) persons controlling, directly or indirectly, or acting in concert with, such stockholder, (B) beneficial owners of shares of stock of the Company owned of record or beneficially by such stockholder (with the term *beneficial ownership* as used herein to have the meaning given to that term in Rule 13d-3 under the Securities Exchange Act (the *Exchange Act*)) and (C) persons controlling, controlled by, or under common control with, any person specified in the foregoing clause (A) or (B) (with the term *control* as used herein to have the meaning given to that term in Rule 405 under the Securities Act of 1933, as amended) (any such person or beneficial owners set forth in the foregoing clauses (A), (B) and (C) shall be a *Stockholder Associated Person* for purposes of Bylaw 14(c)).

These amendments to our Bylaws also added requirements that the stockholder notice disclose (i) any derivative positions related to any class or series of securities of the Company held or beneficially held by the stockholder and each Stockholder Associated Person (as defined above); and (ii) whether and the extent to which any hedging, swap or other transactions or series of transactions have been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares of stock) has been made, the effect or intent of which is to mitigate loss to, or manage risk of stock price changes for, or to increase the voting power of, the stockholder or any Stockholder Associated Person with respect to any shares of stock of the Company.

Our amended Bylaws also provide that, if the Board so requires, to be eligible to be a nominee for election or re-election as a director of the Company, a person must deliver (in accordance with the time periods prescribed for delivery of notice) to the Secretary at the principal executive offices of the Company a written questionnaire with respect to the identity, background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such person (A) is not and will not become a party to (1) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Company, will act or vote on any issue or question (a *Voting Commitment*) that has not been disclosed to the Company or (2) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Company, with such person's fiduciary duties under applicable law, (B) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Company with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed in the questionnaire, and (C) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Company, and will comply, with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Company.

The Secretary of the Company did not receive written notice from any stockholder regarding an intention to make a nomination.

Stockholder Communications with our Board

Communications from stockholders to our Board, including stockholder director recommendations as well as stockholder proposals submitted in accordance with the procedure described below in the section entitled *Stockholder Proposals*, may be delivered to the Secretary of the Company at the Company's principal executive office located at

120 Broadway, Suite 3350, New York, New York 10271, sent via e-mail to grp-ACI-directors@aciworldwide.com or via telephone to (402) 778-2183. These communications will be received by the Secretary of the Company, who will forward them to the appropriate members of our Board.

REPORT OF THE AUDIT COMMITTEE

During the Transition Period and 2008, the members of the Audit Committee consisted of Messrs. Berkeley, Shay and Stokely. At all times during the Transition Period and 2008, each of the directors that served on the Audit Committee was independent as defined in Rule 4200(a) of the NASDAQ listing standards. Our Board determined that each of the members met the NASDAQ regulatory requirements for financial literacy and that Mr. Stokely and Mr. Shay are audit committee financial experts as defined under SEC rules.

The Audit Committee operates pursuant to a charter (the Audit Committee Charter) approved and adopted by our Board. Our Board amended the Audit Committee Charter on March 2, 2009. A copy of the Audit Committee Charter is available on our website at www.aciworldwide.com in the Investor Relations Corporate Governance section.

The Audit Committee, on behalf of our Board, oversees the Company's financial reporting process as more fully described in the Audit Committee Charter. Management is responsible for the preparation, presentation and integrity of the Company's consolidated financial statements, accounting and financial principles, internal controls over financial reporting and compliance with laws and regulations and ethical business standards. Management is responsible for objectively reviewing and evaluating the adequacy, effectiveness and quality of the Company's system of internal controls. Audit Committee members are not professional accountants or auditors, and their functions are not intended to duplicate or to certify the activities of management or the independent auditor.

The Company's independent auditor, KPMG LLP (KPMG), is responsible for performing independent audits of the Company's consolidated financial statements and the effectiveness of the Company's internal controls over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States) and to issue reports thereon. In fulfilling its oversight responsibilities, the Audit Committee (i) reviewed and discussed the audited financial statements and the footnotes thereto in the Company's annual report on Form 10-K for 2008 with management and KPMG, and (ii) discussed with management and KPMG the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of the disclosures in the financial statements with management and KPMG. The Audit Committee discussed with the Company's internal auditors and KPMG, with and without management present, their evaluations of the Company's internal accounting controls and reviewed with management the basis for management's assessment of the effectiveness of the Company's internal controls over financial reporting.

