UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2004

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission file number 001-06605

EQUIFAX INC.

(Exact name of registrant as specified in its charter)

Georgia	**58-0401110**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1550 Peachtree Street, N.W. Atlanta, Georgia	**30309**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **404-885-8000**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $1.25 par value per share	New York Stock Exchange
Common Stock Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:**None.**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ YES ☐ NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). ☒ YES ☐ NO

The aggregate market value of the voting and non-voting common equity held by non-affiliates, based upon the closing price for the Common Stock as reported on the New York Stock Exchange composite tape on June 30, 2004, was $3,371,599,440. All executive offers, directors, and holders of 5% or more of the outstanding Common Stock of registrant have been deemed, solely for purposes of the foregoing calculation, to be "affiliates" of the registrant.

As of February 28, 2005, 134,804,062 shares of registrant's Common Stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The information required by Part III of this Form 10-K, to the extent not set forth herein, is incorporated herein by reference from the registrant's definitive proxy statement for the Annual Meeting of Shareholders to be held on May 17, 2005, to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the close of the registrant's fiscal year.

EQUIFAX INC.

FORM 10-K

For the Year Ended December 31, 2004

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FORWARD-LOOKING STATEMENTS

As used herein, the terms "Equifax," "we," "our," and "us" refer to Equifax Inc., a Georgia corporation, and its consolidated subsidiaries as a combined entity, except where it is clear that the terms mean only Equifax Inc.

This Form 10-K and certain information incorporated herein by reference contains forward-looking statements within the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934. In addition, certain statements included in our future filings with the Securities and Exchange Commission (SEC), in press releases, and in oral and written statements made by us or with our approval, that are not statements of historical fact, are forward-looking statements. Words such as "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "seeks," "plan," "project," "continue," "predict," and other words or expressions of similar meaning are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements are found at various places throughout this report and in the documents incorporated herein by reference. These statements are based on our current expectations about future events or results and information that is currently available to us, involve assumptions, risks, and uncertainties, and speak only as of the date on which such statements are made. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Our actual results may differ materially from the results discussed in such forward-looking statements. Factors that may cause such a difference, include, but are not limited to those discussed in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations—Risk Factors, below, as well as: declines in the rate of growth, or absolute declines, in consumer spending and consumer debt in our market areas; interest rate increases or other factors that reduce mortgage refinancings or new mortgages; changes in the marketing techniques of credit card issuers; competitive products and pricing pressures and the company's ability to gain or maintain share of sales as a result of actions by competitors and others; changes in estimates in critical accounting judgments; changes in or failure to comply with laws and regulations, including changes in the Fair Credit Reporting Act, the Gramm-Leach-Bliley Act, accounting standards, taxation requirements (including tax rate changes, new tax laws and revised tax interpretations) in domestic or foreign jurisdictions; costs associated with compliance with the Fair and Accurate Credit Transactions Act of 2003; ability to successfully integrate acquisitions; exchange rate fluctuations and other risks associated with investments and operations in foreign countries; our ability to successfully develop and market new products and services, incorporate new technology and adapt to technological change; equity markets, including market disruptions and significant interest rate fluctuations, which may impede our access to, or increase the cost of, external financing; increased competitive pressures both domestically and internationally; and international conflict, including terrorist acts.

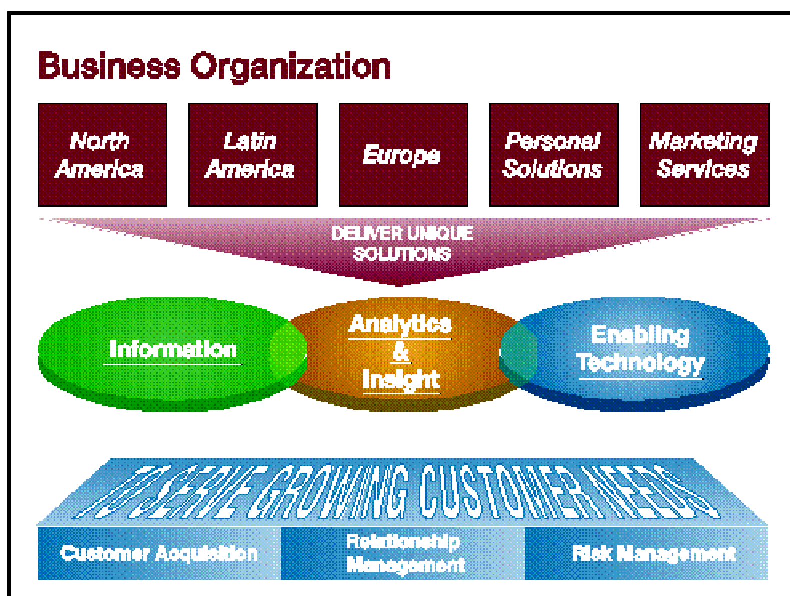
Readers should carefully review the disclosures and the risk factors described in this and other documents we file from time to time with the SEC, including future reports on Forms 10-K, 10-Q and 8-K, and any amendments thereto.

PART I

ITEM 1. BUSINESS

Overview

We were founded in Atlanta, Georgia, in 1899, incorporated in Georgia in 1913, and have been known as Equifax Inc. since 1975. We have been publicly owned since 1965, listed on the New York Stock Exchange since 1971 and are a member of the S&P 500.



We collect, organize and manage numerous types of credit, financial, public record, demographic and marketing information regarding individuals and businesses. This information originates from a variety of sources including financial or credit granting institutions, governmental entities and consumers. Our proprietary databases contain information on more than 400 million consumers and businesses worldwide. The original data is compiled and processed utilizing our proprietary software and systems and distributed to customers in a variety of user-friendly and value-add formats. Our products and services include consumer credit information, information database management, marketing information, business credit information, decisioning and analytical tools, and identity verification services which enable businesses to make informed decisions about extending credit or service, mitigate fraud, manage portfolio risk, and develop marketing strategies for consumers and small businesses. We also enable consumers to manage and protect their financial affairs through a portfolio of products that we sell directly via the Internet and in various hard-copy formats.

We currently operate in 12 countries: North America (the U.S. and Canada), Europe (the U.K., Ireland, Spain and Portugal) and Latin America (Brazil, Argentina, Chile, El Salvador, Peru and Uruguay). We serve customers across a wide range of industries, including the financial services, retail, telecommunications, utilities, automotive, brokerage, healthcare and insurance industries, as well as state and federal governments. Our revenue stream is highly diversified with our largest customer providing less than 2% of total revenues.

Current Developments

Acquisition of APPRO Systems, Inc.

On March 15, 2005, we acquired APPRO Systems, Inc. (“APPRO”), a privately-held corporation headquartered in Baton Rouge, Louisiana. APPRO is a provider of automated credit risk management and financial technologies for consumer, commercial and retail banking lending operations. We paid $92.0 million in cash to the stockholders and optionholders of APPRO, subject to adjustment as provided in the merger agreement. The net cash impact to Equifax of the acquisition will be approximately $74.0 million after disposition of certain assets.

CEO Transition

On August 18, 2004, Equifax announced that Thomas F. Chapman, chairman and chief executive officer, informed the Board of Directors of his decision to retire after a successor is elected and the transition completed. The Board requested that Mr. Chapman remain through 2005 or such earlier period of time as would be necessary to ensure an orderly transition. On December 20, 2004, Equifax entered into a transition retirement agreement with Mr. Chapman for this purpose.

FACT Act of 2003

During 2004 we established, along with the other nationwide credit reporting agencies, a centralized request facility, Central Source, LLC, which is owned jointly by Equifax, Experian Information Solutions, Inc. and TransUnion LLC, to provide to consumers, upon their request, a free annual credit file disclosure. During 2005, the initial implementation of the annual free credit report required by the Fair and Accurate Credit Transactions Act of 2003 (“FACT Act”) will be completed, and our related regulatory recovery fee will remain in effect as we continue to address the challenges involved in complying with the FACT Act. We believe we have identified and produced cost efficiencies and productivity gains in our business which, when combined with the regulatory recovery fee, enable us to comply with the FACT Act while delivering the most efficient and effective service to our customers. Consumer use of the centralized request facility to date has been within the range of our budgeted estimates. For additional information on the FACT Act, see Part I, Business—“Government Regulation” below and Part II, Management’s Discussion and Analysis of Financial Condition and Results of Operations—Risk Factors, below.

Segment Reporting

We manage our business and report our financial results through the following three reportable segments:

· Equifax North America

· Equifax Europe

· Equifax Latin America

Each reportable segment, to varying degrees, is made up of three operating segments:

· Information Services

· Marketing Services

· Personal Solutions (formerly referred to as Consumer Direct)

Detailed financial results and segment information are provided below in Part II, Item 8, Financial Statements and Supplementary Data—Notes to Consolidated Financial Statements, Note 15, Segment Information.

Equifax North America

Overview

Equifax North America is our largest reportable segment and in 2004 generated 82% of our revenue and 89% of our operating profit before corporate expense. This segment includes results of our Information Services, Marketing Services and Personal Solutions operating segments in the U.S. and Canada. Approximately 2,558 employees were employed in Equifax North America as of December 31, 2004.

Our strategic objective for Equifax North America is to provide products that:

· Enable customers to utilize an individual's or small business' credit history in determining with whom to do business;

· Assist customers in reducing the impact of fraudulent activities;

· Assist companies in the management of their credit portfolios;

· Enable customers to manage their debt recovery activities;

· Enable customers to market specific products and services to consumers;

· Enable customers to develop marketing strategies for cross-selling other products and services to their entire customer base;

· Enlighten, empower and enable consumers to manage information on their personal credit and financial histories; and

· Enable customers to comply with Federal legislation in their customer management and ID verification processes.

Equifax has developed analytical tools for customers to use in their consumer oriented decisioning activities. These decisioning activities include numerous types of consumer interactions including customer acquisition, relationship management, e.g., up-selling, cross-selling and risk management.

Our Predictive Sciences solutions include (1) the statistical analysis of data, (2) enabling technology solutions that integrate software and computer technology to execute decision rules that enable our customers to utilize answers in real-time and (3) consulting with our customers in the formulation and execution of decision strategies to maximize revenue opportunities throughout our Information and Marketing Services businesses. We also sell our services to institutions that may not be customers for our information services utilizing our decisioning tool capabilities and enabling technologies.

Our enabling technologies include products such as ePort, Apply, Decision Power, ID Authentication and InterConnect. These platforms are developed in an Application Service Provider (ASP) format to allow for ease of integration into customers' internal technology systems and to leverage Equifax's extensive technological systems and communication networks.

Information Services

In Equifax North America, our Information Services operating segment consists of the following components: Consumer Services, Small Business Services, Mortgage Services and our Canadian Operations.

Our Consumer Services products and services are derived from the credit information that we maintain about individual consumers, and are the dominant products and services in our Equifax North America segment. We maintain information on approximately 250 million consumers in North America, where we are a market leader in Consumer Services. We offer a full range of Consumer Services products in our North America markets, including credit reporting, credit scoring, mortgage reporting, prescreen

services, risk management, fraud detection and modeling services, together with certain of our decisioning products that facilitate pre-approved offers of credit and automate a variety of credit decisions. Our customers utilize the information we provide to make decisions for a wide range of credit and business purposes, such as whether to, and on what terms to, approve mortgage or auto loans, credit card applications, identity verification and similar business uses. Risk management and fraud detection and prevention services enable banks and financial institutions to monitor default rates by proactively managing their existing credit card accounts.

Customers of our Consumer Services products and services access them through a full range of electronic distribution mechanisms, including direct real-time access, which facilitates instant decisions for the immediate granting of credit. Customers of our Consumer Services products include banks, mortgage lenders, financial institutions, telecommunications and utility companies, retailers, automotive manufacturers and dealers, brokerage firms, insurance companies, healthcare providers and governments.

Our Commercial Services products and services are derived from our databases of credit and financial information about businesses. The sale of credit reports, scores and decisioning tools are the primary sources of revenue, and are purchased by a wide variety of customers. We have created a unique single source of small business credit information in the U.S., and maintain information on more than 25 million small businesses. Our Small Business Credit Report includes loan, credit card, public records data and leasing history as well as trade accounts receivable performance. Customers utilize our reports to make financial and marketing decisions.

Our Mortgage Services products, available only in the U.S., consist of specialized credit reports that combine the reports of the three major credit reporting agencies into one. Mortgage lenders use these reports in making their mortgage underwriting decisions.

Our operations in Canada include our Consumer and Commercial Services product lines, and these revenues are consolidated on a geographic basis as Canadian Operations. Personal Solutions revenues relating to Canada are reported in the results for that product line.

Marketing Services

Our Marketing Services operating segment includes our Credit Marketing and Direct Marketing products and services. Our Credit Marketing products and services, available in the U.S., Canada, Latin America and the U.K., utilize our consumer credit information databases through batch processing to help our customers acquire new customers and monitor current relationships using a variety of products and services including prescreen and account review services.

We offer a full range of credit and direct marketing products in the U.S., which provide customers with the tools they need to maximize and manage their customer marketing efforts, effectively utilize a variety of marketing methods, efficiently identify and acquire new customers and realize additional revenue from existing customers. Our Marketing Services products enable customers to:

· Identify, target and reach the best prospects and customers;

· Utilize our accurate and powerful consumer databases to manage their customer portfolios;

· Segment customers according to particular criteria;

· Select from specialty, self-reported or permission-based direct mailing lists;

· Easily access online customer mailing lists;

- Use "what-if" scenarios to create customized mailing lists online;
- Improve their direct mail response rate; and
- Reduce costs associated with unwanted or unnecessary mailings.

We provide Direct Marketing Services products, such as compiled, self-reported and permission-based consumer marketing databases and services, and integrated precision marketing tools that enable marketers to identify, target and build consumer relationships through postal and email marketing. Our targeted high quality demographic and lifestyle information lists and list performance services, which include data enhancement, list hygiene, modeling and analytical consulting, facilitate improved direct mail response and increased customer loyalty. Our products enable customers to target specifically defined market segments, individuals and to design more effective and economically efficient marketing campaigns. Customers include financial institutions, insurers, catalogers, publishers, technology companies, manufacturers and telecommunications companies.

Personal Solutions

We offer credit information directly to consumers in the U.S. via the Internet at*www.equifax.com.* Equifax Credit Profile® provides secure online access to a user-friendly credit report, Equifax Credit Watch™ is a subscription service that assists consumers in protecting against identity fraud, ScorePower® gives consumers access to their BEACON 96™ score and our 3-in-1 Credit Report™ combines reports from the three U.S. credit reporting agencies. We also offer insurance reports and scores and offline, paper versions of our products. In September 2003, we began offering Equifax Credit Profile to U.K. consumers. We now offer our consumer products in the U.S., Canada and the U.K. and intend to continue expanding our product offerings geographically through creative marketing strategies for profitable growth. Customers of our Personal Solutions products include consumers, as well as businesses that offer Personal Solutions products to their customers.

Equifax Europe

The Equifax Europe segment consists of our operations conducted in the U.K., Republic of Ireland, Spain and Portugal, and accounted for 11% of our 2004 revenue. The U.K. accounted for 88% of the segment's revenue. We employ approximately 582 employees in the Equifax Europe segment.

Our Information Services product line is sold in each country that makes up the Equifax Europe segment except for Ireland, where we have support operations. These products are based on more than 40 million consumer credit records that we maintain. The Consumer Services products we provide in Equifax Europe include credit reporting, credit scoring, risk management, fraud detection and modeling services. Our Commercial Services products, such as business credit reporting and commercial risk management services, are only available in the U.K.

In the U.K., we also provide both Credit Marketingand Direct Marketing products and services, similar to the U.S. Our core offerings include prospect lists generation for marketing to businesses and consumers along with analytics supporting marketing campaigns. In September 2003, we launched our Personal Solutions products in the U.K. under the branding of myEquifax, a unique on-line service for consumers.

Equifax Europe customers include banks, mortgage lenders, financial institutions and governments, which utilize the information we provide to make decisions for a wide range of credit and business purposes, such as approval of loans for many purposes, applications, verification of identities, account management and other related business uses. Products are developed by Equifax Europe to respond to market needs and opportunities and may include variations of products offered in the U.S. market.

Equifax Latin America

The Equifax Latin America segment consists of our operations conducted in Brazil, Argentina, Chile, El Salvador, Peru and Uruguay, and accounted for 7% of our 2004 revenue. Brazil accounted for 52% of the segment's revenue. We employ approximately 975 employees in the Equifax Latin America segment. Our Information Services product and services line is sold in each country of Equifax Latin America, and

our Consumer Services products and services are the dominant source of revenue in each of these countries, with the exception of Brazil. We offer a full range of Consumer Services products based on the consumer credit records that we maintain on more than 60 million consumers in Latin America, including credit reporting, credit scoring, risk management, identity verification and fraud detection services.

We offer our Commercial Services products and services line in each of the Equifax Latin America countries to varying degrees, and it is the dominant source of revenue in Brazil where we are a market leader. Services offered include credit reporting, decisioning tools and software and commercial risk management services on businesses operating in the several countries.

We also offer our Credit Marketing products and services to varying degrees in each of the Equifax Latin America countries, and provide a variety of consumer and commercial marketing services based on our extensive credit information databases including: account profitability analysis, business profile analysis, business prospect lists and database management.

Equifax Latin America customers include banks, telecommunications companies, retailers, financial institutions and governments which utilize the information we provide to make decisions for a wide range of credit and business purposes such as credit card applications, service applications, identity verification and similar business uses. In each of this segment's countries, the majority of our customers access our products and services through a number of electronic distribution mechanisms, including direct real-time access, which facilitates instant decisions and cross-selling opportunities. We also sell directly our various reports and services via branches, websites and mail fulfillment.

Sales and Distribution

We have a worldwide sales organization with approximately 930 employees as of December 31, 2004 including sales management and administration. We sell our products primarily through our direct sales force, although the sales channels used by us can and will vary by product and service depending on market and business needs. We also sell and market our products and services through indirect sales channels, such as affiliate credit bureaus, marketing alliances and value-added resellers. We also sell through direct mail and various websites, such as *www.equifax.com,* which is the primary distribution channel for our Personal Solutions products and services.

We primarily distribute our products and services to customers worldwide through electronic data interfaces. Our enabling technologies platforms are developed in an ASP format to allow for ease of integration into customers' inhouse technology systems and to leverage Equifax's extensive technological system and communication network. Equifax ePORT™, our web-based product delivery channel, enables us to deliver services to customers via a secure Internet connection. The success of our Personal Solutions product line is directly linked to delivery of products to consumers through a secure Internet channel. We will continue to leverage technology to capitalize on the most efficient and effective means of delivering products and services to our customers.

Product Development

Our products and services are based on proprietary technology and databases enabling customers to operate their businesses efficiently and effectively. We constantly expand our product and service offerings through internal development, partnering with third parties or by acquisition.

Data Sources

We rely extensively on data from external sources for our proprietary and non-proprietary databases. These sources include financial or credit granting institutions, which provide loan and accounts receivable information; governmental entities, which provide public records of bankruptcies, liens and judgments; and consumers, who participate in surveys and submit warranty cards from which we gather demographic and

marketing information. Our Information Services product line relies predominately on data received from customers via contractual relationships and from various government and public record services. Additionally, in the U.S. we also rely on contractual relationships with a limited number of affiliate third party credit reporting agencies to provide us data in certain geographic areas. Outside of the U.S., governmental data sources are generally more significant to our business.

Our Marketing Services operating segment, with the exception of the Credit Marketing Services products, is derived from proprietary databases consisting of consumer, lifestyle and demographic information. The majority of this information is gathered by consumers reporting information on warranty cards, voluntarily providing information via websites maintained by us, or otherwise requesting certain types of information. This permission-based information is generally less regulated and restricted than the credit information that we maintain. See "Government Regulation" below. These databases provide us with the opportunity to develop new products to explore cross-selling synergies with all of our databases. Our Credit Marketing Services products utilize information derived from the credit-based consumer data that also underlies our Information Services segments.

The databases underlying our Information Services and Marketing Services segments include numerous generalized databases and specialized databases of varying sizes. Some of these databases are subject to regulatory or contractual restrictions regarding usage. All databases are regularly updated by information provided by banks, financial institutions, telecommunications companies, other trade credit providers and governments, and we are committed to enhancing, expanding and maintaining the integrity of our proprietary databases. Our Personal Solutions product line relies on the consumer credit information databases, which support our Consumer Services products.

Government Regulation

Since our business involves the collection of consumer data and the distribution of such information to businesses who make credit, service and marketing decisions, certain of our activities and products and services are subject to regulation under various local, state and federal laws in the U.S. governing consumer report data and consumer reporting agencies, including the Fair Credit Reporting Act ("FCRA"), which regulates the use of consumer credit information and, to a lesser extent, the Gramm-Leach-Bliley Act, which regulates the use of non-public personal financial information held by financial institutions. The FACT Act amended the FCRA and requires us, among other things, annually to provide free credit reports to requesting consumers on a phased-in basis beginning on December 1, 2004 (Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming); March 1, 2005 (Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin); June 1, 2005 (Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Oklahoma, South Carolina, Tennessee and Texas); and September 1, 2005 (Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, Puerto Rico and all U.S. territories). Additional provisions of the FACT Act impose requirements designed to reduce consumer identity theft, limit provision of medical information and require reports to the FTC regarding consumer complaints.

We are also subject to privacy and consumer credit laws and regulations in foreign countries where we do business, including the European Union's Privacy Directive. The U.K.'s Data Protection Act of 1998 regulates the manner in which we can use third-party data. Recent regulatory limitations affect our use of the Electoral Roll, one of our key data sources in the U.K. Generally, the data underlying the products offered by our U.K. Information Services and Personal Solutions product lines, excluding our Commercial Services products, are subject to these regulations.

The information underlying our U.S. Commercial Services and Direct Marketing Services business is less regulated than the other portions of our business. A significant portion of the information maintained

by our Marketing Services business is voluntarily provided by individuals, rendering it subject to fewer restrictions on use. It is our policy, however, to treat all information with a high degree of security reflecting our recognition of individuals' privacy concerns.

Intellectual Property

We generally seek protection under federal, state and foreign laws for strategic or financially important intellectual property developed in connection with our business. Certain intellectual property, where appropriate, is protected by contracts, licenses, registrations, confidentiality or other agreements or protections. Equifax owns several patents registered in the U.S. and certain foreign countries, the more important of which cover various aspects of and relating to the use of data within a consumer credit file. Equifax also has certain registered trademarks in the U.S. and in many foreign countries. The most important of these is "Equifax" and many variations thereof. These marks are used in connection with most of our product lines and services. Although these patents and trademarks are important and valuable assets in the aggregate, no single patent, group of patents or trademark is critical to the success of our business. We do not hold any franchises or concessions that are material to our business or results of operations.

We license other companies to use certain data, technology and other intellectual property rights we own or control, primarily as core components of our products and services, on terms that are consistent with customary industry standards.

We are licensed by others to use certain data, technology and other intellectual property rights they own or control, none of which is material to our business except for licenses from (1) Fair Isaac Corporation, relating to certain credit scoring algorithms and the right to sell credit scores derived therefrom, which licenses have varying durations and generally provide for usage-based fees; and (2) Seisint, Inc., relating to a software platform which facilitates sales by our Direct Marketing Services and Credit Marketing Services units, which licenses have ten-year terms beginning in 2002 and may be renewed on an annual basis thereafter.

Competition

We operate in a number of geographic, product and service markets, which are highly competitive. Our Information Services products primarily compete with the products of two global consumer credit reporting companies, Experian Information Solutions, Inc. and TransUnion LLC, which offer a range of consumer credit reporting products that are similar to products we offer. We believe that our products and services offer customers an advantage over those of our competitors' because of the quality of our data files, which we believe to be superior in terms of depth and accuracy. Our competitive strategy is to rely on product features and quality while remaining competitive on price. Experian and Dun & Bradstreet, Inc. are the major competitors for our Commercial Services products, although we believe we have a unique database and product for the small business segment of that market. Our Marketing Services products also compete with these companies and others who offer demographic information products and services, including Acxiom Corporation, Harte-Hanks, Inc. and InfoUSA, Inc. We believe the Marketing Services' products and services are superior and, in some cases unique compared to those offered by our competitors at comparable prices. Our Personal Solutions products and services compete with similar offerings sold directly by Experian and TransUnion and also with offerings from a number of resellers of consumer credit information sold by Experian, TransUnion and us. We tailor our pricing of Personal Solutions products to the needs of the market, which can change frequently due to the dynamic nature of the consumer market. We change our pricing periodically to accommodate new product introductions, or other market conditions.

Employees

We employed approximately 4,400 employees in 12 countries as of December 31, 2004. The Equifax North America segment employed 2,558 of these employees, Equifax Europe employed 582, Equifax Latin America employed 975 and 264 were employed by General Corporate. None of our U.S. employees are subject to a collective bargaining agreement and no work stoppages have been experienced. Pursuant to local laws, our employees in Brazil and Argentina are subject to collective bargaining agreements that govern general salary and compensation matters, basic benefits and hours of work. Equifax is not a party to these agreements. We consider our employee relations to be good. Information regarding our officers is included in "Executive Officers of the Registrant" below.

Available Information

Our website is *www.equifax.com*. We make available on this website, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports as soon as reasonably practicable after we electronically file or furnish such materials to the SEC. Information contained on our website is not part of this Form 10-K or our other filings with the SEC.

Financial Information About Geographic Areas

Detailed financial information by geographic area, including revenues for the past three fiscal years from our customers in the U.S., from our customers outside the U.S., and from customers in certain foreign countries, is set forth in Part II, Item 8, Financial Statements and Supplementary Data—Notes to Consolidated Financial Statements, Note 15, Segment Information.

Executive Officers of the Registrant

Following are the persons serving as our executive officers as of March 15, 2005, together with their ages, positions and brief summaries of their business experience are as follows:

Name	Age	Position	Officer Since
Thomas F. Chapman	61	Chairman and Chief Executive Officer	1990
Karen H. Gaston	52	Corporate Vice President and Chief Administrative Officer	1998
Donald T. Heroman	53	Corporate Vice President and Chief Financial Officer	2002
Kent E. Mast	61	Corporate Vice President and General Counsel	2000
Paul J. Springman	59	Corporate Vice President and Chief Marketing Officer	1990
Michael G. Schirk	55	Vice President and Treasurer	1999
Nuala M. King	51	Vice President and Corporate Controller	2004
David J. Gunter	46	Vice President—Finance	2003

There are no family relationships among our executive officers, nor are there any arrangements or understandings between any of the officers and any other persons pursuant to which they were selected as officers.

Mr. Chapman also serves as a Director. *Messrs Chapman, Schirk and Springman,* and *Ms. Gaston* all have been employed with Equifax or its subsidiaries in executive positions for the previous five years.

Mr. Heroman joined Equifax as Corporate Vice President and Chief Financial Officer in November 2002. Prior to joining Equifax, he served as Executive Vice President and Chief Financial

Officer of People's Bank in Bridgeport, CT. Before joining People's Bank, he was at SunTrust Banks, Inc. from 1988 until 2001, where he was Senior Vice President and Treasurer.

Mr. Mast joined Equifax in November 2000, and prior to that was a Senior Partner of Kilpatrick Stockton LLP, an international law firm, from 1990.

Ms. King joined Equifax in March 2004 as Vice President and Corporate Controller. Prior to joining Equifax, Ms. King served as Corporate Controller for UPS Capital, and in various executive positions with the Coca-Cola Company for more than 18 years.

Mr. Gunter joined Equifax in November 2002 as Vice President and Assistant Corporate Controller and was promoted to Corporate Controller in May 2003. Mr. Gunter was appointed to his current position in April 2004. Prior to joining Equifax, Mr. Gunter served as Regional Chief Financial Officer for Cingular Wireless, and in various executive positions with BellSouth for more than seven years.

ITEM 2. PROPERTIES

Our executive offices are located at 1550 Peachtree Street, N.W., Atlanta, Georgia, in a leased facility that is also utilized by our Equifax North America and Equifax Latin America segments. Our other properties are geographically distributed to meet sales and operating requirements worldwide. We consider these properties to be both suitable and adequate to meet our current operating requirements, and most of the space is being utilized. We ordinarily lease office space for conducting our business and are obligated under approximately 81 leases and other rental arrangements for our headquarters and field locations. We own four office buildings. One is located in Wexford, Ireland and is utilized by Equifax Europe. One each, utilized by Equifax Latin America, is located in Sao Paulo, Brazil and in Santiago, Chile. A fourth located in Buenos Aires, Argentina was purchased in 2001 for use by Equifax Latin America but never occupied, and is now held for sale or lease. We also own approximately 23.5 acres in Windward Office Park located in Alpharetta, Georgia, adjacent to office space we currently lease. See Note 11 to the accompanying Consolidated Financial Statements for information regarding our obligations under leases. We believe that suitable additional space will be available to accommodate our future needs.

ITEM 3. LEGAL PROCEEDINGS

In November 2001, the landlord of our former headquarters facility brought an action, *1600 Peachtree, L.L.C. v. Equifax Inc.,* against us in the Superior Court of Fulton County, Georgia, which asserted claims related to our guaranty obligations under our lease termination agreement. This lawsuit seeks damages, of approximately $28.0 million, substantially all of which represents future rent contingencies, and punitive damages. On motions for summary judgment, the Superior Court ruled against our discharge defense and against plaintiff's fraud claim. On June 29, 2004, the Georgia Court of Appeals affirmed the Superior Court's rulings. Both parties appealed these rulings to the Georgia Supreme Court, which on September 27, 2004 declined to hear the appeals. The remaining issues in the case will now be tried in Superior Court. Trial is set to commence on May 4, 2005. We intend to continue to contest in the Superior Court the damages claimed by the plaintiff.

In the third quarter of 2003, the Canada Revenue Agency ("CRA") issued Notices of Reassessment asserting that Acrofax, Inc., a wholly owned Canadian subsidiary of Equifax, is liable for additional tax for the 1995 through 2000 tax years, related to certain intercompany capital contributions and loans. In 1995, Acrofax invested U.K. 30 million pounds in Luxembourg S.A., a Luxembourg subsidiary of Equifax ("LUX"), which subsequently lent that amount to Equifax PLC, a U.K. subsidiary of Equifax. In

June 2000, Acrofax distributed via dividend shares of LUX to Equifax Credit Information Services, Inc., another subsidiary of Equifax. The CRA claimed that (1) by using LUX as an intermediary, Acrofax avoided paying tax on interest earned on the loan to Equifax PLC and is therefore taxable on the dividends it received from LUX; and (2) in the alternative, the transactions should be recharacterized as a loan directly from Acrofax to Equifax PLC and tax should be paid by Acrofax on the amount of interest income

that it would have received from such a loan as well as withholding tax on the loan principal. The additional tax sought by the CRA for these periods ranges, based on alternative theories, from $7.1 million to $15.8 million, plus interest and penalties. Acrofax has filed Notices of Objection in response to the Notices of Reassessment. On September 2, 2003, we made a statutorily-required deposit of $5.7 million against the CRA's primary assessment theory. We intend to vigorously contest these reassessments and do not believe we have violated any statutory provision or rule.

On December 30, 2003, Equifax and Naviant served a demand for arbitration alleging, among other things, that the shareholder sellers of Naviant had breached various representations and warranties concerning information furnished to us in connection with our acquisition of Naviant in 2002. The arbitration demand seeks rescission of our Naviant purchase and the recovery of the purchase price or, in the alternative, recovery of monetary damages on various grounds. On March 22, 2004, we recommenced our demand for arbitration in order to utilize the procedures of the American Arbitration Association. Some of the respondents have answered and denied liability. The arbitration has been stayed by agreement pending determination of the motions noted in the litigation described in the next paragraph. We cannot at this time predict the probable outcome of this matter.

On April 28, 2004, in a case captioned *Softbank Capital Partners LP, et al. v. Equifax Inc. and Naviant, Inc.,* certain of the former shareholders of Naviant filed suit in the U.S. District Court for the Southern District of Florida seeking declaratory relief to prevent Equifax and Naviant from proceeding with the arbitration discussed in the the preceding paragraph, except for claims asserted against Softbank Capital Partners LP, as Shareholders' Representative, for certain indemnified losses capped at the amount of a $10.0 million escrow fund specified in the agreement pursuant to which Equifax acquired Naviant. The parties are awaiting rulings on the issues presented by the motion for summary judgment filed by plaintiffs and the motion to dismiss filed by Equifax and Naviant. Although Equifax believes it and Naviant have substantial factual and legal defenses to plaintiffs' claims, we cannot at this time predict the probable outcome of this matter.

On August 13, 2004, in a case captioned *Equifax Inc. v. Austin Ventures VIII, L.P., et al.,* Equifax filed suit in the U.S. District Court for the Southern District of Florida to preserve its claims against the shareholder sellers of Naviant pending the arbitration proceeding described above.

We are involved in other lawsuits, claims and proceedings as is normal in the ordinary course of our business. Any possible adverse outcome arising from these matters is not expected to have a material impact on our results of operations or financial position, either individually or in the aggregate. However, our evaluation of the likely impact of these pending lawsuits could change in the future.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of our security holders during the fourth quarter of 2004.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is listed and traded on the New York Stock Exchange under the ticker symbol "EFX". The following table shows the high and low sales prices for our stock, as reported on the New York Stock Exchange, for each quarter in the last two fiscal years:

	2004		2003	
	High	Low	High	Low
	(In dollars)			
First	**$ 27.18**	**$ 23.90**	$ 24.43	$ 17.84
Second	**$ 27.37**	**$ 23.52**	$ 27.59	$ 19.51
Third	**$ 26.70**	**$ 22.60**	$ 26.73	$ 21.71
Fourth	**$ 28.46**	**$ 25.15**	$ 24.86	$ 22.26
Year	**$ 28.46**	**$ 22.60**	$ 27.59	$ 17.84

Holders

At February 28, 2005, we had approximately 8,256 holders of record of our common stock; however, we believe the number of beneficial owners of common stock exceeds this number.

Dividends

While we have historically paid dividends to common shareholders, the declaration and payment of future dividends will depend on many factors, including our earnings, financial condition, business development needs, and regulatory considerations and is at the discretion of our Board of Directors. Set forth below is the amount of cash dividends declared per share of Equifax common stock for each quarter in the last two fiscal years:

Quarter	2004	2003
First	**$0.02**	$0.02
Second	**0.03**	0.02
Third	**0.03**	0.02
Fourth	**0.03**	0.02
Year	**$0.11**	$0.08

Securities Authorized for Issuance Under Equity Compensation Plans

Information required by this Item regarding the securities authorized for issuance under our equity compensation plans is included in the section captioned "Securities Authorized for Issuance Under Equity Compensation Plans" of our Proxy Statement for the Annual Meeting of Shareholders to be held May 17, 2005 to be filed with the SEC, and is incorporated herein by reference.

Issuer Purchases of Equity Securities

The following table contains information with respect to purchases made by or on behalf of Equifax or any "affiliated purchaser" (as defined in Rule 10b-18(a) (3) under the Securities Exchange Act of 1934), of our common stock during our fourth quarter ended December 31, 2004:

Period	Total Number of Shares Purchased(1)	Average Price Paid Per Share(2)	Total Number of Shares Purchased as Part of Publicly-Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs(3)
September 30, 2004				$274,283,405
October 1 - October 31, 2004	200,000	$ 26.27	200,000	$ 269,023,425
November 1 - November 30, 2004	1,015,000	$ 27.21	1,015,000	$ 241,379,842
December 1 - December 31, 2004	73,000	$ 27.81	73,000	$ 239,347,900
Total	1,288,000	$ 27.10	1,288,000	$ 239,347,900

(1) All shares were purchased in open market transactions under Equifax's publicly-announced share repurchase program. Excludes 646 shares accepted in satisfaction of the exercise price of stock options upon option exercises.

(2) Average price paid per share includes brokerage commissions.

(3) Our publicly-announced share repurchase program was last amended by our Board of Directors on August 6, 2004, to authorize the repurchase of $250.0 million of our common stock (in addition to $33.2 million remaining from the Board's previous authorization on February 6, 2002) of Equifax common stock from time to time, directly or through brokers or agents, and has no stated expiration date.

ITEM 6. SELECTED FINANCIAL DATA

The table below summarizes our selected historical financial information for each of the last five years. The financial information for the years ended December 31, 2004, 2003 and 2002 has been derived from our audited financial statements included in Part II, Item 8, Financial Statements and Supplementary Data. The financial information for the years ended December 31, 2001 and 2000 has been derived from statements not included in this report. The historical selected financial information may not be indicative of our future performance, and should be read in conjunction with the information contained in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, and the financial statements. As a result of the spin-off of Certegy Inc. on July 7, 2001, our financial statements for

the years ended December 31, 2000 through 2001, have been restated to isolate and show Certegy's net assets, results of operations and cash flows as discontinued operations. See Part II, Item 8, Financial Statements and Supplementary Data, Notes to Consolidated Financial Statements, Note 3, Discontinued Operations.

	Twelve Months Ended December 31,				
	2004	2003	2002	2001	2000
	(In millions, except per share and employee data)				
Summary of Operations:					
Operating revenue	**$ 1,272.8**	$ 1,210.7	$ 1,095.3	$ 1,096.7	$ 1,025.5
Total costs and expenses	**$ 897.0**	$ 896.5	$ 742.8	$ 779.0	$ 726.2
Operating income(1)(2)(4)	**$ 375.8**	$ 314.2	$ 352.5	$ 317.7	$ 299.3
Income from continuing operations(1)(2)(4)	**$ 237.3**	$ 180.7	$ 191.7	$ 124.4	$ 135.1
Dividends paid	**$ 15.0**	$ 11.3	$ 11.4	$ 32.3	$ 52.3
Per common share (diluted):					
Income from continuing operations per share(1)(2)(4)	**$ 1.78**	$ 1.32	$ 1.38	$ 0.90	$ 0.99
Dividends	**$ 0.11**	$ 0.08	$ 0.08	$ 0.23	$ 0.37
Weighted average common shares oustanding (diluted)	**133.5**	136.7	138.5	139.0	136.0

	As of December 31,				
	2004	2003	2002	2001	2000
Balance Sheet data:					
Total assets	**$ 1,557.2**	$ 1,553.3	$ 1,506.9	$ 1,422.6	$ 1,893.1
Long-term debt	**$ 398.5**	$ 663.0	$ 690.6	$ 693.6	$ 993.4
Total debt	**$ 654.2**	$ 823.5	$ 924.5	$ 755.6	$ 1,047.6
Shareholders' equity	**$ 523.6**	$ 371.5	$ 221.0	$ 243.5	$ 383.6
Common shares outstanding	**129.4**	132.7	135.7	136.2	135.8
Other information:					
Stock price per share(3)	**$ 28.10**	$ 24.50	$ 23.14	$ 24.15	$ 16.75
Market capitalization(3)	**$ 3,636.1**	$ 3,250.4	$ 3,152.6	$ 3,288.4	$ 2,306.9
Employees—continuing operations(5)	**4,400**	4,600	5,000	5,200	6,500

(1) In 2001, we recorded restructuring and other charges of $60.4 million ($35.3 million after tax, or $0.25 per share) for employee severance, facilities consolidation and the write-down of certain technology assets.

(2) In 2002, we adopted Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets." SFAS 142 modifies the accounting for business combinations, goodwill and identifiable intangible assets. As of January 1, 2002, all goodwill amortization ceased.

(3) Stock prices and market capitalization in 2000 have been adjusted to reflect the spin-off of Certegy.

(4) In 2003, we recorded asset impairment and restructuring charges of $30.6 million ($19.3 million after tax, or $0.14 per share) for asset impairments, employee severance and facilities consolidation.

(5) The number of employees for 2000 includes employees associated with Certegy.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

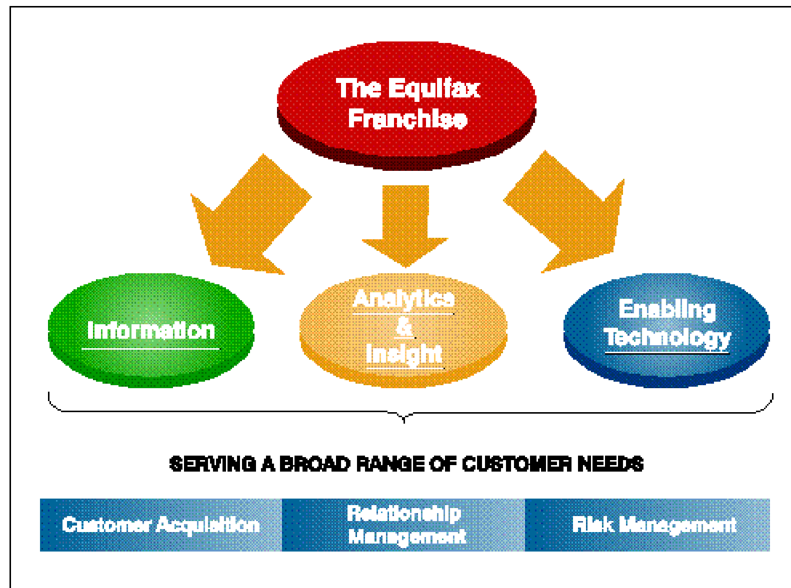
The following discussion of our financial condition and results of operations should be read in conjunction with our financial statements and the related notes in Part II, Item 8—Financial Statements and Supplementary Data. This discussion contains forward-looking statements. Please see "Forward-Looking Statements," above, and "Risk Factors," below, for a discussion of the uncertainties, risks and assumptions associated with these statements.

All references to earnings per share data in this MD&A are to diluted earnings per share from continuing operations.

Executive Overview

Equifax's Strategic Plan

Our strategic plan for the Equifax franchise is based on three essential elements—a comprehensive information database, analytical resources to transform information into value-added insight for customers, and technology platforms that deliver the valuable answers to customers according to their needs.



Equifax collects, organizes and manages numerous types of credit, financial, public record, demographic and marketing information regarding individuals and businesses. This information originates from a variety of sources including financial or credit granting institutions, which provide loan and accounts receivable information; governmental entities, which provide public records of bankruptcies, liens and judgments; and consumers, who participate in surveys and submit warranty registration cards from which we gather demographic and marketing information. Our proprietary databases contain information on approximately 400 million consumers and businesses worldwide. The original data is compiled and processed utilizing our proprietary software and systems and distributed to customers in a variety of

user-friendly and value-add formats. Our products and services include consumer credit information, information database management, marketing information, small business credit information, decisioning and analytical tools, and identity verification services which enable businesses to make informed decisions about extending credit or service, manage portfolio risk and develop strategies for marketing to consumers and small businesses. We also enable consumers to manage and protect their financial affairs through a portfolio of products that we sell directly via the Internet and in various hard-copy formats.

We currently operate in 12 countries: North America (the U.S. and Canada), Europe (the U.K., Ireland, Spain and Portugal) and Latin America (Brazil, Argentina, Chile, El Salvador, Peru and Uruguay). We serve customers across a wide range of industries, including the financial services, retail, telecommunications, utilities, automotive, brokerage, healthcare and insurance industries, as well as state and federal governments. Our revenue stream is highly diversified with our largest customer providing less than 2% of total revenues. Our revenues are sensitive to a variety of factors, such as demand for, and price of, our services, technological competitiveness, our reputation for providing timely and reliable service, competition within our industry, federal, state, foreign and regulatory requirements governing privacy and use of data, and general economic conditions.

Since the early 1990's, Equifax has developed analytical tools for customers to use in their consumer oriented decisioning activities. These decisioning activities include numerous types of consumer interactions including customer acquisition, relationship management, e.g., up-selling and cross-selling and risk management.

Our enabling technologies include products such as Apply, Decision Power, ID Authentication and InterConnect. These platforms are developed in an Application Service Provider (ASP) format to allow for ease of integration into customers' inhouse technology systems and to leverage Equifax's extensive technological systems and communication networks.