The Company's independent auditor is responsible for expressing opinions on (i) the conformity of the Company's audited financial statements, in all material respects, to accounting principles generally accepted in the U.S., and (ii) the effectiveness of the Company's internal controls over financial reporting. The independent auditor has full and free access to the Audit Committee. The Company's independent auditor has expressed the opinion that the Company's audited financial statements conform, in all material respects, to accounting principles generally accepted in the U.S. The Audit Committee reviewed and discussed with the independent auditor its judgments as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required to be discussed by the Audit Committee with the Company's independent auditor under Statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1.AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

The Audit Committee discussed with the Company's independent auditor its independence from management and the Company, and received from them the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor's communications with the Audit Committee concerning independence, and has discussed with the independent auditor the independent auditor's

independence.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to our Board that the audited consolidated financial statements be included in the Company's annual report on Form 10-K for 2008 for filing with the SEC.

MEMBERS OF THE AUDIT COMMITTEE

John E. Stokely, Chairman

Alfred R. Berkeley, III

John M. Shay, Jr.

INFORMATION REGARDING OUR INDEPENDENT AUDITOR

KPMG served as our independent auditor for the year ended December 31, 2008. We initially engaged KPMG to serve as our independent auditor on May 29, 2002. Representatives of KPMG are expected to be present at the Annual Meeting to make a statement should they so desire and to respond to appropriate questions.

Independent Registered Public Accounting Firm Fees

The following table sets forth the aggregate fees paid or payable relating to the audit of the quarterly consolidated financial statements for the Transition Period, the audit of the 2008 and fiscal 2007 annual consolidated financial statements and the fees incurred for other services during 2008, the Transition Period and fiscal 2007.

Fee Category	2008	Transition Period (\$)	Fiscal 2007
Audit Fees	3,674,148	839,780	3,792,000
Audit Related Fees	0	0	31,000
Tax Fees	132,526	30,000	30,000
Other Fees	0	0	0
Total Fees	3,806,674	869,780	3,853,000

Audit Fees. This category represents the aggregate fees paid or payable to KPMG for professional services rendered for the audit of the Company's consolidated financial statements for the Transition Period and the audit and quarterly reviews of the Company's annual consolidated financial statements for 2008 and fiscal 2007 and the audit of the effectiveness of the Company's internal controls over financial reporting as of December 31, 2008 and September 30, 2007 in accordance with the standards of the Public Company Accounting Oversight Board.

Audit-Related Fees. This category represents the aggregate fees billed by KPMG for professional services rendered for assurance and related services that were reasonably related to the performance of the audit or review of the Company's financial statements that are not reported under Audit Fees for 2008, the Transition Period or fiscal 2007.

Tax Fees. This category represents the aggregate fees billed by KPMG for tax-related services rendered to the Company for 2008, the Transition Period and fiscal 2007 which related primarily to tax compliance projects, including assistance in the preparation of (i) tax credit calculations and (ii) assistance with tax audit matters.

All Other Fees. As noted above, there were no other fees billed by KPMG for services rendered to the Company during 2008, the Transition Period or in fiscal 2007, other than the services described above under Audit Fees, Audit-Related Fees and Tax Fees.

The Audit Committee has considered whether the provision of the services by KPMG, as described above in Tax Fees is compatible with maintaining the independent auditor's independence.

Pre-Approval of Audit and Non-Audit Services

We have adopted policies and procedures for pre-approval of all audit and non-audit services to be provided to us by our independent auditor and its member firms. Under these policies and procedures, all audit and non-audit services to

be performed by our independent auditor must be approved by the Audit Committee. A proposal for audit and non-audit services must include a description and purpose of the services, estimated fees and other terms of the services. To the extent a proposal relates to non-audit services, a determination that such services qualify as permitted non-audit services and an explanation as to why the provision of such services would not impair the independence of our independent auditor are also required. Any engagement letter relating to a proposal must be presented to the Audit Committee for review and approval, and the Chairman of the Audit Committee may sign, or authorize an officer to sign, such engagement letter.

All services provided by our independent auditor in the Transition Period and in 2008 were pre-approved by the Audit Committee.

INFORMATION REGARDING SECURITY OWNERSHIP

The following tables set forth certain information regarding the beneficial ownership of our common stock as of March 31, 2009 by (i) each of our directors, (ii) each of our executive officers named in the 2008 Summary Compensation Table below, (iii) all of our executive officers and directors as a group, and (iv) each person known by us to beneficially own more than 5% of the outstanding shares of our common stock. The percentages in these tables are based on 35,008,469 outstanding shares of common stock as of March 31, 2009 exclusive of 5,813,047 shares of common stock held as treasury stock by the Company. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to the securities. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares underlying options held by that person that will be exercisable within 60 days of March 31, 2009, are deemed to be outstanding. Such shares, however, are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person.