We manage our business and report our financial results through the following three reportable segments:

- Equifax North America
- Equifax Europe
- Equifax Latin America

The North American reportable segment is made up of three operating segments:

- Information Services
- Marketing Services
- Personal Solutions (formerly referred to as Consumer Direct)

The Europe and Latin America reportable segments are made up of varying mixes of three product lines: Information Services, Marketing Services and Personal Solutions. Detailed financial results and segment information are provided in Part I, Item 1, Financial Statements—Notes to Consolidated Financial Statements, Note 15, Segment Information.

Information Services revenues are principally transaction related, and are derived from our sales of the following products, many of which are delivered electronically: credit reporting and scoring, mortgage reporting, identity verification, fraud detection and modeling services, and certain of our decisioning products that facilitate pre-approved offers of credit that automate a variety of decisions. Revenues from our Marketing Services are derived from our sales of products that help customers acquire new customers. Personal Solutions revenues are transaction related, and are derived from our sales of credit reporting

products and identity theft monitoring services, which we deliver to consumers electronically via the Internet and via mail.

We see significant opportunities for growth through our ability to identify and enhance our customers' decisioning intelligence to more effectively interact with, and serve, their customers; broadening our Personal Solutions offerings to consumers; and ultimately moving our own businesses further up the value chain from data to analytics and decisioning technology—the main driver of growth and differentiation in our North American business units.

Our corporate strategy as discussed above, is being executed in each of our business segments, providing our customers the ability to make decisions about their customers in 'real-time' at the point of interaction.

Management focuses on a variety of key indicators to monitor operating and financial performance. These indicators include measurements of revenue growth, operating income, operating margin, income from continuing operations, diluted earnings per share, capital expenditures and cash flow. The monitoring of these indicators, as well as Equifax's corporate governance practices, is used to ensure that business vitality is maintained and effective control is exercised.

	Key Performance Indicators Twelve Months Ended December 31,		
	2004	**2003**	**2002**
	(In millions, except per share data)		
Operating revenue	**$ 1,272.8**	$ 1,210.7	$ 1,095.3
Revenue growth	**5%**	11%	0%
Operating income	**$ 375.8**	$ 314.2	$ 352.5
Operating margin	**30%**	26%	32%
Income from continuing operations	**$ 237.3**	$ 180.7	$ 191.7
Diluted earnings per share	**$ 1.78**	$ 1.32	$ 1.38
Capital expenditures	**$ 47.5**	$ 52.7	$ 55.4
Cash flow from operations	**$ 309.0**	$ 293.7	$ 249.6

Results of Operations

Overview of the fiscal year ended December 31, 2004 compared to the fiscal year ended December 31, 2003

GAAP Performance Highlights:

- Consolidated revenue was $1,272.8 million, up 5%;
- Income from continuing operations was $237.3 million, up 31%;
- Earnings per share were $1.78, up 35%;
- Consolidated operating margin increased to 30% from 26%;
- Cash flow from operations was $309.0 million, up 5%;
- North America revenue was $1,039.3 million, up 2%;
  - North America Information Services revenue was $707.1 million, up 4%
  - North America Marketing Services revenue was $236.1 million, down 11%;
  - North America Personal Solutions revenue was $96.1 million, up 38%;
- Europe revenue was $142.0 million, up 23%; and
- Latin America revenue was $91.5 million, up 14%.

NON-GAAP Performance Highlights (See Exhibit 99.1 for a reconciliation to GAAP Financial Measures):

- Consolidated revenue—excluding mortgage-related and eMarketing revenue was $1,052.8 million, up 10%;
- Free cash flow was $261.5 million, up 9%; and
- Earnings per share from continuing operations—excluding sale of investment, asset impairment and related charges were $1.62, up 9%.

Overview Notes:

- Consolidated revenue grew 5% for the year ended December 31, 2004 compared to 2003 due primarily to growth in North American Information Services, Personal Solutions, Europe and Latin America more than offsetting the decrease in Marketing Services revenue.
- In North America Information Services, our largest operating segment, growth was driven in our U.S. Consumer and Commercial information business primarily in services provided to financial services, telecommunications and utility customers and Small Business Services.
- Consolidated operating income increased 20%, or $61.6 million, to $375.8 million.
  - North America operating income improved 20%, or $64.8 million, to $389.1 million;
  - Europe operating income increased 31%, or $7.1 million, to $30.0 million; and
  - Latin America operating income decreased 15%, or $3.0 million, to $17.0 million.
- Our Marketing Services businesses improved operating profit through improved expense control compared to 2003.

· We began the initial phase-in of consumer eligibility for a free annual credit report, upon request, on December 1, 2004. See Part I, Item 1, Business, Current Developments, FACT Act of 2003.

Our segment results and breakdown of North American revenue for the years ended December 31, 2004 and 2003 are as follows:

	2004	% of Revenue	2003	% of Revenue	$ Change	% Change
			(In millions)			
Operating Revenue:						
North America						
Information Services	**$ 707.1**	**56%**	$ 679.8	56%	$ 27.3	4%
Marketing Services	**236.1**	**19%**	265.7	22%	(29.6)	-11%
Personal Solutions	**96.1**	**7%**	69.5	6%	26.6	38%
	1,039.3	**82%**	1,015.0	84%	24.3	2%
Europe	**142.0**	**11%**	115.8	10%	26.2	23%
Latin America	**91.5**	**7%**	79.9	6%	11.6	14%
	$1,272.8	**100%**	$ 1,210.7	100%	$ 62.1	5%

	2004	Profit Margin	2003	Profit Margin	$ Change	% Change
Operating Income (Loss):						
North America						
Information Services	**$ 299.5**	**42%**	$ 296.9	44%	$ 2.6	1%
Marketing Services	**74.4**	**32%**	48.8	18%	25.6	52%
Marketing Services asset impairment & related charges	**(2.4)**	**-1%**	(30.6)	-12%	28.2	nm
Marketing Services, net	**72.0**	**31%**	18.2	6%	53.8	nm
Personal Solutions	**17.6**	**18%**	9.2	13%	8.4	91%
	389.1	**37%**	324.3	32%	64.8	20%
Europe	**30.0**	**21%**	22.9	20%	7.1	31%
Latin America	**17.0**	**19%**	20.0	25%	(3.0)	-15%
Corporate Expense	**(60.3)**	**nm**	(53.0)	nm	(7.3)	-14%
	$ 375.8	**30%**	$ 314.2	26%	$ 61.6	20%

nm—not meaningful

	2004	% of Revenue	2003	% of Revenue	$ Change	% Change
			(In millions)			
Equifax North America Revenue:						
U.S. Consumer and Commercial Services	**$ 532.6**	**51%**	$ 517.3	51%	$ 15.3	3%
Mortgage Services	**75.5**	**7%**	71.6	7%	3.9	5%
Canadian Operations	**99.0**	**10%**	90.9	9%	8.1	9%
Total North America Information Services	**707.1**	**68%**	679.8	67%	27.3	4%
Credit Marketing Services	**139.5**	**14%**	149.8	15%	(10.3)	-7%
Direct Marketing Services	**96.6**	**9%**	115.9	11%	(19.3)	-17%
Total Marketing Services	**236.1**	**23%**	265.7	26%	(29.6)	-11%
Personal Solutions	**96.1**	**9%**	69.5	7%	26.6	38%
	$1,039.3	**100%**	$ 1,015.0	100%	$ 24.3	2%

Operating revenue for 2004 increased $62.1 million or 5% compared to 2003 with growth in Information Services, Personal Solutions, Europe and Latin America being slightly offset by a decrease in Marketing Services.

North America operating income for 2004, improved $64.8 million, or 20%, compared to 2003 due primarily to cost containment in our Marketing Services businesses as a result of our December 2003 restructuring. Operating income in Europe improved $7.1 million, or 31%, due primarily to revenue growth in our U.K. businesses. Operating income in Latin America decreased $3.0 million, or 15%, driven primarily by increased data costs in our Brazilian operations.

Equifax North America

Information Services

U.S. Consumer and Commercial Services revenues for 2004 increased by $15.3 million, or 3%, when compared to 2003 due to increased sales for our small business services products and increased sales to our customers in the financial services, utilities and telecommunications industries slightly offset by decreased sales of mortgage-related products. In our Consumer Information business, volume increased 20%.

Average price per unit was lower due to a shift in industry mix of volume from our mortgage-related products to financial services, utilities and telecommunications. Mortgage Services revenue increased 5% for the year ended December 31, 2004, when compared to 2003, counter to the prevailing trends in the mortgage marketplace primarily due to our ability to attract new customers and increase our market share. Canadian operations increased $8.1 million or 9%; excluding the favorable impact of currency, revenue was up only slightly when compared to 2003. Operating income for 2004 was $299.5 million for Information Services, an increase of $2.6 million or 1%. The increase in operating income is primarily the result of increased revenue slightly offsetting increased costs in correlation to increased volume in our financial services, utilities and telecommunications vertical lines of business.

Marketing Services

Credit Marketing Services revenues for 2004 decreased $10.3 million, or 7%, compared to 2003. The year-over-year decline is primarily due to net volume decreases. Direct Marketing Services revenues decreased by $19.3 million, or 17%, with reduced eMarketing revenue from volume decreases being the primary cause of the decrease, partially offset by increases in our traditional mail products when 2004 is compared to 2003. Marketing Services operating income for 2004 was $74.4 million, an increase of $25.6 million, or 52%, resulting from the elimination of eMarketing operating losses as a result of our December 2003 eMarketing restructuring. In the second quarter of 2004, we determined that continued difficulties with our eMarketing operations indicated that certain remaining assets may not be recoverable and recorded an impairment charge of $2.4 million. See note 6 in the Notes to Consolidated Financial Statements.

Personal Solutions

Personal Solutions revenues for 2004 increased $26.6 million, or 38%, compared to 2003 due to increased volume. Personal Solutions operating income was $17.6 million, an increase of $8.4 million, or 91%.

Equifax Europe

Equifax Europe continued to improve its profit and operating margins through increased revenue, expense reductions and operating efficiencies. Positive performance in our consumer line resulted in improved profit in the U.K. In June 2004, after incurring losses in each of the last four years, we determined that certain long-lived assets in the Italian business were impaired and recorded an impairment charge of $5.3 million. In October 2004 we sold our Italian businesses and have reclassified the year-to-date results of Italy in discontinued operations. See Note 3 in the Notes to Consolidated Financial Statements.

Equifax Europe revenues increased from $115.8 million in 2003 to $142.0 million in 2004, including favorable currency impact of $14.9 million. Operating income for 2004 increased $7.1 million, or 31%, when compared to a year ago. The improvement in operating income was driven by increased volume, expense reductions, operating efficiencies and the impact of foreign currency.

Equifax Latin America

Revenues of our Equifax Latin America segment increased 14% to $91.5 million in 2004. Local currency fluctuation against the U.S. dollar favorably impacted our Latin America revenues by $4.4 million.

Operating income decreased to $17.0 million 2004, compared to $20.0 million 2003. This decrease was primarily the result of slower revenue growth and increased data-related costs in our Brazilian operations. Equifax Latin America profit margin was 19% for the year ended December 31, 2004, versus 25% for 2003.

General Corporate

Our general corporate expenses are expenses that are incurred at the corporate level and have no clear relationship in their support of our business units, and ultimately the reportable segments. These expenses include shared services and administrative and legal expenses. General corporate expense was $60.3 million for 2004, compared to $53.0 million for 2003. This increase was primarily driven by increased benefits costs and professional fees. Our total costs incurred to comply with our annual review of internal control over financial reporting as required by Section 404 of the Sarbanes-Oxley Act of 2002 were in excess of $5.0 million. A substantial portion of our increased professional fees was approximately $3.7 million in total fees incurred to our independent auditor for all services provided, an increase of 162% compared to 2003.

Other Income

Other income increased $33.5 million primarily due to our sale of our investment in Intersections Inc. on May 5, 2004. See Note 12 in the Notes to the Consolidated Financial Statements for further discussion.

Overview of the fiscal year ended December 31, 2003 compared to the fiscal year ended December 31, 2002

GAAP Performance Highlights:

- Consolidated revenue was $1,210.7 million, up 11%;
- Income from continuing operations was $180.7 million, down 6%;
- Earnings per share were $1.32, down 4%;
- Consolidated operating margin decreased to 26% from 32%;
- Cash flow from operations was $293.7 million, up 18%;
- North America revenue was $1,015.0 million, up 13%;
  - North America Information Services revenue was $679.8 million, up 16%;
  - North America Marketing Services revenue was $265.7 million, down 3%;
  - North America Personal Solutions revenue was $69.5 million, up 76%;
- Europe revenue was $115.8 million, up 3%; and
- Latin America revenue was $79.9 million, up 4%.

NON-GAAP Performance Highlights (See Exhibit 99.1 for a reconciliation to GAAP Financial Measures):

- Free cash flow was $241.0 million, up 24%; and
- Earnings per share from continuing operations—asset impairment and related charges were $1.49, up 8%.

Overview Notes:

- Consolidated revenue grew 11% for the year ended December 31, 2003 compared to 2002 due primarily to growth in North American Information Services and Personal Solutions.
- In North America Information Services, our largest operating segment, growth in our U.S. Consumer and Commercial information business was primarily in services provided to financial services, telecommunications and utility customers and growth in Mortgage Services due to higher refinancing volumes when compared to 2002.

- Our Marketing Services business was restructured in December 2003 when we recorded charges related with asset impairments and restructuring of our eMarketing

business.

Our segment results and breakdown of North American revenue for the years ended December 31, 2003 and 2002 are as follows:

	2003	% of Revenue	2002	% of Revenue	$ Change	% Change
			(In millions)			
Operating Revenue:						
North America						
Information Services	$ 679.8	56%	$ 588.0	54%	$ 91.8	16%
Marketing Services	265.7	22%	274.8	25%	(9.1)	-3%
Personal Solutions	69.5	6%	39.4	4%	30.1	76%
	1,015.0	84%	902.2	83%	112.8	13%
Europe	115.8	10%	112.1	10%	3.7	3%
Latin America	79.9	6%	76.6	7%	3.3	4%
Other	—	0%	4.4	0%	(4.4)	nm
	$ 1,210.7	100%	$ 1,095.3	100%	$ 115.4	11%

	2003	Profit Margin	2002	Profit Margin	$ Change	% Change
Operating Income (Loss):						
North America						
Information Services	$ 296.9	44%	$ 267.2	45%	$ 29.7	11%
Marketing Services	48.8	18%	85.4	31%	(36.6)	-43%
Marketing Services asset impairment & related charges	(30.6)	-12%	—	0%	(30.6)	nm
Marketing Services, net	18.2	6%	85.4	31%	(67.2)	-79%
Personal Solutions	9.2	13%	9.0	23%	0.2	2%
	324.3	32%	361.6	40%	(37.3)	-10%
Europe	22.9	20%	13.9	12%	9.0	65%
Latin America	20.0	25%	20.3	26%	(0.3)	-1%
Other	—	nm	4.4	100%	(4.4)	nm
Corporate Expense	(53.0)	nm	(47.7)	nm	(5.3)	11%
	$ 314.2	26%	$ 352.5	32%	$ (38.3)	-11%

nm—not meaningful

	2003	% of Revenue	2002	% of Revenue	$ Change	% Change
			(In millions)			
Equifax North America Revenue:						
U.S. Consumer and Commercial Services	$ 517.3	51%	$ 455.4	51%	$ 61.9	14%
Mortgage Services	71.6	7%	55.2	6%	16.4	30%
Canadian Operations	90.9	9%	77.4	9%	13.5	17%
Total North America Information Services	679.8	67%	588.0	66%	91.8	16%
Credit Marketing Services	149.8	15%	164.3	18%	(14.5)	-9%
Direct Marketing Services	115.9	11%	110.5	12%	5.4	5%
Total Marketing Services	265.7	26%	274.8	30%	(9.1)	-3%
Personal Solutions	69.5	7%	39.4	4%	30.1	76%
	$ 1,015.0	100%	$ 902.2	100%	$ 112.8	13%

Revenue for 2003 increased $115.4 million or 11% compared to 2002 primarily with growth in Information Services and Personal Solutions. Consolidated operating margin for 2003 was 26% compared to 32% for the prior year with total costs and expenses as a percent of total revenue increasing to 74% from 68% the prior year. The primary causes for the increase in operating expenses in 2003 were increased eMarketing Services operating expenses, the December 2003 eMarketing asset impairment and related charges.

North America operating profit for 2003, declined $37.3 million, or 10%, compared to 2002 due primarily to increased eMarketing Services operating expenses, the December 2003 eMarketing asset impairment and related charges. Operating profit in Europe improved $9.0 million, or 65%, due primarily to expense reductions and operating efficiencies. Operating profit in Latin America was relatively flat compared to 2002.

Equifax North America

Information Services

U.S. Consumer and Commercial Services revenues for 2003 increased by $61.9 million, or 14%, when compared to 2002 due to higher volumes and market share primarily from our financial services and telecommunications customers. For 2003, in our Consumer Information business, volume increased 18% while the average price per unit decreased 9%. Average price per unit was driven by mix, volume from higher tiered unit pricing and new customers. Mortgage Services revenue increased 30% for the year ended December 31, 2003, when compared to 2002. Mortgage refinancing slowed down in the second half of 2003 as mortgage interest rates rose from their 40 year low. Canadian operations increased $13.5 million or 17%; excluding the favorable impact of currency, revenue was up 5% when compared to 2002. Operating income for 2003 was $296.9 million for Information Services, an increase of $29.7 million or 11%. The increase in operating income is primarily the result of increased revenue offsetting increased costs in correlation to increased volume in our financial services, utilities and telecommunications vertical lines of business.

Marketing Services

Credit Marketing Services revenues for 2003 decreased $14.5 million, or 9%, compared to 2002. The year-over-year comparison is primarily due to net volume decreases. Direct Marketing Services revenues increased by $5.4 million, or 5%, with the eMarketing portion being flat when 2003 is compared to 2002. 2003 provided challenges in our Direct Marketing Services businesses, especially as the regulatory environment surrounding the business was in lengthy transition. As discussed above, we have restructured our eMarketing business and consolidated its operations into Direct Marketing Services.

Marketing Services operating income for 2003, net of $30.6 million in asset impairment and related charges, was $18.2 million, a decrease of $67.2 million. In the second quarter of 2003 in our eMarketing business, $4.3 million in purchased data that was determined to be of no value and $4.2 million in receivables that were determined to be uncollectible were written off. We severed our relationship with those members responsible for these write-offs. In the fourth quarter of 2003, to bring eMarketing costs in line with eMarketing revenue, we recorded $30.6 million in asset impairments and related charges to complete the consolidation of eMarketing services into Direct Marketing Services. These asset write-downs, personnel reductions and facility consolidations provided a more efficient operating structure for 2004.

Personal Solutions

Personal Solutions revenues for 2003 increased $30.1 million, or 76%, compared to 2002 due to increased volume. Personal Solutions operating income was $9.2 million, an increase of $0.2 million.

Equifax Europe

Equifax Europe, which includes the results of our operations in the U.K., Spain and Portugal, and our support operations in Ireland, continued to improve its profit and operating margins through expense reductions and operating efficiencies. Revenues increased from $112.1 million to $115.8 million, including a favorable currency impact of $13.2 million. Our U.K. operations generated 88% of Equifax Europe's revenues in 2003.

Operating expenses in 2003 of $92.9 million declined 5%. U.K. expenses were flat for 2003, driven by our 2002 restructuring plan focused on rationalizing our U.K. operations and productivity. The commercial business in Spain has been held for sale since the third quarter of 2002. We were negotiating with a new prospective buyer at the end of 2003. We wrote down the carrying value of the discontinued operation an additional $2.8 million to reflect the impact of the current offer. Operating income of $22.9 million increased 65% over 2002 driven by U.K. expense reductions. We continue to focus on driving operational efficiencies in our European businesses and expected continued margin improvement in 2004.

Equifax Latin America

Revenues of our Equifax Latin America segment, which includes results of our operations in Brazil, Argentina, Chile, Peru, Uruguay and El Salvador, operated in an environment of economic stabilization and increased 4% to $79.9 million. Currency devaluation negatively impacted our Latin America revenues by $3.0 million, of which Brazil accounted for $2.3 million. Brazil's revenues grew 6% in 2003 driven by performance in commercial reporting services.

Operating income stayed flat at $20.0 million compared to 2002. Equifax Latin America delivered solid operating margins of 25% in 2003 versus 26% in 2002.

General Corporate

Our general corporate expenses are expenses that are incurred at the corporate level and have no clear relationship in their support of our business units, and ultimately the reportable segments. Included are shared services and administrative and legal expenses. General corporate expense increased $5.3 million in 2003 primarily due to higher compensation expense from salaries absorbed due to the repatriation of our previously outsourced accounting operations and human resources center.

Consolidated Outlook for 2005

Looking forward, we believe that the performance of our business units in 2004 positions our company well for 2005.

During 2005 we expect:

- Modest improvement in the U.S. economy. The rate at which the economy grows is one of the key indicators of financial condition and operating performance for our company. As the economy improves, the need for our services also increases. However, if the economy does not improve as forecasted, we expect low interest rates to sustain demand in mortgage-related activity and to offset slower growth in our other markets.
- U.S. Consumer and Commercial Services will continue its solid performance. Revenue growth was 3% in 2004 and 14% in 2003. Unit growth was 20% in 2004 and 18% in 2003. Based on our ability to develop new business, we expect current trends to continue and that revenue and unit growth will be sustainable for 2005, and favorable when compared to 2004.
- Marketing Services' performance will depend greatly on the overall U.S. economy. Year over year declines in revenue over the last two years reflects declining overall customer demand for these types of services. Assuming an improvement in the overall U.S. economy, however, we expect revenue to grow in 2005 compared to 2004. New leadership and implementation of our new Accel technology platform will support revenue growth and additional expense reductions in 2005.
- Personal Solutions will continue to grow, aided by consumers' increased focus on fiscal responsibility and identity theft. As the FACT Act is fully implemented in 2005, consumer awareness regarding fiscal responsibility and identity theft should increase. We have significant opportunities to market additional Personal Solutions products and services to consumers. Additionally, we continue to observe positive trends in customers renewing subscriptions and ordering additional products and services.

Liquidity and Capital Resources

Overview

Our principal sources of liquidity are cash flow provided by our operating activities, our revolving credit and asset securitization facilities and cash and cash equivalents on hand.

Our ability to generate cash from operations is one of our fundamental financial strengths. We use cash flows from operations, along with borrowings, to fund our capital expenditures and growth initiatives, make acquisitions, retire outstanding indebtedness, pay dividends and purchase outstanding shares of our common stock.

Cash from Operations

For the twelve months ended December 31, 2004, we generated $309.0 million of cash flow from operating activities compared to $293.7 million for the twelve months ended December 31, 2003. The major source of cash flow for 2004 was net income of $234.7 million, net of $81.1 million for depreciation and amortization offset by our gain on the sale of our investment in Intersections Inc. of $36.8 million. Total working capital, excluding debt, at December 31, 2004 was $98.4 million and at December 31, 2003 was $91.6 million.

Our net cash provided by operating activities in 2003 was $293.7 million compared to $249.6 million in 2002. The major source of cash flow for 2003 was net income of $164.9 million, net of loss from discontinued operations of $15.8 million, asset impairment and restructuring charges of $30.6 million and $94.1 million for depreciation and amortization.

Investing Activities

Investing activities for 2004 and 2003 used cash of $6.5 million and $98.8 million, respectively. Capital expenditures used cash in the amounts of $47.5 million and $52.7 million for 2004 and 2003, respectively. Our capital expenditures are used for developing, enhancing and deploying new and existing technology platforms, replacing or adding equipment, updating systems for regulatory compliance, the licensing of software applications and investing in disaster recovery systems. In 2004, FACT Act-related capital expenditures totaled $9.2 million. In 2005, we expect to use $1.0 million to complete our FACT Act-related capital expenditures. We expect to use $60.0 million—$70.0 million for capital expenditures in 2005.

In addition to capital expenditures, we used cash of $17.4 million and $40.7 million in 2004 and 2003, respectively, for acquisitions. We acquired the credit files, contractual rights to territories, customer relationships and related businesses of two credit reporting agencies in the U.S. and one in Canada, for $17.4 million in cash. During 2003, we acquired consumer credit files, contractual rights to territories and customer relationships and related businesses from four affiliates in the U.S. and one in Canada and a small email marketing business for $41.0 million in cash and $1.9 million in liabilities.

In 2003, net cash used in investing activities totaled $98.8 million, a decrease of $241.8 million compared to 2002. The decrease was primarily a result of our 2002 acquisition of Naviant and acquisition of assets from CBC. Our acquisitions, net of cash acquired, accounted for $321.2 million of total cash invested in 2002. Capital expenditures exclusive of acquisitions totaled $52.7 million and $55.4 million in 2003 and 2002, respectively, which principally represented development associated with key technology platforms in our businesses.

In the third quarter of 2002, our $41.0 million note receivable associated with the sale of our risk management collections business in 2000 was completely paid.

Financing Activities

Net cash used by financing activities during 2004 totaled $289.0 million, compared with net cash used by financing activities during 2003 that totaled $195.3 million and net cash provided by financing activities during 2002 that totaled $92.6 million.

Net payments for short-term debt were $145.5 million and payments on our long-term debt were $15.6 million during 2004. In addition, we used $138.0 million during 2004 for the purchase of 5,393,610 shares of our common stock at an average price of $25.55. We increased our dividend on common shares outstanding from $0.02 per share to $0.03 per share during the second quarter of 2004. We paid cash dividends of $15.0 million for 2004. We received cash of $28.1 million during 2004 for the exercise of stock options. In addition to the shares remaining from our Board of Director's previous authorization in February 2002, the Board authorized an additional $250.0 million in share repurchases in August 2004. At December 31, 2004, our remaining authorized share repurchase was approximately $239.3 million. We continue to expect to purchase our own common stock. During 2005, we expect to retire our 6.3% notes by utilizing our cash flow from operations, excess cash on our balance sheet and borrowings under our U.S. senior unsecured revolving credit agreement and asset securitization facility.

In 2003, net payments for short-term debt were $16.0 million. Additions to our long-term debt were $113.4 million and payments on our long-term debt were $202.6 million during 2003. We increased the amount outstanding under our credit facility in 2003 for purposes of retiring the $200.0 million aggregate principal amount of our outstanding 6.5% senior notes that matured in June, 2003. In addition, we used $94.9 million during 2003 for the purchase of 4,174,800 shares of our common stock at an average price of $22.74. Our dividend policy remained consistent; we paid cash dividends of $11.3 million in 2003. We received cash of $19.5 million during 2003 for the exercise of stock options. At December 31, 2003, our remaining authorized share repurchase was approximately $127.3 million.

In 2002, we received $249.5 million in proceeds from the sale of $250.0 million aggregate principal amount of our 4.95% senior unsecured notes, which mature November 1, 2007. During 2002 we invested $79.8 million to repurchase 2,939,300 million shares of our common stock, and received $34.2 million in proceeds from the exercise of stock options. At December 31, 2001, our remaining authorization for share repurchases was approximately $45.0 million, and in February 2002, our Board of Directors approved an additional $250.0 million for share repurchases. We also paid dividends of $11.4 million in 2002.

Cash and Cash Equivalents

Our cash and cash equivalents balance was $52.1 million and $38.1 million at December 31, 2004 and 2003, respectively.

Revolving Credit Facilities

In August 2004, we entered into a new five-year, $500.0 million senior unsecured revolving credit agreement. The new facility provides for a variable interest rate tied to a Base Rate, the London InterBank Offered Rate ("LIBOR") plus a specified margin or competitive bid options similar to those contained in the previous facility. The new facility replaces a $465.0 million revolving credit facility. Under our senior credit agreement, we must comply with various financial and non-financial covenants. The financial covenants require us to maintain a leverage ratio of not more than 3.0 to 1.0 (raised to 3.25 to 1.0 for four fiscal quarters in the event the CSC Put option described below under "Contractual Obligations and Commercial Commitments" is exercised) and a minimum interest coverage ratio of not less than 4.0 to 1.0. Compliance with these financial covenants is tested quarterly on a rolling four quarter basis. The non-financial covenants include limitations on liens, subsidiary debt, mergers, liquidations, asset dispositions and acquisitions. Our borrowings under this facility, which have not been guaranteed by any of our subsidiaries, are unsecured and will rank on parity in right of payment with all of our other unsecured and unsubordinated indebtedness from time to time outstanding. As of December 31, 2004, $500.0 million was available and there were no borrowings outstanding under this facility. As of December 31, 2004, we were in compliance with our covenants under this senior revolving credit agreement.

In September 2004, we entered into a new trade receivables-backed revolving credit facility. Under the terms of the transaction, a wholly-owned subsidiary of Equifax may borrow up to $125.0 million, subject to borrowing base availability and other terms and conditions. Equifax will use the net proceeds received from the sale of its trade receivables to the subsidiary for general corporate purposes. The credit facility has an expiration date of September 6, 2005, but may be extended for an additional period of up to three years if specified conditions are satisfied. Loans will bear interest based at commercial paper rates, LIBOR or Base Rate plus a specified margin. Outstanding debt under the facility will be consolidated on our balance sheet for financial reporting purposes. As of December 31, 2004, $84.0 million was available and no amounts were outstanding under this facility.

One of our Canadian subsidiaries had an unsecured, 364-day C$100.0 million revolving credit facility that expired on September 30, 2004. The agreement provided for borrowings tied to the Prime Rate, Base Rate, LIBOR or Canadian Banker's Acceptances, and contains financial covenants related to interest coverage, funded debt to cash flow and limitations on subsidiary indebtedness. We guaranteed the indebtedness of our Canadian subsidiary under this credit facility. The bank agreed to carry the amounts outstanding under the facility on a demand basis following the expiration of the revolver on September 30, 2004, and the remaining balance was paid in October 2004. Borrowings under this loan (which are included in 2003 short-term borrowings on the Consolidated Financial Statements) at December 31, 2003 were $15.4 million.

In November 2004, we entered into a C$25.0 million revolving credit facility that replaced the C$100.0 million facility that expired in September 2004. The C$25.0 million facility expires in September 2005. There were no borrowings outstanding under this facility at December 31, 2004.

At February 17, 2005, our senior unsecured long-term debt ratings were A- by Standard & Poor's and Baa1 by Moody's.

Contractual Obligations and Commercial Commitments

The following table summarizes our significant contractual obligations and commitments as of December 31, 2004:

	Payments due by				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	Thereafter
	(In millions)				
Long-term debt (Note 7)	$ 654.2	$ 255.7	$ 249.7	$ —	$ 148.8
Operating leases (Note 11)	107.9	14.6	19.9	61.2	12.2
Data processing agreement obligations (Note 11)	389.4	70.8	95.6	82.6	140.4
Other long-term liabilities	129.8	—	29.1	38.0	62.7
Interest expense	286.2	30.6	43.4	20.7	191.5
	$ 1,567.5	$ 371.7	$437.7	$202.5	$555.6

We believe that anticipated cash flows provided by our operating activities, together with current cash and cash equivalent balances and access to committed and uncommitted credit facilities and the capital market, if required, will be sufficient to meet our projected cash requirements for the next 12 months, and the foreseeable future thereafter, although any projections of future cash needs and cash flows are subject to substantial uncertainty. A potential extraordinary use of cash would be the option that Computer Science Corporation ("CSC") can exercise to sell its credit reporting business to us at any time prior to 2013. The option exercise price will be determined by an appraisal process and would be due in cash within 180 days after the exercise of the option. We estimate that if CSC were to exercise the option today, the option price would be approximately $650.0 to $700.0 million. This estimate is based solely on our internal analysis of the value of the business, current market conditions and other factors, all of which are subject to constant change. If CSC were to exercise its option, we would have to obtain additional sources of funding. We believe that this funding would be available from sources such as additional bank credit and the issuance of public debt or equity financings. However, the availability and terms of any such financing would be subject to a number of factors, including credit market conditions, the condition of the equity markets, general economic conditions and our financial performance and condition. Because we do not control the timing of CSC's exercise of its option, we could be required to seek such financing and increase our indebtedness at a time when market or other conditions are unfavorable.

We continue to evaluate our ability to sell additional equity or debt securities, obtain credit facilities from lenders and restructure our long-term debt for strategic reasons, or to further strengthen our financial position. The sale of additional equity or convertible debt securities could result in additional dilution to our shareholders. In addition, we will, from time to time, consider the acquisition of, or investment in, complementary businesses, products, services and technologies, and the repurchase and retirement of debt, which might affect our liquidity requirements or cause us to issue additional equity or debt securities. There can be no assurance that financing will be available in amounts or on terms acceptable to us, if at all.

Off Balance Sheet Transactions

Other than facility leasing arrangements, we do not engage in off-balance sheet financing activities. We have entered into a synthetic lease on our Atlanta corporate headquarters building in order to provide us with favorable financing terms with regard to this facility. This $29.0 million lease was entered into in 1998 and expires in 2010. Total lease payments for the remaining term total $9.7 million. Under this synthetic lease arrangement, we have also guaranteed the residual value of the leased property to the

lessor. In the event that the property were to be sold by the lessor at the end of the lease term, we would be responsible for any shortfall of the sales proceeds, up to a maximum amount of $23.2 million, which equals 80% of the value of the property at the beginning of the lease term. Based on a current appraisal of the property, we determined that its fair value is $25.0 million. The $4.0 million shortfall against the residual value guarantee will be subsequently recognized as an expense ratably over the remaining lease term.

Letters of Credit and Guarantees

We will, from time to time, issue standby letters of credit, performance bonds or other guarantees in the normal course of our business. The aggregate notional amount of all performance bonds and standby letters of credit is less than $8.0 million. We provide these guarantees from time to time to support the needs of our operating units. Except for our guarantee of the synthetic lease referred to above, our only outstanding guarantee that is not reflected as a liability on our balance sheets was extended in connection with the sale of our risk management collections business to RMA Holdings, LLC ("RMA") in October 2000, at which time we guaranteed the operating lease payments of a partnership affiliated with RMA. The operating lease, which expires December 11, 2011, has a remaining balance of $8.4 million based on the undiscounted value of remaining lease payments at December 31, 2004. Our obligations under such guarantee are not secured. We believe the likelihood of demand for payment under this instrument is minimal and expect no material losses to occur in connection with this guarantee.

Subsidiary Funds Transfer Limitations

The ability of certain of our subsidiaries and associated companies to transfer funds is limited in some cases by foreign government regulations. At December 31, 2004, the amount of equity subject to such restrictions for consolidated subsidiaries was not material.

Pension Plans

Our defined benefit plan at December 31, 2004, the U.S. Retirement Income Plan ("USRIP"), is subject to the minimum funding requirements and maximum tax-deductible contribution limitations of the Employee Retirement Income Security Act of 1974 ("ERISA"). We made discretionary cash contributions to the USRIP of $20.0 million in each of 2003 and 2004.

We reduced the discount rate assumption used to measure the projected pension and postretirement benefit obligations from 6.25% for the year ended December 31, 2003 to 5.92% for the year ended December 31, 2004, due to a change in the methodology used to determine the rate and a decline in the level of long term interest rates. This reduction caused the projected benefit obligation to increase $23.8 million, from $453.5 million at December 31, 2003 to $477.3 million at December 31, 2004. At December 31, 2004, the USRIP was unfunded with respect to its accumulated benefit obligation by $23.0 million as determined by SFAS No. 87 "Employers' Accounting for Pensions."

The expected rate of return on pension plan assets should approximate the actual long-term investment gain on those assets. The expected rate of return on plan assets used to calculate annual expense was 8.75% for the years ended December 31, 2003 and 2004 and will be 8.00% for the USRIP and 8.25% for the EIPP (defined below) for purposes of calculating SFAS No. 87 expense for 2005.

Effective January 1, 2005, we separated the USRIP into two separate ERISA defined benefits plans. The new plan, the Equifax Inc. Pension Plan ("EIPP"), was funded in January 2005, with a $20.0 million cash contribution from Equifax and the transfer of $17.0 million of assets from the USRIP to the EIPP. The EIPP contained all active employee participants of Equifax as of January 1, 2005, and the USRIP contained all inactive vested participants as of that date. Inactive participants constituted approximately 85% of total participants prior to the separation. The benefits of participants in both plans were unaffected by the separation. The two groups of Equifax, participants - active and inactive - had projected patterns of

actuarial liabilities which were markedly different, due to the demographic differences between the two populations. The two plans will have separate assumed rates of return and separate asset allocation strategies, which will allow the corporation to more efficiently fund its respective pension liabilities. Additionally, the assets of one plan will not be available to fund the liabilities of the other plan. We expect to maintain essentially the same funding policy as was the case prior to the separation of the pension plans.

For our non-U.S. retirement tax-qualified retirement plans, we fund at least the amounts sufficient to meet minimum funding requirements but no more than allowed as a tax deduction pursuant to applicable tax regulations.

For the non-qualified supplementary retirement plans, we fund the benefits to retired participants when payable to them but accrue the associated expense and assume the liabilities as required by GAAP accounting.

Acquisition of APPRO Systems, Inc.

Equifax financed the $92.0 million purchase price relating to the acquisition of APPRO Systems, Inc., through available cash and approximately $72.0 million in borrowings under its existing trade-receivables backed revolving credit facility. See Item 8, Financial Statements and Supplementary Data, Notes to Consolidated Financial Statements, Note 16.

CEO Transition

On August 18, 2004, Equifax Inc. announced that Thomas F. Chapman, chairman and chief executive officer, informed the Board of Directors of his decision to retire after a successor is elected and the transition completed. The Board requested that Mr. Chapman remain through 2005 or such earlier period of time as would be necessary to ensure an orderly transition. On December 20, 2004, Equifax entered into a transition retirement agreement with Mr. Chapman for this purpose.

Other

We have an outstanding tax related matter with a Canadian tax authority. During 2003, we deposited $5.7 million representing a portion of one of the reassessment positions. It is the opinion of our outside legal and tax experts that we will prevail. See Item 3, Legal Proceedings, for additional information.

Inflation

We do not believe that the rate of inflation has had a material effect on our operating results. However, inflation could adversely affect our future operating results if it were to result in a substantial weakening in economic conditions.

Recent Accounting Pronouncements

In November 2002, the Emerging Issues Task Force ("EITF") reached a consensus on Issue No. 00-21, "Revenue Arrangements with Multiple Deliverables." EITF Issue No. 00-21 provides guidance pertaining to the revenue recognition methodology to apply to revenue arrangements that involve the delivery or performance of multiple products, services and/or rights to use assets. The provisions of EITF Issue No. 00-21 apply to revenue arrangements entered into in fiscal periods beginning after June 15, 2003. We adopted EITF Issue No. 00-21 on July 1, 2003 and it did not have a material impact on our financial position or results of operations.

In December 2003, the Financial Accounting Standards Board ("FASB") issued a revision to SFAS No. 132 "Employer's Disclosures about Pensions and Other Postretirement Benefits." The purpose of the revision is to require additional disclosures about the assets, obligations, cash flows and net periodic benefit cost of defined benefit pension plans and other defined benefit postretirement plans. These additional disclosures include information describing the types of plan assets, investment strategy, measurements date(s), plan obligations, cash flows and components of net periodic benefit cost recognized. As revised, SFAS 132 enhances disclosures by providing more relevant information about the plan assets available to finance benefit payments, the obligation to pay benefits and an entity's obligation to fund the plan. This revised version of SFAS 132 is effective for fiscal years ending after December 15, 2003. We adopted the revisions to SFAS 132 and have included the additional disclosures in the Notes to our Consolidated Financial Statements.

In December 2003, the FASB issued its revision to FASB Interpretation No. 46, "Consolidation of Variable Interest Entities, (an Interpretation of ARB No. 51)." FIN 46 addresses the consolidation by a reporting entity of variable interest entities that either do not have sufficient equity investment at risk to permit the entity to finance its activities without additional subordinated financial support, or in which the equity investors lack the characteristics of a controlling financial interest. Application of FIN 46 is required in financial statements of public entities that have interests in variable interest entities or potential variable interest entities (also referred to as special-purpose entities) for periods ending after December 15, 2003. The FASB subsequently issued FASB Staff Positions ("FSP's"), which deferred the effective date for applying the provisions of FIN 46 for interests in certain variable interest entities or potential variable interest entities created before February 1, 2003 until the end of the first interim period ending after March 15, 2004. These FSP's also required certain disclosures about variable interest entities and potential variable interest entities. We adopted the provisions of FIN 46 in March 2004 and it has not had a material impact on our financial position or results of operations.

In December 2003, the Staff of the Securities and Exchange Commission, or SEC, issued Staff Accounting Bulletin No. 104, or SAB 104, "Revenue Recognition," which supersedes SAB 101, "Revenue Recognition in Financial Statements." SAB 104's primary purpose is to rescind the accounting guidance contained in SAB 101 related to multiple-element revenue arrangements that was superseded as a result of the issuance of EITF 00-21, "Accounting for Revenue Arrangements with Multiple Deliverables." Additionally, SAB 104 rescinds the SEC's related "Revenue Recognition in Financial Statements Frequently Asked Questions and Answers" issued with SAB 101 that had been codified in SEC Topic 13, "Revenue Recognition." While the wording of SAB 104 has changed to reflect the issuance of EITF 00-21, the revenue recognition principles of SAB 101 remain largely unchanged by the issuance of SAB 104, which was effective upon issuance. We implemented SAB 104 in December 2003 and it did not have a material effect on our financial position or results of operations.

In May 2004, the FASB issued FSP No. 106-2 "Accounting and Disclosure Requirements Related to the Medicare Modernization Act of 2003." This staff position supersedes FSP No. 106-1 "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003" by clarifying the guidance on the recognition of the effects of the Act on employers accumulated post-retirement benefit obligation. Employers that sponsor a postretirement health care plan that provides prescription benefits that are deemed actuarially equivalent to the Medicare Part D benefit are eligible for a federal subsidy. This subsidy is to be treated as an actuarial experience gain in the calculation of the accumulated post-retirement benefit obligation. FSP 106-2 is effective for the first interim period or annual period beginning after June 15, 2004. We adopted the accounting and disclosure provisions of FSP 106-2 in July 2004 and it did not have a material effect on our financial position or results of operations.

In July 2004, the EITF of the FASB reached consensus on Issue No. 02-14 "Whether the Equity Method of Accounting Applies When an Investor Does Not Have an Investment in Voting Stock of an

Investee but Exercises Significant Influence through Other Means." EITF Issue No. 02-14 provides guidance pertaining to an investors accounting when the investor has significant influence over an investee through means other than voting stock. The provisions of EITF No. 02-14 apply to reporting periods beginning after September 15, 2004. The Company's accounting for such investments has been consistent with EITF 02-14 and its adoption during the fourth quarter of 2004 did not have a material impact on our financial position or results of operations.

In December 2004, the FASB issued SFAS No. 123R "Share-Based Payments." SFAS 123R is a revision to SFAS 123 "Accounting for Stock-Based Compensation" and supersedes APB Opinion No. 25 "Accounting for Stock Issued to Employees." SFAS 123R establishes standards for the accounting for all transactions in which an entity exchanges its equity instruments for goods or services from either employees or non-employees. This financial accounting standard requires the cost resulting from share-based payment transactions be recognized in the entity's financial statements as the goods are received or the services are rendered, and establishes fair value as the measurement objective for the accounting for such transactions. SFAS 123R is effective for public entities as of the beginning of the first interim or annual reporting period beginning after June 15, 2005 and applies to (a) all new awards granted after June 15, 2005; (b) modifications, repurchases or cancellations occurring after June 15, 2005, but pertaining to awards granted before June 15, 2005; and (c) the unvested service component of outstanding awards granted prior to June 15, 2005. We will adopt the provisions of SFAS 123R in our third quarter beginning July 1, 2005 and expect that its impact on our financial position or results of operations will be in the range of our SFAS 123 pro forma amounts disclosed in Note 1 of our Notes to our Consolidated Financial Statements.