Security Ownership of Directors and Executive Officers

The following table sets forth certain information regarding the beneficial ownership of our common stock as of March 31, 2009 by (i) each of our directors, (ii) each of our executive officers named in the Summary Compensation Table below and (iii) all of our executive officers and directors as a group. No family relationships exist among our directors and executive officers.

Beneficial Owner	Number of Shares Directly Owned(1)	Number of Shares Subject to Currently Exercisable Options or Which May be Acquired Within 60 Days(2)	Total Shares	
			Owned Beneficially	Percent
Philip G. Heasley	257,391	640,000	897,391	2.56%
David N. Morem	49,490	59,254	108,744	*
Craig A. Maki	1,875	68,254	70,129	*
Harlan F. Seymour	4,000	56,000	60,000	*
John E. Stokely	2,000	52,000	54,000	*
John D. Curtis	2,000	52,000	54,000	*
Jan H. Suwinski	30,000	10,000	40,000	*
Mark R. Vipond(3)	36,566(4)		36,566	*
Alfred R. Berkeley, III	13,930	10,000	23,930	*
John M. Shay, Jr.	3,000	20,000	23,000	*
Scott W. Behrens	17,889	3,750	21,639	*
Richard N. Launder(3)	10,655(5)		10,655	*
James C. McGroddy	4,000		4,000	
Henry C. Lyons(3)	481		481	*
All Directors and Executive Officers as a group (17 persons)(6)	548,977	1,143,887	1,692,864	4.84%

- * Less than 1% of the outstanding shares of our common stock.
- (1) Includes shares of restricted stock subject to certain restrictions on transfer and subject to forfeiture prior to vesting. For Mr. Morem, this amount includes 41,225 shares of restricted stock and for Mr. Behrens, this amount includes 16,875 shares of restricted stock. The total for all directors and executive officers as a group includes 137,175 shares of restricted stock.
 - (2) Includes shares issuable upon exercise of vested stock options as of 60 days following March 31, 2009 (May 30, 2009).
 - (3) Mr. Launder resigned from the Company effective February 28, 2009, Mr. Vipond resigned from the Company effective August 31, 2008 and Mr. Lyons resigned from the Company effective February 29, 2008. The

information related to the number of shares directly owned by Messrs. Launder, Vipond and Lyons is based on our records as of the date of the individual's resignation.

- (4) Includes 449 shares held by Mr. Vipond's spouse for which he disclaims beneficial ownership.
- (5) Includes 1,600 shares held by Mr. Launder's spouse for which he disclaims beneficial ownership.
- (6) The amounts reflected in this row include the share ownership information for Messrs. Vipond and Lyons because both are deemed to be Named Executive Officers (as defined below) for 2008 even though neither was employed by the Company as of December 31, 2008.

Security Ownership of Certain Beneficial Owners

The following table sets forth certain information regarding the beneficial ownership of our common stock as of March 31, 2009 by each person known by us to beneficially own more than 5% of the outstanding shares of our common stock.

Beneficial Owner	Number of Shares(1)	Percent
Waddell and Reed Investment Management Co. 6300 Lamar Avenue, Overland Park, KS 66202	7,005,974	20.01%
RS Investment Management Co. LLC 388 Market Street, Suite 1700, San Francisco, CA 94111	5,367,479	15.33%
Capital Research Global Investors 333 South Hope Street, Los Angeles, CA 90071	2,827,400	8.08%
Barclays Global Investors NA 400 Howard Street, San Francisco, CA 94105	2,007,837	5.74%

- (1) The number of shares in this table is based on reporting from NASDAQ Online as of April 15, 2009, based on the Schedule 13G and 13F filings filed with the SEC as of such date. The Company is not aware of any additional filings by any person or company known to beneficially own more than 5% of the outstanding shares of Common Stock.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act and the rules of the SEC require our directors, certain officers and beneficial owners of more than 10% of our outstanding common stock to file reports of their ownership and changes in ownership of our common stock with the SEC. Company employees generally prepare these reports on behalf of our executive officers on the basis of information obtained from them and review the forms submitted to us by our non-employee directors and beneficial owners of more than 10% of the common stock. Based on such information, we believe that all reports required by Section 16(a) of the Exchange Act to be filed by our directors, officers and beneficial owners of more than 10% of the common stock during or with respect to the Transition Period and 2008 were filed on time.