In December 2004, the FASB issued SFAS 153 "Exchanges of Non monetary Assets—an amendment of APB Opinion No. 29." SFAS 153 amends APB 29 to eliminate the fair value measurement principal exception for non-monetary exchanges of similar productive assets and replaces it with a general exception for exchanges of non-monetary assets that do not have commercial substance. A non-monetary exchange has commercial substance if the future cash flows of the entity are expected to significantly change as result of the exchange. SFAS 153 is effective for non-monetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. We will adopt the provisions of SFAS 153 in July 2005 and do not expect that it will a material impact on our financial position or results of operations.

In December 2004, the FASB issued FSP No. 109-2 "Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004" (the Act). FSP 109-2 specifically addresses the one-time tax deduction of 85% of certain foreign earnings that are repatriated to the U.S. In accordance with this FSP, an enterprise is allowed time beyond the financial reporting period covering the enactment of the Act, to evaluate the effect of the Act on its plan for reinvestment or repatriation of foreign earnings for purposes of applying SFAS 109. FSP 109-2 requires the following disclosures for an enterprise that has not completed its evaluation of the repatriation provisions: (a) a summary of the repatriation as it applies to the enterprise; (b) the expected completion date of the evaluation; (c) the expected effect on income tax expense or benefit; and (d) the amount of un-remitted earnings being considered for repatriation. FSP 109-2 is effective upon issuance. We are utilizing the time allowed by FSP 109-2 to evaluate the effect of the Act as it pertains to our foreign earnings and our application of SFAS 109, and have included the requisite disclosures in Notes 2 and 8 to our Consolidated Financial Statements.

Application of Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities in our Consolidated Financial Statements and accompanying notes. The following accounting policies involve a "critical accounting estimate" because

they are particularly dependent on estimates and assumptions made by management about matters that are highly uncertain at the time the accounting estimates are made. In addition, while we have used our best estimates based on facts and circumstances available to us at the time, different estimates reasonably could have been used in the current period, or changes in the accounting estimates that we used are reasonably likely to occur from period to period which may have a material impact on the presentation of our financial condition and results of operations. We also have other key accounting policies, which involve the use of estimates, judgments and assumptions that are significant to understanding our results. For additional information see Item 8 of Part II, Notes to Consolidated Financial Statements, Note 1—Significant Accounting and Reporting Policies. Although we believe that our estimates, assumptions and judgments are reasonable, they are based upon information presently available. Actual results may differ significantly from these estimates under different assumptions, judgments or conditions.

Revenue Recognition

We recognize revenue when persuasive evidence of an arrangement exists, for which the corresponding products have been delivered or services have rendered, the pricing of which is either fixed or determinable and collectibility of the fee arrangement is reasonably assured. Our sales are predicated upon the existence of a signed contract or purchase order which provides persuasive evidence of the arrangement, pertinent terms and conditions regarding products to be delivered or services to be rendered and the related pricing methodology. We consider the earnings process to be completed when we have fulfilled our specific obligations under the contract or purchase order as substantively demonstrated by evidence of product delivery or rendering of services. We consider the fee arrangement to be realizable or collectible when there exists a probable expectation of customer payment.

A significant portion of our revenues is based upon transactional activity generated by customers' access to, or queries of, our propriety data bases. Product or service delivery, and customer acceptance is inherent in this process by nature of the value thereby transferred to and utilized by the customer. Revenues are typically usage based and incorporate predetermined volume-tiered unit pricing.

A small portion of our revenue is related to subscription-based contracts under which the customer pays a flat fee for a preset or unlimited volume of transactions or services. Revenue recognition in these cases is based upon pro-rating the related fee over the term of the contract. For pre-set volume contracts, if the actual periodic usage is more than the relative periodic prorated volume, the revenue related to the over-run is billed and recognized monthly; and if actual periodic usage is less than the relative periodic prorated volume, the revenue related to the under-run is deferred and recognized when cumulative volumes exceed the contracted volumes or at the end of the contract period.

In conjunction with certain products and services, we charge a non-refundable set-up, membership or right-to-use license fee which is recognized into revenue on a straight-line basis over the term of the contract.

Revenue from, and customer billing for, the sale of complementary Information Service products such as the development of unique decision or predictive statistical models, and the sale of Marketing Service products such as demographic data lists, data queries and market research, is recognized upon completion, customer installation and acceptance.

For sales contracts having multiple elements that can be divided into separate units of accounting, we allocate revenue to these separate units based on their relative fair values. If relative fair values cannot be established, revenue recognition is deferred until all elements under the contract have been delivered. Multiple deliverable arrangements generally involve delivery of multiple product lines. These product lines are distinct enough to be separated into separate units of accounting. Each product line does not impact the value or usage of other deliverables in the arrangement, and each can be sold alone or purchased from

another vendor without affecting the quality of use or value to the customer of the remaining deliverables. Delivery of product lines generally occurs consistently over the

contract period.

We consider revenue recognition to be critical to all of our operating segments due to the impact on our results of operations.

Allowance for Doubtful Accounts

We evaluate the collectibility of our accounts receivable based on a combination of factors. In circumstances where we are aware of a specific customer's inability to meet its financial obligations to us, we record a specific allowance against amounts due to reduce the net recognized receivable to the amount we reasonably believe will be collected. For all other accounts receivable, we recognize allowances for doubtful accounts based on our past write-off experience (i.e. average percentage of receivables written off historically) and the length of time the receivables are past due. Allowances for doubtful accounts were approximately $9.3 million or 5% of the accounts receivable on our Consolidated Balance Sheet at December 31, 2004. Accounts receivable, net of allowances, was approximately $195.1 million or 65% of total current assets in our Consolidated Balance Sheets of December 31, 2004. We consider accounting for accounts receivable allowances critical to all of our operating segments because of the significance of accounts receivable to our current assets and operating cash flow. If the financial condition of our customers was to deteriorate, resulting in an impairment of their ability to make payments, or if economic conditions worsened, additional allowances may be required in the future, which could have a material effect on our Consolidated Financial Statements. We reassess our allowance for doubtful accounts each period. If we made different judgments or utilized different estimates for any period, material differences in the amount and timing of revenue or expense recognized could result.

Valuation of Long-Lived and Intangible Assets

Goodwill and certain other intangible assets are tested for impairment in accordance with SFAS 142, and all other long-lived assets are tested for impairment in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." We regularly evaluate whether events or circumstances have occurred which indicate that the carrying amounts of long-lived assets (principally goodwill, purchased data files, systems development and other deferred costs and investments in unconsolidated subsidiaries) may be impaired or not recoverable. The significant factors that are considered that could trigger an impairment review include: changes in business strategy, market conditions or the manner of use of an asset; underperformance relative to historical or expected future operating results; and negative industry or economic trends. In evaluating our long-lived assets other than goodwill for possible impairment, management estimates that asset's future undiscounted cash flows to measure whether the asset is recoverable. If it is determined that the asset is not recoverable, we measure the impairment based on the projected discounted cash flows of the asset over its remaining life. While we believe that our estimates of future cash flows are reasonable, different assumptions regarding such cash flows could materially affect these evaluations. In 2001, the FASB issued SFAS 142, which among other things, eliminates the amortization of goodwill and certain other intangible assets and requires that goodwill be evaluated annually for impairment by applying a fair value-based test. We adopted the standard effective January 1, 2002 for acquisitions prior to June 30, 2001, and, in accordance with the standard, completed our first fair value-based impairment tests by June 30, 2002. During 2004, we updated our impairment evaluation and determined that reporting unit goodwill remained unimpaired.

Legal Contingencies

We are subject to various proceedings, lawsuits and claims arising in the normal course of our business. Our Consolidated Financial Statements reflect the treatment of claims and contingencies based on our management's view of the expected outcome. We periodically review claims and legal proceedings

and assess whether we have potential financial exposure. If the likelihood of an adverse outcome from any claim or legal proceeding is probable and the amount can be estimated, we accrue a liability for estimated legal fees and settlements in accordance with SFAS No. 5, "Accounting for Contingencies."

Income Taxes

We account for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes." As part of the process of preparing our Consolidated Financial Statements, we are required to estimate our income taxes in each of the jurisdictions in which we operate. This process involves us estimating our current tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included in our Consolidated Balance Sheets. We must then assess the likelihood that our net deferred tax assets will be recovered from future taxable income or other tax planning opportunities, and, to the extent we believe that recovery is not likely, we must establish a valuation allowance. To the extent we establish a valuation allowance or increase this allowance in a period, we must include an expense within the tax provision in the statement of operations. A valuation allowance is currently set against certain net deferred tax assets because we believe it is more likely than not that these deferred tax assets will not be realized through the generation of future taxable income or other tax planning opportunities. Significant management judgment is required in determining our provision for income taxes and our deferred tax assets and liabilities and our future taxable income for purposes of assessing our ability to realize any future benefit from our deferred tax assets. In the event that actual results differ from these estimates or we adjust these estimates in future periods, our operating results and financial position could be materially affected.

On October 22, 2004, the American Jobs Creation Act ("AJCA") was signed into law. The AJCA includes a tax deduction of 85% of certain foreign earnings that are repatriated, as defined in the AJCA. Equifax may elect to apply this provision to qualifying earnings repatriations during its 2005 tax year. Equifax has started an evaluation of the effects of the repatriation provision; however, we do not expect to be able to complete this evaluation until after Congress or the Treasury Department provides additional clarifying language on key elements of the provision. Equifax expects to complete its evaluation of the effects of the repatriation provision within a reasonable period of time following the publication of the additional clarifying language. The range of possible amounts that we are considering for repatriation under this provision is between zero and $100.0 million. Due to complexity of the provisions of the AJCA and pending additional clarifying language, the range of possible income tax effects of potential repatriation cannot be reasonably estimated at this time.

Retirement Plans

Our pension plans and postretirement benefit plans are accounted for using actuarial valuations required by SFAS No. 87 and SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." Our minimum pension liability, net of tax, as of December 31, 2004, was approximately $117.0 million or 11% of the total liabilities on our Consolidated Balance Sheet as of December 31, 2004. We consider accounting for retirement plans critical to all of our operating segments because our management is required to make significant subjective judgments about a number of actuarial assumptions, which include discount rates, health care cost trends rates, salary growth, long-term return on plan assets and mortality rates. Depending on the assumptions and estimates used, the pension and postretirement benefit expense could vary within a range of outcomes and have a material effect on our Consolidated Financial Statements.

Risk Factors

Since our revenues depend to a large extent on our customers' demand for consumer credit information, deterioration of current economic conditions or rising interest rates may harm our results of operations.

Consumer credit reports constitute our core product. In general, our customers use our credit reports and related services to process applications for new credit cards, automobile loans, home mortgages and refinancing and other consumer loans. They also use our credit reports and services to monitor existing credit relationships. Consumer

demand for credit, i.e. rates of spending and levels of indebtedness, tends to grow more slowly or decline during periods of economic contraction or slow economic growth. Rising rates of interest may also negatively impact consumer demand for credit, especially mortgage loan refinancing. A decline in consumer demand for credit reduces our customers' demand for our consumer credit reports. Consequently, our revenues from consumer credit report products and services could be negatively affected and our results of operations harmed if consumer demand for credit decreases, or if interest rates increase.

The loss of access to credit and other data from external sources could harm our ability to provide our products and services.

We rely extensively upon data from external sources to maintain our proprietary and non-proprietary databases, including data received from customers and various government and public record services. Our data sources could withdraw their data from us for a variety of reasons, including legislatively or judicially imposed restrictions on use. If a substantial number of data sources were to withdraw their data, or if we were to lose access to data due to government regulation, our ability to provide products and services to our clients could be materially adversely impacted, which could result in decreased revenues, net income and earnings per share.

Compliance with recent amendments to the Fair Credit Reporting Act will increase our compliance costs, which may not be offset by regulatory recovery fees and consumer marketing initiatives.

The FACT Act, which amended the Fair Credit Reporting Act, became law in December 2003. Beginning on December 1, 2004, the FACT Act, among other things, requires us on an annual basis to provide free credit reports to consumers upon request. These reports may be requested by Internet, telephone or mail through centralized request facilities which we and other nationwide credit reporting agencies must establish and support. In addition, subject to final regulations to be adopted by the Federal Trade Commission ("FTC"), consumers will be entitled to a free credit report upon request if a report results in the consumer obtaining credit terms less favorable than those provided to a majority of the credit provider's customers ("risk-based pricing"). The FACT Act also requires us to provide credit scores to requesting consumers for a reasonable fee, as determined by the FTC. The FTC has issued regulations to implement many of these requirements, including establishment of the centralized request facilities and development of procedures to phase-in such requests, beginning in the Western region of the U.S. and expanding to include the Midwestern region on March 1, 2005; the Southern region on June 1, 2005; and the Eastern region on September 1, 2005. Additional provisions of the FACT Act impose requirements designed to reduce consumer identity theft, limit provision of medical information and require reports to the FTC regarding consumer complaints.

We have modified our procedures and systems to deal with these and other FACT Act provisions where applicable. We have incurred significant compliance costs to implement the FACT Act requirements, and we expect to continue incurring expenses to comply with the FTC's regulations that could have a material adverse effect on our financial condition and results of operations. The net impact of the free report disclosure and other requirements of the FACT Act on our business will depend on numerous factors, including among others the actual demand of consumers for free credit reports, our ability to increase fees to customers to recover these regulatory costs, our experience marketing

fee-generating products to consumers requesting free credit file disclosures; the FTC's final determination of the fee we can charge for providing credit score disclosures to requesting consumers; the actual cost of resolving additional credit file and credit score reinvestigation requests from consumers; and approval of final FTC and Federal Reserve Board rules on risk-based pricing transactions and other matters.

Changes in the legislative, regulatory and judicial environments may adversely affect our ability to collect, manage, aggregate and use data.

Our business involves collection of consumer and business data and distribution of such information to businesses making credit and marketing decisions. Consequently, certain of our activities and services are subject to regulation by federal, state and local authorities in the U.S. and Canada, and in those countries within Europe and Latin America where we do business. For instance, much of the data and services that we provide are subject to regulation under the Fair Credit Reporting Act ("FCRA") which regulates the use of consumer credit information and, to a lesser extent, the Gramm-Leach-Bliley Act which regulates the use of non-public personal information held by financial institutions. We are also subject to the U.K.'s Data Protection Act of 1998, which regulates the manner in which we can use third-party data and recent regulatory limitations relating to use of the Electoral Roll, one of our key data sources in the U.K. In addition, public interest in individual privacy rights and the collection, distribution and use of information about individuals may result in the adoption of new federal, state, local and foreign laws and regulations that could include increased compliance requirements and restrictions on the purchase, sale and sharing of information about consumers for commercial purposes, and have a negative impact on our ability to collect such information provided by consumers voluntarily. Future international, federal, state and local laws and regulations with respect to the collection, management and use of data about individuals, and adverse publicity, judicial interpretations or potential litigation concerning the commercial use of such information, may result in substantial regulatory compliance costs, litigation expense or a loss of revenue.

Our markets are highly competitive and new product introductions and pricing strategies being offered by our competitors could decrease our sales and market share, or require us to reduce our prices in a manner that reduces our gross margins.

We operate in a number of geographic, product and service markets that are highly competitive. In consumer credit reporting services, we compete primarily with two global consumer credit reporting companies, Experian Information Solutions, Inc. and TransUnion LLC. We also compete with these and other companies, including Acxiom Corporation, Harte-Hanks, Inc. and InfoUSA, Inc. with respect to our direct marketing services. We cannot assure that competitors will not develop products and services that are superior to or that achieve greater market acceptance than our products and services.

The sizes of our competitors vary across market segments, as do the resources we have allocated to the segments we target. Therefore, some of our competitors may have significantly greater financial, technical, marketing or other resources than we do in each of our market segments or overall. As a result, our competitors may be in a position to respond more quickly than we can to new or emerging technologies and changes in customer requirements, or may devote greater resources than we can to the development, promotion, sale and support of products and services. Moreover, new competitors or alliances among our competitors may emerge and potentially reduce our market share. For instance, we may face competition from new entrants to the business and consumer marketing information industry as a result of the rapid expansion of the Internet, which is a substantial new channel for distributing consumer and business information to the market. If we are unable to respond as quickly or effectively to changes in customer requirements as our competition, our ability to expand our business and sell our products and services will be negatively affected.

Some of our competitors may also be able to sell products competitive to ours at lower prices given proprietary ownership of data, technical superiority or economies of scale. Price reductions by our

competitors could negatively impact our margins and results of operations, and could also harm our ability to obtain new commercial relationships on favorable terms.

Our ability to increase our revenues will depend to some extent upon introducing new products and services, and if the marketplace does not accept these new products and services, our revenues may decline.

To increase our revenues, we must enhance and improve existing products and continue to introduce new products and new versions of existing products that keep pace with technological developments, satisfy increasingly sophisticated customer requirements and achieve market acceptance. We believe much of our future growth prospects will rest on our ability to continue to expand into newer products and services. Products that we plan to market in the future are in various stages of development. We cannot assure that the marketplace will accept these products. If our current or potential customers are not willing to switch to or adopt our new products and services, our ability to increase revenues will be impaired.

If we fail to keep up with rapidly changing technologies, our products and services could become less competitive or obsolete.

In our markets, technology changes rapidly, and there are continuous improvements in computer hardware, network operating systems, programming tools, programming languages, operating systems, database technology and the use of the Internet. Advances in technology may result in changing customer preferences for products and services and delivery formats. If we fail to enhance our current products and develop new products in response to changes in technology, industry standards or customer preferences, our products and services could rapidly become less competitive or obsolete. Our future success will depend, in part, upon our ability to internally develop new and competitive technologies; use leading third-party technologies effectively; continue to develop our technical expertise; anticipate and effectively respond to changing customer needs; and influence and respond to emerging industry standards and other technological changes.

We may suffer adverse financial consequences if Computer Sciences Corporation requires us to purchase its credit reporting business when the public equity or debt markets or other financing conditions are unfavorable to us.

In 1988, we entered into an agreement with CSC and certain of its affiliates under which CSC's credit reporting agencies utilize our computerized credit database services. Under the agreement, CSC has an option, exercisable at any time, to sell its credit reporting business to us. The option expires in 2013. The option exercise price will be determined by an appraisal process and would be due in cash within 180 days after the exercise of the option. We estimate that if CSC were to exercise the option today, the option price would be approximately $650.0 to $700.0 million. This estimate is based solely on our internal analysis of the value of the businesses, current market conditions and other factors, all of which are subject to constant change. Therefore, the actual option exercise price could be materially higher or lower than the estimated amount. If CSC were to exercise its option, we would have to obtain additional sources of funding. We believe that this funding would be available from sources such as additional bank lines of credit and the issuance of public debt and/or equity. However, the availability and terms of any such capital financing would be subject to a number of factors, including credit market conditions, the state of the equity markets, general economic conditions and our financial performance and condition. Because we do not control the timing of CSC's exercise of its option, we could be required to seek such financing and increase our debt levels at a time when market or other conditions are unfavorable.

Our international operations subject us to additional business risks that may reduce our profitability or revenues.

We conduct business outside of the U.S. During the fiscal year ended December 31, 2004, we received approximately 26% of our revenues from business outside the U.S. As part of our growth strategy, we plan to continue to pursue opportunities outside the U.S. As a result, our future operating results could be negatively affected by a variety of factors, many of which are beyond our control. The risks and potential costs of our international operations, include: political and economic instability; changes in regulatory

requirements and policy and the adoption of laws detrimental to our operations, such as legislation relating to the collection and use of personal data; negative impact of currency exchange rate fluctuations; potentially adverse tax consequences; increased restrictions on the repatriation of earnings; and general economic conditions in international markets. We may not be able to avoid significant expenditures in addressing these potential risks.

Security is important to our business, and breaches of security, or the perception that e-commerce is not secure, could harm our business.

Business-to-business and business-to-consumer electronic commerce, including that which is Internet-based, requires the secure transmission of confidential information over public networks. Several of our products are accessed through the Internet, including our consumer and commercial information services that are delivered via ePORT™, our Internet delivery channel and our Personal Solutions services accessible through the www.equifax.com website. Security breaches in connection with the delivery of our products and services via ePORT™, our Personal Solutions website or well-publicized security breaches not involving the Internet that may affect us or our industry, such as database intrusion, could be detrimental to our business, operating results and financial condition. We cannot be certain that advances in criminal capabilities, new discoveries in the field of cryptography or other developments will not compromise or breach the technology protecting the networks that access our products, consumer services and proprietary database information.

If we experience system failures, the delivery of our products and services to our customers could be delayed or interrupted, which could harm our business and reputation and result in the loss of customers.

Our ability to provide reliable service largely depends on the efficient and uninterrupted operations of our computer network systems and data centers. Some of these systems have been outsourced to third party providers. Any significant interruptions could severely harm our business and reputation and result in a loss of customers. Our systems and operations could be exposed to damage or interruption from fire, natural disaster, power loss, telecommunications failure, unauthorized entry and computer viruses. The steps we have taken to prevent a system failure may not be successful and our property and business interruption insurance may not be adequate to compensate us for all losses or failures that may occur.

We may incur risks related to acquisitions or significant investment in businesses.

We have made in the past, and may make in the future, acquisitions of, or significant investments in, businesses that offer complementary products, services and technologies. Any acquisitions or investments will be accompanied by the risks commonly encountered in acquisitions of businesses. Such risks include:

- the financial and strategic goals for the acquired and combined business may not be achieved;
- the possibility that we will pay more than the acquired companies or assets are worth;
- unexpected liabilities arising out of the acquired businesses;
- the difficulty of assimilating the operations and personnel of the acquired businesses;
- the potential disruption of our ongoing business;
- the potential dilution of our existing stockholders and earnings per share;
- unanticipated liabilities, legal risks and costs;
- the distraction of management from our ongoing business; and
- the impairment of relationships with employees and customers as a result of any integration of new management personnel.

These factors could harm our business, results of operations or financial position, particularly in the event of a significant acquisition. The acquisition of businesses having a significant presence outside the U.S. will increase our relative exposure to the risks of conducting operations in international markets.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of our business, we are exposed to market risk, primarily from changes in foreign currency exchange rates and changes in interest rates, that could

impact our results of operations and financial position. We manage our exposure to these market risks through our regular operating and financing activities, and when deemed appropriate, through the use of derivative financial instruments, such as interest rate swaps, to hedge certain of these exposures. We use derivative financial instruments as risk management tools and not for speculative or trading purposes.

Foreign Currency Exchange Rate Risk

A substantial majority of our revenue, expense and capital expenditure activities are transacted in U.S. dollars. However, we do transact business in other currencies, primarily the British pound, the euro, the Canadian dollar and the Brazilian real. For most of these foreign currencies, we are a net recipient, and therefore, benefit from a weaker U.S. dollar and are adversely affected by a stronger U.S. dollar relative to the foreign currencies in which we transact significant amounts of business.

We are required to translate, or express in U.S. dollars, the assets and liabilities of our foreign subsidiaries that are denominated or measured in foreign currencies at the applicable year-end rate of exchange on our Consolidated Balance Sheets, and income statement items of our foreign subsidiaries at the average rates prevailing during the year. We record the resulting translation adjustment, and gains and losses resulting from the translation of intercompany balances of a long-term investment nature, as components of our shareholders' equity. Other immaterial foreign currency transaction gains and losses are recorded in our Consolidated Statements of Income. We do not, as a matter of policy, hedge translational foreign currency exposure. We will, however, hedge foreign currency exchange rate risks associated with material transactions that are denominated in a foreign currency.

At December 31, 2004, a 10% weaker U.S. dollar against the currencies of all foreign countries in which we had operations during 2004, would have resulted in an increase of our revenues by $34.3 million, and an increase of our pre-tax operating profit by $7.8 million. A 10% stronger U.S. dollar would have resulted in similar decreases to our revenues and pre-tax operating profit.

Interest Rate Risk

Our exposure to market risk for changes in interest rates primarily relates to our variable rate revolving credit debt and the interest rate swap agreements associated with portions of our fixed rate public debt. The nature and amount of our long-term and short-term debt as well as the proportionate amount of fixed-rate and floating-rate debt can be expected to vary as a result of future business requirements, market conditions and other factors.

We attempt to achieve the lowest all-in weighted average cost of debt while simultaneously taking into account the mix of our fixed and floating rate debt, and the average life and scheduled maturities of our debt. At December 31, 2004, our weighted average cost of debt was 4.9% and weighted average life of debt was 6.7 years.

We generally target a mix of fixed and floating rate debt which lies within a range of 30-70% fixed, with the balance being floating rate. At December 31, 2004, 62% of our debt was fixed rate, and the remaining 38% floating rate. We use derivatives to manage our exposure to changes in interest rates by

entering into interest rate swaps. As of December 31, 2004, we had $279.0 million, notional amount, of interest rate swap agreements outstanding with bank counterparties.

Our variable rate indebtedness consists primarily of our $500.0 million unsecured revolving credit facility and a separate C$25.0 million revolving credit facility in Canada. The rate of interest we pay on our $500.0 million facility is based on a floating rate pricing grid tied to our long-term senior unsecured debt rating. We are currently rated A- by Standard & Poor's and Baa1 by Moody's. In the case of a split rating, pricing is based on the higher rating, i.e., currently A- from Standard & Poor's. We can borrow under the facility at floating rates of interest tied to Base Rate and LIBOR. A competitive bid option is also available, dependent on liquidity in the bank market. At December 31, 2004, no borrowings were outstanding and $500.0 million of additional borrowing capacity was available under this facility. Borrowings under our Canadian facility bear interest at a floating rate tied to Prime, LIBOR or Canadian Banker's Acceptances. At December 31, 2004, no borrowings were outstanding, and C$25.0 million (US$20.8 million) of additional borrowing capacity was available under our Canadian facility.

We have interest rate swap agreements in place to float the interest rate on $250.0 million of our fixed rate, 6.3% senior unsecured notes through their maturity date in 2005. These swaps have been designated as fair value hedges, were documented as fully effective under SFAS 133, and were valued on a mark-to-market basis as an asset totaling $5.6 million at December 31, 2004. The offsetting liability of $5.6 million is included in short-term debt in the accompanying Consolidated Balance Sheets. These swaps give us the right to receive fixed rate payments from the counterparties, in exchange for floating rate payments from us. The floating rate payments on these interest rate swaps are tied to six-month LIBOR plus a spread, with net settlements paid semi-annually. The final maturity of these interest rate swaps is July 2005, coinciding with the final maturity of the associated notes.

We also have a $29.0 million floating-to-fixed interest rate swap, maturing 2010, which fixes the effective rate of interest on the $29.0 million synthetic lease for our Atlanta corporate headquarters. This derivative instrument is designated as a cash flow hedge, was documented as fully effective under SFAS 133, and was valued on a mark-to-market basis as a liability totaling $3.1 million at December 31, 2004. This interest rate swap gives us the right to receive a floating rate payment tied to three-month LIBOR plus a spread from the counterparty, in exchange for a fixed rate payment from us. The net settlements occur quarterly.

A 1% increase in the average rate of interest on the variable rate debt outstanding under our revolving credit facilities during 2004 would have increased our pre-tax interest expense by $0.8 million.

A 1% increase in the average rate of interest associated with the floating rate payments due under our interest rate swap agreements during 2004 would have increased our pretax interest expense by $2.5 million. Since all of our interest rate swaps are fully effective per SFAS 133, our income statement is unaffected by the non-cash quarterly mark-to-market adjustments associated with these derivatives.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Equifax is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Equifax's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States. Internal control over financial reporting includes those written policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Equifax;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States;
- provide reasonable assurance that receipts and expenditures of Equifax are being made only in accordance with authorization of management and the Board of Directors of Equifax; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the consolidated financial statements.

Internal control over financial reporting includes the controls themselves, monitoring and internal auditing practices and actions taken to correct deficiencies as identified.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of Equifax's internal control over financial reporting as of December 31, 2004. Management based this assessment on criteria for effective internal control over financial reporting described in "Internal Control—Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management's assessment included an evaluation of the design of Equifax's internal control over financial reporting and testing of the operational effectiveness of its internal control over financial reporting. Management reviewed the results of its assessment with the Audit Committee of our Board of Directors.

Based on this assessment, management determined that, as of December 31, 2004, Equifax maintained effective internal control over financial reporting.

Ernst & Young LLP, an independent registered public accounting firm, who audited and reported on the consolidated financial statements of Equifax included in this report, has issued an attestation report on management's assessment of internal control over financial reporting which is included on page 47 of this report.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Board of Directors and
Stockholders of Equifax Inc.:

We have audited management's assessment, included in the accompanying Management's Report on Internal Control Over Financial Reporting, that Equifax Inc. maintained effective internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Equifax Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that Equifax Inc. maintained effective internal control over financial reporting as of December 31, 2004 is fairly stated, in all material respects, based on the COSO criteria. Also, in our opinion, Equifax Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2004 based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets as of December 31, 2004 and 2003, and the related consolidated statements of operations, shareholders' equity and comprehensive income (loss), and cash flows for each of the three years in the period ended December 31, 2004 of Equifax Inc. and our report dated March 15, 2005 expressed an unqualified opinion therein.

/s/ Ernst & Young LLP

Atlanta, Georgia
March 15, 2005

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors and
Stockholders of Equifax Inc.:

We have audited the accompanying consolidated balance sheets of Equifax Inc., as of December 31, 2004 and 2003, and the related consolidated statements of operations, shareholders' equity and comprehensive income (loss), and cash flows for each of the three years in the period ended December 31, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement position. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Equifax Inc. at December 31, 2004 and 2003, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2004, in conformity with U.S. generally accepted accounting principles.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Equifax Inc.'s internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 15, 2005 expressed an unqualified opinion therein.

As discussed in Note 2 to the consolidated financial statements, the Company adopted Statement of Financial Accounting Standards No. 146, Accounting for Costs Associated with Exit or Disposal Activities, in 2003.

/s/ Ernst & Young LLP

Atlanta, Georgia
March 15, 2005

EQUIFAX INC.

CONSOLIDATED STATEMENTS OF INCOME

	Twelve Months Ended December 31,		
	2004	2003	2002
	(In millions, except per share amounts)		
Operating revenue	**$ 1,272.8**	$ 1,210.7	$ 1,095.3
Costs and expenses:			
Costs of services	**531.5**	499.7	416.4
Selling, general and administrative expenses	**282.0**	272.1	246.7
Depreciation	**14.4**	15.1	12.4
Amortization	**66.7**	79.0	67.3
Restructuring and impairment charges	**2.4**	30.6	—
Total costs and expenses	**897.0**	896.5	742.8
Operating income	**375.8**	314.2	352.5
Other income, net	**47.5**	14.0	6.8
Minority interests in earnings, net of tax	**(3.2)**	(3.3)	(2.0)
Interest expense	**(34.9)**	(39.6)	(41.2)
Income from continuing operations before income taxes	**385.2**	285.3	316.1
Provision for income taxes	**(147.9)**	(104.6)	(124.4)
Income from continuing operations	**237.3**	180.7	191.7
Discontinued operations (Note 3):			
Loss from discontinued operations, net of income tax benefit (expense) of $1.5, $0.0 and $(2.2) in 2004, 2003 and 2002	**(2.6)**	(15.8)	(13.7)
Net income	**$ 234.7**	$ 164.9	$ 178.0
Per common share (basic):			
Income from continuing operations	**$ 1.81**	$ 1.35	$ 1.41
Discontinued operations	**(0.02)**	(0.12)	(0.10)
Net income	**$ 1.79**	$ 1.23	$ 1.31
Shares used in computing basic earnings per share	**131.3**	134.5	136.2
Per common share (diluted):			
Income from continuing operations	**$ 1.78**	$ 1.32	$ 1.38
Discontinued operations	**(0.02)**	(0.12)	(0.10)
Net income	**$ 1.76**	$ 1.20	$ 1.28
Shares used in computing diluted earnings per share	**133.5**	136.7	138.5
Dividends per common share	**$ 0.11**	$ 0.08	$ 0.08

See Notes to Consolidated Financial Statements.

EQUIFAX INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Twelve Months Ended December 31,		
	2004	2003	2002
	(In millions)		
Cash flows from operating activities:			
Net income	**$ 234.7**	$ 164.9	$ 178.0
Adjustments to reconcile net income to net cash provided by operating activities of continuing operations:			
Gain on sale of investment in Intersections Inc.	**(36.8)**	—	—
Loss from discontinued operations	**2.6**	15.8	13.7
Depreciation and amortization	**81.1**	94.1	79.7
Restructuring and impairment charges	**2.4**	30.6	—
Income tax benefit from stock plans	**5.9**	4.3	6.6
Deferred income taxes	**25.3**	15.8	17.9
Changes in assets and liabilities, excluding effects of acquisitions:			
Accounts receivable, net	**(17.2)**	17.8	27.5
Current liabilities, excluding debt	**7.6**	(15.4)	(31.7)
Other current assets	**7.9**	(3.9)	12.0
Other long-term liabilities, excluding debt	**2.7**	(3.4)	(10.8)
Other assets	**(7.0)**	(27.7)	(43.3)
Other	**(0.2)**	0.8	—
Cash provided by operating activities	**309.0**	293.7	249.6
Investing activities:			
Additions to property and equipment	**(16.5)**	(14.2)	(12.5)
Additions to other assets, net	**(31.0)**	(38.5)	(42.9)
Acquisitions, net of cash acquired	**(17.4)**	(40.7)	(321.2)
Investments in unconsolidated companies	**—**	—	(0.1)
Proceeds from sale of investments and businesses	**59.4**	—	41.0
Deferred payments on prior year acquisitions	**(1.4)**	(5.4)	(4.9)
Other	**0.4**	—	—
Cash used by investing activities	**(6.5)**	(98.8)	(340.6)
Financing activities:			
Net short-term payments	**(145.5)**	(16.0)	(25.8)
Additions to long-term debt	**0.6**	113.4	249.5
Payments on long-term debt	**(15.6)**	(202.6)	(75.0)
Treasury stock purchases	**(138.0)**	(94.9)	(79.8)
Dividends paid	**(15.0)**	(11.3)	(11.4)
Proceeds from exercise of stock options	**28.1**	19.5	34.2
Other	**(3.6)**	(3.4)	0.9
Cash (used) provided by financing activities	**(289.0)**	(195.3)	92.6
Effect of foreign currency exchange rates on cash	**(1.2)**	8.3	(2.8)
Cash provided (used) by discontinued operations	**1.7**	0.8	(2.4)
Increase (decrease) in cash and cash equivalents	**14.0**	8.7	(3.6)
Cash and cash equivalents, beginning of year	**38.1**	29.4	33.0
Cash and cash equivalents, end of year	**$ 52.1**	$ 38.1	$ 29.4

See Notes to Consolidated Financial Statements.

EQUIFAX INC.

CONSOLIDATED BALANCE SHEETS

	December 31,	
	2004	2003
	(In millions, except par values)	
ASSETS		
Current Assets:		
Cash and cash equivalents	**$ 52.1**	$ 38.1
Trade accounts receivable, net of allowance for doubtful accounts of $9.3 in 2004 and $11.9 in 2003	**195.1**	172.5
Other receivables	**8.9**	13.0
Deferred income tax assets	**13.2**	14.4
Other current assets	**29.8**	42.1
Current assets from discontinued operations	**0.5**	5.8
Total current assets	**299.6**	285.9
Property and Equipment:		
Land, buildings and improvements	**30.2**	29.5
Data processing equipment and furniture	**309.6**	300.4
	339.8	329.9
Less accumulated depreciation	**198.0**	183.3

	141.8	146.6
Goodwill, net	**747.5**	724.3
Purchased Intangible Assets, net	**281.3**	296.2
Other Assets, net	**87.0**	91.4
Assets of Discontinued Operations	**—**	8.9
	$ 1,557.2	$1,553.3
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Short-term debt and current maturities	**$ 255.7**	$ 160.5
Accounts payable	**9.7**	12.5
Accrued salaries and bonuses	**28.8**	32.8
Other current liabilities	**162.4**	144.9
Current liabilities from discontinued operations	**0.3**	4.1
Total current liabilities	**456.9**	354.8
Long-Term Debt	**398.5**	663.0
Deferred Revenue	**9.8**	12.0
Deferred Income Tax Liabilities	**38.6**	19.3
Other Long-Term Liabilities	**129.8**	124.1
Liabilities of Discontinued Operations	**—**	8.6
Total liabilities	**1,033.6**	1,181.8
Commitments and Contingencies		
Shareholders' Equity:		
Preferred stock, $0.01 par value: Authorized—10.0; Issued—none	**—**	—
Common stock, $1.25 par value: Authorized shares—300.0; Issued shares—182.0 in 2004 and 180.4 in 2003; Outstanding shares—129.4 in 2004 and 132.7 in 2003	**227.5**	225.5
Paid-in capital	**466.9**	432.5
Retained earnings	**1,298.8**	1,079.0
Accumulated other comprehensive loss	**(267.0)**	(296.1)
Treasury stock, at cost, 47.7 shares in 2004 and 42.3 shares in 2003	**(1,133.4)**	(995.5)
Stock held by employee benefits trusts, at cost, 4.9 shares in 2004 and 5.4 shares in 2003	**(69.2)**	(73.9)
Total shareholders' equity	**523.6**	371.5
	$ 1,557.2	$1,553.3

See Notes to Consolidated Financial Statements.

EQUIFAX INC.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME (LOSS)

	Common Stock: Shares Outstanding	Common Stock: Amount	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Stock Held By Employee Benefits Trusts	Total Shareholders' Equity
				(In millions)				
Balance, December 31, 2001	136.2	$ 223.0	$ 376.7	$ 758.8	$ (197.2)	$ (828.0)	$ (89.8)	$ 243.5
Net income	—	—	—	178.0	—	—	—	178.0
Other comprehensive income	—	—	—	—	(162.2)	—	—	(162.2)
Shares issued under stock plans	2.4	2.1	28.2	—	—	0.8	7.4	38.5
Treasury stock purchased	(2.9)	—	—	—	—	(72.5)	—	(72.5)
Cash dividends	—	—	—	(11.4)	—	—	—	(11.4)
Income tax benefit from stock plans	—	—	6.6	—	—	—	—	6.6
Dividends from employee benefits trusts	—	—	0.5	—	—	—	—	0.5
Balance, December 31, 2002	135.7	$ 225.1	$ 412.0	$ 925.4	$ (359.4)	$ (899.7)	$ (82.4)	$ 221.0
Net income	—	—	—	164.9	—	—	—	164.9
Other comprehensive income	—	—	—	—	63.3	—	—	63.3
Shares issued under stock plans	1.1	0.4	15.7	—	—	(0.8)	8.5	23.8
Treasury stock purchased	(4.1)	—	—	—	—	(95.0)	—	(95.0)
Cash dividends	—	—	—	(11.3)	—	—	—	(11.3)
Income tax benefit from stock plans	—	—	4.3	—	—	—	—	4.3
Dividends from employee benefits trusts	—	—	0.5	—	—	—	—	0.5
Balance, December 31, 2003	132.7	$ 225.5	$ 432.5	$ 1,079.0	$ (296.1)	$ (995.5)	$ (73.9)	$ 371.5
Net income	**—**	**—**	**—**	**234.7**	**—**	**—**	**—**	**234.7**
Other comprehensive income	**—**	**—**	**—**	**—**	**29.1**	**—**	**—**	**29.1**
Shares issued under stock plans	**2.1**	**2.0**	**34.0**	**—**	**—**	**—**	**4.7**	**40.7**
Treasury stock purchased	**(5.4)**	**—**	**—**	**—**	**—**	**(138.0)**	**—**	**(138.0)**
Cash dividends	**—**	**—**	**—**	**(15.0)**	**—**	**—**	**—**	**(15.0)**
Dividends from employee benefits trusts	**—**	**—**	**0.4**	**—**	**—**	**—**	**—**	**0.4**
Balance, December 31, 2004	**129.4**	**$ 227.5**	**$ 466.9**	**$ 1,298.8***	**$ (267.0)**	**$ (1,133.4)***	**$ (69.2)**	**$ 523.6***

* Does not total due to rounding

See Notes to Consolidated Financial Statements.

Accumulated Other Comprehensive Loss consists of the following components:

	December 31,		
	2004	2003	2002
	(In millions)		

Foreign currency translation	**$ (148.2)**	$ (173.7)	$ (239.6)
Minimum pension liability, net of accumulated tax of $70.2, $70.7 and $70.2 in 2004, 2003 and 2002, respectively	**(117.0)**	(120.1)	(117.0)
Cash flow hedging transactions, net of tax of $1.1, $1.4 and $1.9 in 2004, 2003 and 2002, respectively	**(1.8)**	(2.3)	(2.8)
	$ (267.0)	$ (296.1)	$ (359.4)

Comprehensive Income is as follows:

	Twelve Months Ended December 31,		
	2004	**2003**	**2002**
Net income	**$ 234.7**	$ 164.9	$ 178.0
Other comprehensive income (loss):			
Foreign currency translation adjustment	**29.5**	65.9	(47.8)
Reclassification adjustment for the gain on sale of discontinued operations	**(4.0)**	0	0
Change in cumulative loss from cash flow hedging transactions	**0.5**	0.5	(2.0)
Minimum pension liability adjustment	**3.1**	(3.1)	(112.4)
	$ 263.8	$ 228.2	$ 15.8

See Notes to Consolidated Financial Statements.

1. SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Accounting Principles. Our financial statements and the accompanying notes are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”).

Basis of Consolidation. Our consolidated financial statements include Equifax and all subsidiaries. The Company consolidates all majority-owned and controlled subsidiaries, uses the equity method of accounting for investments in which the Company is able to exercise significant influence and uses the cost method for all other investments. All significant intercompany transactions and balances are eliminated. Certain prior year amounts have been reclassified to conform to current year presentation.

Nature of Operations. We collect, organize and manage various types of financial, demographic and marketing information. Our products and services enable businesses to make credit and service decisions, manage their portfolio risk and develop marketing strategies concerning consumers and commercial enterprises. We serve customers across a wide range of industries, including the financial services, mortgage, retail, telecommunications, utilities, automotive, brokerage, healthcare and insurance industries, as well as state and federal governments. We also enable consumers to manage and protect their financial health through a portfolio of products offered directly to individuals. We have approximately 4,400 employees worldwide, and manage our business globally through the following three reporting segments: Equifax North America, Equifax Europe and Equifax Latin America. Our operations are predominantly located within the U.S., with foreign operations principally located in Canada, the U.K. and Brazil.

Our products and services are categorized as follows: Information Services, Marketing Services and Personal Solutions. Our Information Services products and services allow customers to make credit decisions about consumers and commercial enterprises. Our Marketing Services information products and databases enable customers to identify a target audience for marketing purposes, and our Personal Solutions products and services provide information to consumers which enable them to reduce their exposure to identity fraud and to monitor their credit health.

We develop, maintain and enhance secured proprietary information databases through compilation of accounts receivable information about consumers and businesses that we obtain from a variety of sources, such as credit granting institutions, public record information, including bankruptcies, liens and judgments, and marketing information from surveys and warranty cards. We process this information utilizing our proprietary information management systems and make it available to our customers in virtually any medium or format they choose.

Use of Estimates. GAAP requires us to make estimates and assumptions. Accordingly, we make these estimates and assumptions after exercising judgment and we believe that the estimates and assumptions inherent in our financial statements are reasonable, based upon information available to us at the time they are made. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are used for, but not limited to, the accounting for long-lived asset impairments, contingencies and the allowance for doubtful accounts, the use, recoverability and/or realizability of certain assets, including deferred tax and other assets, restructuring costs, the valuation of pension plan obligations and assets and the preliminary allocation of the purchase price of acquisitions. Actual results could differ from these estimates.