INFORMATION REGARDING EQUITY COMPENSATION PLANS

The following table sets forth, as of December 31, 2008, certain information related to our compensation plans under which shares of our common stock are authorized for issuance:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders	3,569,671	\$ 21.69	2,768,429(1)
Equity compensation plans not approved by security holders		\$	
Total	3,569,671	\$ 21.69	2,768,429

(1) Includes shares remaining available for future issuance under the 1999 Stock Option Plan, as amended, and the 2005 Incentive Plan, as amended. This number reflects shares reserved for issuance in connection with performance share awards under the 2005 Incentive Plan outstanding as of December 31, 2008 based on the targeted award amounts. The 1999 Option Plan expired on February 23, 2009 and upon expiration, 281,812 shares available for future issuance under that plan also expired and are no longer available for future issuance. Expiration of the 1999 Option Plan did not affect any options outstanding under the plan immediately prior to expiration thereof.

COMPENSATION DISCUSSION AND ANALYSIS

Change in Fiscal Year

Included in this Compensation Discussion and Analysis and in the section entitled "Executive Compensation" is a description of the compensation received by executive officers who are identified in the "Summary Compensation Table" below (the "Named Executive Officers") for the year ended December 31, 2008. On February 23, 2007, our Board of Directors approved a change in our fiscal year end from September 30 to December 31. In connection with our changed fiscal year, we have included in this Proxy Statement certain compensation information for the three months ended December 31, 2007 which is also referred to as the "Transition Period".

Overview

This Compensation Discussion and Analysis is designed to provide stockholders with an understanding of our compensation philosophy, core principles and decision making process. It discusses the determinations of the Compensation Committee of our Board of Directors (the Committee for purposes of this discussion and analysis) of how and why, in addition to what, compensation actions were taken for our Named Executive Officers. Our discussion is organized as follows:

Executive Officer Compensation Philosophy. This section contains our compensation philosophy and objectives with respect to our executive officers.

Elements of Executive Officer Compensation. This section details each element of the compensation we provide to our executive officers, describes the key features and how each element furthers our compensation philosophy and the relevant decisions made for the Transition Period and 2008.

Determining Compensation. This section contains a discussion of the roles of the parties included in the process of determining executive officer compensation.

Analysis of Named Executive Officer Compensation. This section focuses on the compensation provided to each Named Executive Officer during the Transition Period and 2008.

Analysis of 2008 Incentive Compensation Programs. This section contains details of the cash-based and equity-based incentive compensation programs pursuant to which we granted Named Executive Officers awards during the Transition Period and 2008.

Equity Policies. This section describes our equity policies, including our stock ownership guidelines and our equity award granting policy.

Tax and Accounting Implications. This section explains our practices with respect to Section 162(m) of the Internal Revenue Code, as amended (the Code), and the deductibility of compensation paid to executive officers as well as our accounting practices for share-based compensation awards under FASB Statement 123R, Share-Based Payments.

Employment Agreements with Named Executive Officers. This section contains a description of the material terms of our employment agreements with certain Named Executive Officers.

Executive Officer Compensation Philosophy

Our executive compensation programs promote our compensation philosophy of pay for performance and strengthen our ability to attract and retain highly qualified executives. In order to implement our pay for performance philosophy, we place a significant portion of our executive officer compensation at-risk so that the level of at risk compensation actually earned by the executive depends on the Company's performance against specified financial, operational and strategic goals and objectives. In particular, we design our executive compensation programs to create incentives that promote short-term profitability and long-term value growth for our stockholders. To be successful, we must attract talent globally from the information technology, software development and services and financial payments markets. Accordingly, we strive to design executive compensation programs that are competitive in these industries as well as across a broader spectrum of companies of comparable size and complexity in local and global markets.

We compensate our executive officers with a mix of base salary, variable cash incentives and long-term equity incentives. Base salary is designed to provide a market competitive level of pay for each executive based on the executive's level within the organization and the executive's geographical location. Variable cash and long-term equity incentives are designed to reward executives for their contributions to the Company's performance. Executive officer contributions are measured based on achievement of performance targets that correlate to increasing the market success of the business and stockholder value. These performance targets align our executives' incentives with the long-term and short-term interests of our stockholders. In aggregate, our programs support executive recruitment and retention and reward our executives for short-term operational performance while creating an incentive for future performance.

Elements of Executive Compensation

Our executive compensation programs consist of the following key elements:

Element of Compensation	Form of Compensation	Purpose	Performance Based
<i>Cash and Short-Term Variable Compensation:</i>			
- Base Salary	Cash	Provides competitive, fixed compensation to attract and retain exceptional executive talent	No
- Executive Management Incentive Compensation Program	Cash	Encourages an executive officer's contribution to, and rewards an executive officer for, Company-wide performance and the attainment of specific operational and financial goals that are controlled by or can be directly impacted by the executive officer	Yes