Revenue Recognition and Deferred Revenue. We recognize revenue when persuasive evidence of an arrangement exists, for which the corresponding products have been delivered or services have been rendered, the pricing of which is either fixed or determinable and collectibility of the fee arrangement is reasonably assured. We consider the earnings process to be completed when we have fulfilled our specific obligations under the contract as demonstrated by evidence of product delivery or rendering of services.

Most of our revenues are based upon transactional activity generated by customers’ access to, or queries of, our proprietary databases. Revenues are typically usage-based and incorporate predetermined volume-tiered unit pricing. Some of our revenue is related to subscription-based contracts under which the customer pays a flat fee for a preset or unlimited volume of transactions or services. Revenue recognition in these cases is based upon pro-rating the related fee over the term of the contract. In conjunction with certain products and services, we charge non-refundable set-up and membership fees which are recognized on a straight-line basis over the term of the contract. Revenue from the sale of decision or statistical models is recognized upon customer installation and acceptance. For certain products and services sold on a subscription basis, we recognize revenue pro rata over the term of the contract.

Some of our sales contracts contain multiple elements pertaining to the delivery of distinct products and services such as decisioning models, prescreening services, and database management services. These deliverables are divided into separate units of accounting to which we allocate the contract revenues based on specific evidence of their relative fair values. The individual deliverables are generally independent of each other and can be sold on a stand-alone basis without affecting their usefulness to the customer. If relative fair values cannot be established, revenue recognition is deferred until all elements within the contract have been delivered. Failure to satisfy a specific element in the arrangement does not result in the cancellation of the entire contract but rather would result in a pro rata refund to the customer.

Deferred revenue represents the liability for amounts billed in advance of service delivery, and is classified as either current or long-term deferred revenue, with the current portion representing services expected to be provided within the next twelve months. Current deferred revenue is included with other current liabilities in the accompanying Consolidated Balance Sheets, and totaled $33.8 million and $22.9 million respectively at December 31, 2004 and 2003. In conjunction with the divestiture of our risk management collections businesses in the U.S. and Canada in October 2000, certain of the proceeds received related to contracts to provide credit information products and services to the buyers over the next five to six years and were recorded in current and long-term deferred revenue. At December 31, 2004 and 2003, $10.1 million and $11.6 million, respectively, remained unrecognized, with $7.7 million and $9.2 million, respectively, included in long-term deferred revenue in the accompanying Consolidated Balance Sheets. This deferred revenue will be recognized as the contracted products and services are provided.

Accounts Receivable. In September 2004, we entered into a new trade receivables-backed revolving credit facility. At December 31, 2004, $111.1 million of net accounts receivable had been sold to our wholly-owned subsidiary and is included in accounts receivable in the accompanying Consolidated Balance Sheets. We do not recognize interest income on our trade receivables.

Allowance for Doubtful Trade Accounts Receivable. The provision for estimated losses on trade accounts receivable is based on historical write-off experience, an analysis of the aging of outstanding receivables, customer payment patterns and the establishment of specific reserves for customers in adverse financial condition or for existing contractual disputes wherein we are not assured of a favorable outcome. The allowance for doubtful accounts was $9.3 million and $11.9 million, respectively, at December 31, 2004 and 2003. Increases to the provision are recorded as bad debt expense and are included in selling, general and administrative expenses on the accompanying Consolidated Statements of Income. Bad debt expense was $2.9 million or 0.23% of revenue for 2004, $8.8 million or 0.72% of revenue for 2003 and $10.1 million or 0.91% of revenue for 2002. We reassess the adequacy of the allowance for doubtful accounts receivable each reporting period. During 2004, we wrote off $4.5 million of accounts receivable and recovered $3.4 of previously written-off accounts receivable. During 2003, we wrote-off $17.0 million of accounts receivable, which included $11.0 million from our eMarketing business unit, and recovered $0.6 million of previously written-off accounts receivable.

Costs of Services. Costs of services consist primarily of data acquisition and royalties; customer service costs, which include: personnel costs to collect, maintain and update our proprietary databases, to develop and maintain software application platforms and to provide consumer and customer call center support; hardware and software expense associated with transaction processing systems; telecommunication and computer network expense; and occupancy costs associated with facilities where these functions are performed.

Selling, General and Administrative Expenses. Selling, general and administrative expenses consist primarily of personnel related costs paid to sales and administrative employees and management, fees for professional and consulting services and advertising costs.

Advertising. Advertising costs are expensed as incurred and totaled $15.7 million in 2004, $4.6 million in 2003 and $2.9 million in 2002.

Legal Contingencies. We periodically review claims and legal proceedings and assess whether we have potential financial exposure. If the potential loss from any claim or legal proceeding is probable and can be estimated, we accrue a liability for estimated settlements and incurred but unpaid legal fees for services performed to date.

Income Taxes. We base income tax expense on pre-tax financial accounting income, and recognize deferred tax assets and liabilities for the expected tax consequences of temporary differences between the tax bases of assets and liabilities and their reported amounts. Significant judgment is required to determine our overall local, state, federal and foreign income tax expense due to transactions and calculations where the ultimate tax consequence is uncertain. We have recorded a valuation allowance to reduce our deferred tax assets to the amount of future tax benefit that we estimate is likely to be received. We believe that our estimates are reasonable, however, the final outcome of tax matters may be different than the estimates reflected on our financial statements.

Earnings Per Share. Our basic earnings per share, or EPS, is calculated as income from continuing operations or net income available to common stockholders divided by the weighted average number of common shares outstanding during the period. Diluted EPS is calculated to reflect the potential dilution that would occur if stock options or other contracts to issue common stock were exercised and resulted in additional common shares outstanding. The income amount used in our EPS calculations is the same for both basic and diluted EPS. A reconciliation of the weighted average outstanding shares used in the two calculations is as follows:

	2004	2003	2002
		(In millions)	
Weighted average shares outstanding (basic)	**131.3**	134.5	136.2
Effect of dilutive securities:			
Stock options	**1.6**	2.0	2.3
Long-term incentive plans	**0.6**	0.2	—
Weighted average shares outstanding (diluted)	**133.5**	136.7	138.5

Cash and cash equivalents. We consider cash and cash equivalents to be short-term cash investments with original maturities of three months or less.

Property and Equipment. The cost of property and equipment is depreciated primarily on the straight-line basis over estimated asset lives of 30 to 50 years for buildings; useful lives, not to exceed lease terms, for leasehold improvements; three to ten years for data processing equipment (including capitalized software); and five to seven years for other fixed assets.

Certain internal use software and systems development costs are deferred and capitalized in accordance with AICPA Statement of Position 98-1, "Accounting for the Costs of Computer Software

Developed or Obtained for Internal Use," and Emerging Issues Task Force ("EITF") 97-13 "Accounting for Costs Incurred with a Business Process Reengineering Project." Accordingly the specifically identified costs incurred to develop or obtain software and accompanying hardware which is intended for internal use are not capitalized until the determination is made as to the availability of a technically feasible solution to solve the pre-defined user and operating performance requirements as established during the preliminary stage of an internal use software development project. Costs incurred during a software development project's preliminary stage are expensed. Application development activities which are eligible for capitalization include software design and configuration, development of interfaces, coding, testing, installation and the development of training materials. Costs of business process reengineering are expensed as incurred. We monitor the activities undertaken in our various software and systems development projects and analyze the associated costs, making appropriate distinction between and accounting for costs to be capitalized and costs to be expensed. Internal use software and systems development project costs that are deferred and capitalized are subsequently amortized on a straight-line basis over a three to ten year period after project completion and when the related software or system is ready for its intended use.

Impairment of Long-Lived Assets. We monitor the status of our long-lived assets annually or more frequently if necessary, in order to determine if conditions exist or events and circumstances indicate that an asset may be impaired in that its carrying amount may not be recoverable. Significant factors that are considered that could be indicative of an impairment include: changes in business strategy, market conditions or the manner in which an asset is used; underperformance relative to historical or expected future operating results; and negative industry or economic trends. If potential indicators of impairment exist, we estimate recoverability based on the assets ability to generate cash flows greater than the carrying value of the asset. We estimate the undiscounted future cash flows arising from the use and eventual disposition of the related long-lived asset group. If the carrying value of the long-lived asset group exceeds the estimated future undiscounted cash flows, an impairment loss is recorded based on the

amount by which the asset's carrying amount exceeds its fair value. We utilize the discounted present value of the associated future estimated cash flows to determine the asset's fair value. During 2004, 2003 and 2002, we recognized a $2.4 million, $30.6 million and $0.0 million impairment charge, respectively. See Note 6 for further details.

Other Assets. Other assets at December 31, 2004 and 2003 consist of the following:

	2004	2003
	(In millions)	
Purchased software	**$ 20.4**	$ 14.8
Prepaid pension cost	**18.2**	17.0
Investments in unconsolidated companies	**0.4**	28.5
Data purchases	**5.6**	2.7
Other	**42.4**	28.4
	$ 87.0	$ 91.4

As discussed above under "Impairment of Long-Lived Assets," we regularly review these assets to determine if conditions or circumstances exist or events have occurred that would indicate that an asset could be impaired, and, if appropriate, we recognize impairments by recording a charge against income. We believe that the long-lived assets, as reflected in the above table and the accompanying Consolidated Balance Sheets, were appropriately valued at December 31, 2004 and 2003. Amortization expense for other assets was $8.0 million in 2004, $17.6 million in 2003 and $6.6 million in 2002. As of December 31, 2004 and 2003, related accumulated amortization balances were $23.2 million and $28.3 million, respectively.

Foreign Currency Translation. The functional currency of our foreign subsidiaries is those subsidiaries' local currencies. We translate the assets and liabilities of foreign subsidiaries at the year-end rate of exchange, and revenue and expenses at the average rates prevailing during the year. We record the resulting translation adjustment as a component of shareholders' equity. We also record gains and losses resulting from the translation of inter-company balances of a long-term investment nature as a component of shareholders' equity. We record foreign currency transaction gains and losses, which are not material, in the Consolidated Statements of Income.

Financial Instruments. Our financial instruments consist primarily of cash and cash equivalents, accounts and notes receivable, accounts payable and short-term and long-term debt. The carrying amounts of these items, other than long-term debt, approximate their fair market values due to their short maturity. As of December 31, 2004, the fair value of our long-term debt (determined primarily by broker quotes) was $426.3 million compared to its carrying value of $398.5 million.

Accounting for Stock-Based Compensation. In accordance with the accounting and disclosure provisions of Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation" and SFAS No. 148 "Accounting for Stock-Based Compensation-Transition and Disclosure," we have elected to apply APB Opinion No. 25 and related interpretations in accounting for our stock option and performance share plans. Accordingly, by our use of the intrinsic value method to account for stock-based employee compensation, we do not recognize compensation cost in connection with our stock option plans.

We have computed the proforma disclosures required under SFAS No. 123 and SFAS No. 148 using the Black-Scholes option pricing model. The fair value of options granted in 2004, 2003 and 2002 is estimated on the date of grant using the Black-Scholes option pricing model based on the following weighted average assumptions:

	2004	2003	2002
Dividend yield	**0.5%**	0.4%	0.3%
Expected volatility	**36.3%**	40.7%	40.8%
Risk-free interest rate	**3.6%**	1.1%	3.5%
Expected life in years	**4.5**	2.8	2.9

The weighted-average grant date fair value per share of options granted in 2004, 2003 and 2002 is as follows:

	2004	2003	2002
Grants (all at market price)	**$8.75**	$5.59	$7.51

If we had elected to recognize compensation cost for these plans based on the fair value at grant date as prescribed by SFAS No. 123, net income and net income per share would have been reduced to the pro forma amounts indicated in the table below (in millions, except per share amounts):

	Twelve Months Ended December 31,		
	2004	2003	2002
	(In millions, except per share data)		
Net income, as reported	**$ 234.7**	$ 164.9	$ 178.0
Add: Total stock-based employee compensation expense, net of related tax effect, included in reported net income	**1.5**	2.3	2.0
Deduct: Total stock-based employee compensation expense determined under fair value-based method for all awards, net of related tax effects	**(6.4)**	(14.4)	(16.1)
Pro forma net income	**$ 229.8**	$ 152.8	$ 163.9
Earnings per share:			
Basic—as reported	**$ 1.79**	$ 1.23	$ 1.31
Basic—pro forma	**$ 1.75**	$ 1.14	$ 1.20
Diluted—as reported	**$ 1.76**	$ 1.21	$ 1.29
Diluted—pro forma	**$ 1.72**	$ 1.12	$ 1.18

Derivative Instruments and Hedging Activities. We recognize derivatives as assets or liabilities on our balance sheet at fair value, and the gain or loss related to the effective portion of derivatives designated as cash flow hedges as a component of other comprehensive income.

We enter into hedging transactions in order to reduce financial volatility and manage the fixed-floating mix of our debt portfolio. As of December 31, 2004, the only hedging transactions to which we were a counterparty consisted of interest rate swap agreements.

At December 31, 2004, we have a $29.0 million notional amount floating-to-fixed interest rate swap agreement in place with a bank counterparty that fixes the interest

rate on the $29.0 million synthetic lease related to our corporate headquarters through its maturity in 2010. This hedge has been designated as a cash flow hedge under SFAS 133, is fully effective, and at December 31, 2004, was marked to market and valued as a liability totaling $3.1 million. We determine the fair value of our interest rate swap derivative through the inquiry of the counterparty banks. This liability is included with other current liabilities in the accompanying Consolidated Balance Sheets, and the related loss of $1.8 million was recorded, net of income tax, as a component of accumulated other comprehensive loss. The termination of the lease, whenever that occurs, of our headquarters building will result in the reclassification of accumulated other comprehensive loss into earnings for the cash flow hedge.

At December 31, 2004, we also have interest rate swap agreements in place with a bank counterparty to float the interest rate on $250.0 million of our fixed rate senior unsecured notes through their maturity date in 2005. These derivatives have been designated as fair value hedges and are fully effective. The value of these swaps was $5.6 million at December 31, 2004, and is included with other current assets in the accompanying Consolidated Balance Sheets with a corresponding increase in the amount of currently maturing short-term debt. Changes in the fair value of these swaps and that of the related debt are recorded in interest expense in the accompanying Consolidated Statements of Income, the net of which is zero in 2004, 2003 and 2002.

Our maximum economic exposure to loss due to credit risk on these interest rate swap agreements approximates $2.5 million if all bank counterparties were to default. We manage this exposure by

monitoring the concentration of risk that we have with any one bank, and through the use of minimum credit quality standards for all counterparties.

2. RECENT ACCOUNTING PRONOUNCEMENTS

In November 2002, the EITF reached a consensus on Issue No. 00-21, “Revenue Arrangements with Multiple Deliverables.” EITF Issue No. 00-21 provides guidance pertaining to the revenue recognition methodology to apply to revenue arrangements that involve the delivery or performance of multiple products, services, and/or rights to use assets. The provisions of EITF Issue No. 00-21 apply to revenue arrangements entered into in fiscal periods beginning after June 15, 2003. We adopted EITF Issue No. 00-21 on July 1, 2003 and it did not have a material impact on our financial position or results of operations.

In December 2003, the Financial Accounting Standards Board (“FASB”) issued a revision to SFAS No. 132 “Employers Disclosures about Pensions and Other Postretirement Benefits.” The purpose of the revision is to require additional disclosures about the assets, obligations, cash flows and net periodic benefit cost of defined benefit pension plans and other defined benefit postretirement plans. These additional disclosures include information describing the types of plan assets, investment strategy, measurements date(s), plan obligations, cash flows and components of net periodic benefit cost recognized. As revised, SFAS 132 enhances disclosures by providing more relevant information about the plan assets available to finance benefit payments, the obligation to pay benefits and an entity’s obligation to fund the plan. This revised version of SFAS 132 is effective for fiscal years ending after December 15, 2003. We adopted the revisions to SFAS 132 and have included the additional disclosures in the Notes to our Consolidated Financial Statements.

In December 2003, the FASB issued its revision to FASB Interpretation No. 46, “Consolidation of Variable Interest Entities, (an Interpretation of ARB No. 51).” FIN 46 addresses the consolidation by a reporting entity of variable interest entities that either do not have sufficient equity investment at risk to permit the entity to finance its activities without additional subordinated financial support, or in which the equity investors lack the characteristics of a controlling financial interest. Application of FIN 46 is required in financial statements of public entities that have interests in variable interest entities or potential variable interest entities (also referred to as special-purpose entities) for periods ending after December 15, 2003. The FASB subsequently issued FASB Staff Positions (“FSP’s”), which deferred the effective date for applying the provisions of FIN 46 for interests in certain variable interest entities or potential variable interest entities created before February 1, 2003 until the end of the first interim period ending after March 15, 2004. These FSP’s also required certain disclosures about variable interest entities and potential variable interest entities. We adopted the provisions of FIN 46 in March 2004 and it has not had a material impact on our financial position or results of operations.

In December 2003, the Staff of the Securities and Exchange Commission, or SEC, issued Staff Accounting Bulletin No. 104, or SAB 104, “Revenue Recognition,” which supersedes SAB 101, “Revenue Recognition in Financial Statements.” SAB 104’s primary purpose is to rescind the accounting guidance contained in SAB 101 related to multiple-element revenue arrangements that was superseded as a result of the issuance of EITF 00-21, “Accounting for Revenue Arrangements with Multiple Deliverables.” Additionally, SAB 104 rescinds the SEC’s related “Revenue Recognition in Financial Statements Frequently Asked Questions and Answers” issued with SAB 101 that had been codified in SEC Topic 13, “Revenue Recognition.” While the wording of SAB 104 has changed to reflect the issuance of EITF 00-21, the revenue recognition principles of SAB 101 remain largely unchanged by the issuance of SAB 104, which was effective upon issuance. We implemented SAB 104 in December 2003 and it did not have a material effect on our financial position or results of operations.

In May 2004, the FASB issued FSP No. 106-2 “Accounting and Disclosure Requirements Related to the Medicare Modernization Act of 2003.” This staff position supersedes FSP No. 106-1 “Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003” by clarifying the guidance on the recognition of the effects of the Act on employers accumulated post-retirement benefit obligation. Employers that sponsor a postretirement health care plan that provides prescription benefits that are deemed actuarially equivalent to the Medicare Part D benefit are eligible for a federal subsidy. This subsidy is to be treated as an actuarial experience gain in the calculation of the accumulated post-retirement benefit obligation. FSP 106-2 is effective for the first interim period or annual period beginning after June 15, 2004. We adopted the accounting and disclosure provisions of FSP 106-2 in July 2004 and it did not have a material effect on our financial position or results of operations.

In July 2004, the EITF of the FASB reached consensus Issue No. 02-14 “Whether the Equity Method of Accounting Applies When an Investor Does Not Have an Investment in Voting Stock of an Investee but Exercises Significant Influence through Other Means.” EITF Issue No. 02-14 provides guidance pertaining to an investors accounting when the investor has significant influence over an investee through means other than voting stock. The provisions of EITF No. 02-14 apply to reporting periods beginning after September 15, 2004. The Company’s accounting for such investments has been consistent with EITF 02-14 and its adoption during the fourth quarter of 2004 did not have a material impact on our financial position or results of operations.

In December 2004, the FASB issued SFAS No. 123R “Share-Based Payments.” SFAS 123R is a revision to SFAS 123 “Accounting for Stock-Based Compensation” and supersedes APB Opinion No. 25 “Accounting for Stock Issued to Employees.” SFAS 123R establishes standards for the accounting for all transactions in which an entity exchanges its equity instruments for goods or services from either employees or non-employees. This financial accounting standard requires the cost resulting from share-based payment transactions be recognized in the entity’s financial statements as the goods are received or the services are rendered, and establishes fair value as the measurement objective for the accounting for such transactions. SFAS 123R is effective for public entities as of the beginning of the first interim or annual reporting period beginning after June 15, 2005 and applies to (a) all new awards granted after June 15, 2005; (b) modifications, repurchases or cancellations occurring after June 15, 2005, but pertaining to awards granted before June 15, 2005; and (c) the unvested service component of outstanding awards granted prior to June 15, 2005. SFAS 123R requires the benefits of tax deductions in excess of recognized compensation cost to be reported as a financing cash flow, rather than as an operating cash flow as required under current literature. This requirement will reduce net operating cash flows and increase net financing cash flows in periods after adoption. We will adopt the provisions of SFAS 123R in our third quarter beginning July 1, 2005 and expect that its impact on our financial position or results of operations will be in the range of our SFAS 123 pro forma amounts disclosed in Note 1.

In December 2004, the FASB issued SFAS 153 “Exchanges of Non-monetary Assets—An Amendment of APB Opinion No. 29, Accounting for Non-monetary Transactions.” SFAS 153 amends APB 29 to eliminate the fair value measurement principal exception for non-monetary exchanges of similar productive assets and replaces it

with a general exception for exchanges of non-monetary assets that lack commercial substance. A non-monetary exchange has commercial substance if the future cash flows of the entity are expected to significantly change as result of the exchange. SFAS 153 is effective for non-monetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. We will adopt the provisions of SFAS 153 in July 2005 and do not expect that it will have a material impact on our financial position or results of operations.

In December 2004, the FASB issued FSP No. 109-2 "Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004" (the Act). FSP 109-2 specifically addresses the one-time deduction of 85% of certain foreign earnings that are

repatriated. In accordance with this FSP an enterprise is allowed time beyond the financial reporting period covering the enactment of the Act, to evaluate the effect of the Act on its plan for reinvestment or repatriation of foreign earnings for purposes of applying SFAS 109. FSP 109-2 requires the following disclosures for an enterprise that has not completed its evaluation of the repatriation provisions: (a) a summary of the repatriation as it applies to the enterprise; (b) the expected completion date of the evaluation; (c) the expected effect on income tax expense or benefit; and (d) the amount of un-remitted earnings being considered for repatriation. FSP 109-2 is effective upon issuance. We are utilizing the time allowed by FSP 109-2 to evaluate the effect of the Act as it pertains to our foreign earnings and our application of SFAS 109, and have included the requisite disclosures in Note 8 to our Consolidated Financial Statements.

3. DISCONTINUED OPERATIONS

In the third quarter of 2002, we made the decision to exit our commercial services business in Spain in our Equifax Europe segment. During 2003 and the first six months of 2004, this business component remained as held for sale. We completed the sale and final disposition of the business and recorded a $0.5 million gain in the third quarter of 2004, of which $1.7 million related to the recognition of a cumulative translation adjustment loss into income. In accordance with SFAS 144 "Accounting for the Impairment or Disposal of Long-Lived Assets to be Disposed Of," the net assets, results of operations and cash flows of the Spain commercial business for 2004, 2003 and 2002 were classified as discontinued operations. For 2004, 2003 and 2002, revenues for this business component were $1.3 million, $8.6 million and $9.1 million, respectively. We had a $0.1 million gain on discontinued operations in 2004, a $13.6 million loss on discontinued operations in 2003 and $13.3 million loss on discontinued operations in 2002. Included in the 2003 losses was an estimated loss on disposal of $8.6 million recorded in the second and fourth quarters of 2003.

After incurring losses in each of the last four years, we decided to sell our Italian operations, which were formerly included in our Equifax Europe segment, in the fourth quarter of 2004. In accordance with SFAS 144, the net assets, results of operations and cash flows of the Italian business for 2004, 2003 and 2002 were classified as discontinued operations. For 2004, 2003 and 2002, revenues for this business component were $11.4 million, $14.7 million and $14.0, respectively. We recorded an impairment charge of $5.3 million related to the write-down of purchased data during the second quarter of 2004. We had a $2.7 million, $2.2 million and $0.4 million loss on discontinued operations in 2004, 2003 and 2002, respectively. We recorded a gain on the sale of $2.6 million during the fourth quarter of 2004, of which $5.7 million related to the recognition of a cumulative translation adjustment gain into income.

4. GOODWILL AND PURCHASED INTANGIBLE ASSETS

Goodwill. Goodwill allocated to our reporting units at January 1, 2003 and changes in the carrying amount of goodwill for the years ended December 31, 2003 and 2004, are as follows:

	Reporting Units				
	Information Services	Marketing Services	European Operations	Latin America Operations	Total
			(In millions)		
Balance, January 1, 2003	$ 185.7	$ 267.7	$ 94.1	$ 103.0	$ 650.5*
Acquisitions	12.7	6.9	—	—	19.6
Adjustments to prior year's purchase price allocation	1.0	10.1	—	—	11.1
Reclassifications	(0.3)	1.5	0.3	—	1.5
Foreign currency translation	7.3	—	12.9	21.4	41.6
Balance, December 31, 2003	206.4	286.2	107.3	124.5*	724.3*
Acquisitions	**4.1**	—	—	—	**4.1**
Adjustments to prior year's purchase price allocation	—	**(4.5)**	**1.6**	—	**(2.9)**
Foreign currency translation	**3.5**	—	**8.8**	**9.7**	**22.0**
Balance, December 31, 2004	**$ 214.0**	**$ 281.7**	**$ 117.7**	**$ 134.2**	**$ 747.5***

* Does not total due to rounding

Goodwill is the cost in excess of the fair value of the net assets of acquired businesses. At least annually we evaluate goodwill for impairment. This evaluation is performed on a reporting unit basis and involves the determination of the reporting unit fair values based on discounted cash flow analyses corroborated by market multiple comparables. An impairment charge would result if the carrying amount of goodwill exceeded its implied value. Reporting units combine two or more business components and were determined on the basis of similarities pertaining to market geography, product offerings, customer profile, economic characteristics, operating margins and product fulfillment and delivery and methodologies. We determined the existence of five reporting units, i.e., Information Services, Marketing Services, Personal Solutions, European Operations and Latin America Operations. There were no goodwill impairment charges during 2004, 2003 or 2002.

Prior to 2002, goodwill was amortized on a straight-line basis predominately over periods from twenty to forty years. As of December 31, 2004 and 2003, accumulated amortization balances were $89.7 million and $87.7 million, respectively. The adjustments to prior year's purchase price allocation in the table above relates primarily to revisions of Naviant and Italy deferred tax assets.

SFAS No. 142, "Goodwill and Other Intangible Assets," requires that reporting unit goodwill be re-evaluated and tested for impairment at least on an annual basis. Accordingly, we have updated our impairment evaluation as of September 30, 2004 and determined that reporting unit goodwill remained unimpaired. However, future goodwill impairment tests could result in a charge to earnings. We will continue to evaluate goodwill annually or whenever events and circumstances indicate that there may be an impairment of the asset value.

Purchased Intangible Assets. Purchased intangible assets, as recorded on the accompanying Consolidated Balance Sheets, represent the estimated fair value of acquired intangible assets used in our products and services. Purchased data files, net, is the carrying value of files acquired primarily through the purchase of independent credit reporting agencies in the U.S. and Canada. We expense the cost of modifying and updating credit files in the period such costs are incurred.

	2004			2003		
	Gross	Accumulated amortization	Net	Gross	Accumulated amortization	Net
	(In millions)					
Purchased data files	**$ 405.4**	**$ (171.7)**	**$ 233.7**	$ 424.9	$ (181.6)	$ 243.3
Acquired software	**10.4**	**(8.2)**	**2.2**	26.1	(21.9)	4.2
Non-compete agreements	**11.7**	**(7.3)**	**4.4**	14.1	(6.4)	7.7
Contractual/territorial rights	**41.0**	**—**	**41.0**	41.0	—	41.0
Total purchased intangible assets	**$ 468.5**	**$ (187.2)**	**$ 281.3**	$ 506.1	$ (209.9)	$ 296.2

We amortize purchased data files over a 15 year period on a straight line basis. Acquired software is amortized over a period of three to ten years; and non-compete agreements are amortized over a period of two to three years. Our contractual/territorial rights are perpetual in nature and, therefore, the useful lives are considered indefinite. Amortization expense related to purchased intangible assets was approximately $36.2 million, $51.8 million and $33.6 million for 2004, 2003 and 2002, respectively.

Estimated future amortization expense related to finite-lived purchased intangible assets at December 31, 2004 is as follows:

	Amount (In millions)
2005	$ 28.5
2006	24.8
2007	23.4
2008	23.1
2009	21.8
Thereafter	118.7
	$ 240.3

We perform annual impairment tests for our purchased intangible assets with indefinite lives. Based on the results of our impairment tests, we determined that no impairment of the contractual/territorial rights existed at December 31, 2004 or December 31, 2003. However, future impairment tests could result in a charge to earnings. We will continue to evaluate our purchased intangible assets annually or whenever events and circumstances indicate that there may be an impairment of the asset value.

5. ACQUISITIONS

During 2004, we acquired two independent credit reporting agencies located in the U.S. (also referred to as "Affiliates") and one Affiliate located in Canada, that house their consumer information on our system. We acquired all of these businesses for $17.4 million in cash, allocating $11.7 million of the purchase price to purchased data files, $4.1 million to goodwill and $1.6 million to non-compete agreements. See Note 4 for a discussion of our purchased intangible assets. The results of operations for these acquisitions have been included in the accompanying Consolidated Statements of Income from the date of acquisition, and are not material.

During 2003, we acquired three Affiliates located in the U.S. and one Affiliate located in Canada, that house their consumer information on our system. Additionally, in April 2003 we completed the purchase of

a small eMarketing business for $10.0 million. We acquired all of these businesses for $41.0 million in cash and $1.9 million in liabilities, allocating $15.5 million of the purchase price to purchased data files, $19.6 million to goodwill and $5.9 million to non-compete agreements. In the case of the eMarketing business, the preliminary purchase price allocation did not include the involuntarily termination of certain employees of the acquired company during 2004. The results of operations for these acquisitions have been included in the accompanying Consolidated Statements of Income from the date of acquisition, and are not material.

The above acquisitions were accounted for as purchases and had a total cash purchase price of $58.4 million. The following table summarizes the estimated fair value of the net assets acquired and the liabilities assumed at the acquisition dates.

	2004	2003
	(In millions)	
Other assets	**$ 1.6**	$ 5.9
Purchased data files	**11.7**	15.5
Goodwill	**4.1**	19.6
Total acquired assets	**17.4**	41.0
Total liabilities	**—**	1.9
Net assets acquired	**$17.4**	$39.1

The following unaudited pro forma information presents consolidated results of operations as if the above discussed acquisitions had occurred at the beginning of each year presented. The pro forma amounts may not necessarily be indicative of the operating revenues and results of operations had the acquisitions actually taken place at the beginning of each year presented. Furthermore, the pro forma information may not be indicative of future performance.

	2004		2003	
	As Reported	Pro Forma	As Reported	Pro Forma
	(In millions, except per share data)			
Revenues	**$ 1,272.8**	**$ 1,273.3**	$ 1,210.7	$ 1,213.9
Income from continuing operations	**$ 237.3**	**$ 237.6**	$ 180.7	$ 180.2
Income from continuing operations per share (basic)	**$ 1.81**	**$ 1.81**	$ 1.35	$ 1.34
Income from continuing operations per share (diluted)	**$ 1.78**	**$ 1.78**	$ 1.32	$ 1.32

6. RESTRUCTURING AND IMPAIRMENT CHARGES

In the second quarter of 2004, we determined that continued difficulties with our eMarketing operations indicated that certain remaining assets may not be fully recoverable. Subsequently, we estimated their recoverability using undiscounted future cash flows from the use and eventual disposition of the related eMarketing long-lived asset. The carrying value of the asset exceeded the estimated undiscounted future cash flows and an impairment loss was recorded based on the amount by which the asset's carrying amount exceeded its estimated value. We estimated the fair value of the asset by discounting the present value of the future cash flows of the asset. We recorded asset impairment and related charges of $2.4 million ($1.5 million after tax, or $0.01 per diluted share). The asset impairment charges are primarily for purchased data in our Marketing Services segment. No restructuring charges were associated with this asset impairment. An analysis of the impairment charges taken is as follows (in millions):

	Purchased Data	Other	Totals

Marketing Services	$ 1.4	$ 1.0	$ 2.4

In the fourth quarter of 2003, we recorded restructuring, impairment and other related charges related to our eMarketing business of $25.9 million ($16.3 million after tax, or $0.12 per diluted share). The restructuring charges, which totaled $3.3 million, were associated with reducing headcount, consolidating multiple locations and eliminating our bulk e-mail product. The asset impairment charges, which totaled $22.6 million, reflected our write-down of amortizable intangible assets, indefinite lived intangible assets and fixed assets of our eMarketing business. At December 31, 2003, our remaining reserve balance was $3.3 million. During 2004, we paid $2.1 million against the reserve, leaving a remaining balance of $1.2 million. An analysis of 2004 activity in the reserve is as follows (in millions):

	Severance	Facilities and Other	Total
Balance, December 31, 2003	$ 1.1	$ 2.2	$ 3.3
Less, current period payments	(0.8)	(1.3)	(2.1)
Balance, December 31, 2004	$ 0.3	$ 0.9	$ 1.2

7. LONG-TERM DEBT AND SHORT-TERM BORROWINGS

Long-term debt at December 31, 2004 and 2003 was as follows:

	December 31, 2004	December 31, 2003
	(In millions)	
Notes, 6.3%, due 2005, net of unamortized discount of $0.1 million and $0.3 million at December 31, 2004 and December 31, 2003, respectively	**$ 249.9**	$ 249.7
Notes, 4.95%, due 2007, net of unamortized discount of $0.3 million and $0.4 million at December 31, 2004 and December 31, 2003, respectively	**249.7**	249.6
Debentures, 6.9%, due 2028, net of unamortized discount of $1.2 million at December 31, 2004 and December 31, 2003	**148.8**	148.8
Borrowings under U.S. revolving credit facilities, weighted-average rate of 1.6% at December 31, 2003	—	137.1
Other	**5.8**	16.8
	654.2	802.0
Less current maturities	**255.7**	139.0
	$398.5	$ 663.0

In July 2004, $249.9 million of our 6.3% Notes due 2005 became current. These notes are classified as short-term debt in our accompanying Consolidated Balance Sheets at December 31, 2004. On July 1, 2005, we expect to retire our 6.3% notes by utilizing our cash flow from operations and by borrowing under our revolving credit and asset securitization agreements.

In August 2004, we entered into a new five-year, $500.0 million senior unsecured revolving credit agreement. The new facility provides for a variable interest rate tied to a Base Rate, LIBOR plus a specified margin or competitive bid options similar to those contained in the previous facility. The new facility replaces a $465.0 million revolving credit facility. Under our senior credit agreement, we must comply with various financial and non-financial covenants. The financial covenants require us to maintain a leverage ratio, consolidated funded debt divided by consolidated EBITDA (as defined by the agreement) from the preceding four quarters, of not more than 3.0 to 1.0 (raised to 3.25 to 1.0 for four fiscal quarters if the CSC Put option described in Note 11 below is exercised) and a minimum interest coverage ratio of consolidated EBITDA (as defined by the agreement) for the preceding four quarters divided by consolidated interest expense for the preceding four quarters, of not less than 4.0 to 1.0. Compliance with

these financial covenants is tested quarterly on a rolling four quarters basis. At December 31, 2004, our maximum leverage ratio was 1.4 and our minimum interest coverage ratio was 14.4. The non-financial covenants include limitations on liens, cross defaults subsidiary debt, mergers, liquidations, asset dispositions and acquisitions. Our borrowings under this facility, which have not been guaranteed by any of our subsidiaries, are unsecured and will rank on parity in right of payment with all of our other unsecured and unsubordinated indebtedness from time to time outstanding. As of December 31, 2004, $500.0 million was available and there were no borrowings outstanding under this facility. As of December 31, 2004, we were in compliance with our covenants under the senior credit agreement.

In September 2004, we entered into a new trade receivables-backed revolving credit facility. Under the terms of the transaction, a wholly-owned subsidiary of Equifax may borrow up to $125.0 million, subject to borrowing base availability and other terms and conditions. Equifax will use the net proceeds received from the sale of its trade receivables to the subsidiary for general corporate purposes. The credit facility has an expiration date of September 6, 2005, but may be extended for an additional period of up to three years if specified conditions are satisfied. Loans will bear interest at commercial paper rates, LIBOR or Base Rate plus a specified margin. Outstanding debt under the facility will be consolidated on our balance sheet for financial reporting purposes. As of December 31, 2004, $84.0 million was available and no amounts were outstanding under this facility.

In October 2002, we issued new 4.95% fixed rate five-year senior unsecured notes with a face value of $250.0 million. The notes, which expire in 2007, were sold at a discount of $0.5 million. The discount, and related issuance costs, will be amortized on a straight-line basis over the term of the notes. Our $200.0 million 6.5% senior unsecured notes, originally issued in 1993, matured in June 2003. We borrowed $200.0 million under our revolving credit facility to retire the maturing notes. The indebtedness evidenced by our 4.95% senior unsecured notes, our 6.3% senior unsecured notes and our 6.9% senior unsecured debentures, none of which has been guaranteed by any of our subsidiaries, is unsecured, and ranks on parity in right of payment with all of our other unsecured and unsubordinated indebtedness from time to time outstanding.

Scheduled maturities of long-term debt during the five years subsequent to December 31, 2004, are as follows:

	Amount (In millions)
2005	$ 255.7
2006	—
2007	249.7
2008	—
2009	—
Thereafter	148.8
	$ 654.2

Our short-term borrowings at December 31, 2004 and 2003, totaled $0.0 million and $21.5 million, respectively, and consisted primarily of notes payable to banks. These notes had a weighted average interest rate of 1.8% at December 31, 2003. One of our Canadian subsidiaries had an unsecured, 364-day C$100.0 million revolving credit facility that expired on September 30, 2004. The agreement provided for borrowings tied to the Prime Rate, Base Rate, LIBOR or Canadian Banker's Acceptances, and contains financial covenants related to interest coverage, funded debt to cash flow and limitations on subsidiary indebtedness. We guaranteed the indebtedness of our Canadian subsidiary under this credit facility. The bank agreed to carry the amounts outstanding under the facility on a demand basis following the expiration of the revolver on September 30, 2004, and the remaining balance was paid in October 2004. Borrowings under this loan (which are included in the 2003 short-term borrowings totals above) at December 31, 2003 were $15.4 million.

In November 2004, we entered into a C$25.0 million revolving credit facility that replaced the C$100.0 million facility that expired in September 2004. The C$25.0 million facility expires in September 2005. There were no borrowings outstanding under this facility at December 31, 2004.

Cash paid for interest was $34.9 million in 2004, $39.6 million in 2003 and $41.8 million in 2002.

8. INCOME TAXES

We record deferred income taxes using enacted tax laws and rates for the years in which the taxes are expected to be paid. Deferred income tax assets and liabilities are recorded based on the differences between the financial reporting and income tax bases of assets and liabilities.

The provision for income taxes from continuing operations consists of the following:

	2004	2003	2002
		(In millions)	
Current:			
Federal	**$ 74.7**	$ 63.5	$ 71.9
State	**12.9**	5.7	10.0
Foreign	**24.7**	22.8	21.4
	112.3	92.0	103.3
Deferred:			
Federal	**30.9**	11.4	23.3
State	**2.7**	—	(1.9)
Foreign	**2.0**	1.2	(0.3)
	35.6	12.6	21.1
	$147.9	$ 104.6	$ 124.4

Domestic and foreign income from continuing operations before income taxes was as follows:

	2004	2003	2002
		(In millions)	
United States	**$ 302.8**	$ 214.9	$ 264.5
Foreign	**82.4**	70.4	51.6
	$385.2	$ 285.3	$ 316.1

The provision for income taxes from continuing operations is reconciled with the federal statutory rate, as follows:

	2004	2003	2002
		(In millions)	
Federal statutory rate	**35.0%**	35.0%	35.0%
Provision computed at federal statutory rate	**$ 134.8**	$ 99.9	$ 110.6
State and local taxes, net of federal tax benefit	**10.3**	0.6	5.0
Foreign	**2.0**	(9.1)	(8.4)
Valuation allowance	**(13.0)**	7.4	21.1
Tax reserves	**12.9**	(0.8)	—
Other	**0.9**	6.6	(3.9)
	$147.9	$ 104.6	$ 124.4

Components of the deferred income tax assets and liabilities at December 31, 2004 and 2003 are as follows:

	2004	2003
	(In millions)	
Deferred income tax assets:		
Reserves and accrued expenses	**$ 18.9**	$ 17.1
Postretirement benefits	**71.1**	71.5
Employee compensation programs	**17.1**	12.6
Deferred revenue	**4.8**	7.0
Depreciation	**—**	0.2
Net operating loss carryforwards of subsidiaries	**26.7**	40.1
Foreign tax credits	**21.9**	19.1
Unrealized foreign exchange loss	**41.4**	58.5
Valuation allowance	**(88.0)**	(111.9)
Other	**4.2**	3.6
	118.1	117.8
Deferred income tax liabilities:		
Data files and other assets	**(62.2)**	(50.5)
Depreciation	**(1.5)**	—

Pension expense	**(70.2)**	(61.9)
Undistributed earnings of foreign subsidiaries	**(7.9)**	(8.0)
Other	**(1.7)**	(1.2)
	(143.5)	(121.6)
Net deferred income tax liability	**$ (25.4)**	$ (3.8)

Our deferred income tax assets and liabilities at December 31, 2004 and 2003, are included in the accompanying Consolidated Balance Sheets as follows:

	2004	2003
	(In millions)	
Current deferred income tax assets	**$ 13.2**	$ 15.5
Deferred income tax liabilities	**(38.6)**	(19.3)
Net deferred income tax liability	**$ (25.4)**	$ (3.8)

We record deferred income tax on the temporary differences of our foreign subsidiaries and branches, except for the temporary differences attributable to pre-2004 undistributed earnings of Canadian and Chilean subsidiaries which we consider to be indefinitely invested that amounted to approximately $74.5 million and $93.6 million at December 31, 2003 and December 31, 2004, respectively. We recorded a deferred tax benefit of approximately $1.9 million in 2004 attributable to our Chilean subsidiary to reflect our determination that the pre-2004 undistributed earnings are indefinitely invested. If the pre-2004 earnings were not considered indefinitely invested, approximately $7.0 million of deferred income taxes would have been provided. Such taxes, if ultimately paid, may be recoverable as foreign tax credits in the U.S.

A provision for Canadian withholding taxes of approximately $1.1 million has been made on the 2004 retained earnings of Canadian subsidiaries of approximately $23.4 million. We have determined that the 2004 earnings of our Canadian subsidiaries are not indefinitely invested.

As of December 31, 2004, we had a deferred tax asset of $41.4 million related to accumulated foreign currency translation loss for foreign locations, excluding adjustments for current year Canadian and

Chilean earnings. A full valuation allowance, included in accumulated other comprehensive loss, has been provided due to uncertainty of future realization of this deferred tax asset.

At December 31, 2004, we had net operating loss and capital loss carryforwards of approximately $194.1 million of which $135.4 million related to U.S. federal and state and $58.8 million to foreign jurisdictions. Of the total net operating loss and capital loss carryforwards, $22.1 million will expire in 2005, $35.9 million will expire in 2006 and $136.1 million will begin to expire at various times beginning in 2012. Additionally, we had foreign tax credit carryforwards of approximately $21.9 million of which $15.3 million will begin to expire in 2010 and the remaining $6.6 million will be utilized upon repatriation of foreign earnings. Tax effected state net operating loss, capital loss, foreign tax credit carryforwards and other foreign deferred tax assets of $46.6 million have been fully reserved in the deferred tax valuation allowance due to the uncertainty resulting from a lack of previous foreign taxable income within certain foreign tax jurisdictions and uncertainty that sufficient capital gains will be generated.

A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized. We released valuation allowance of $12.9 million in 2004 for capital loss carryovers in the U.S. and foreign net operating loss carryforwards relating to Spain. In addition, we released valuation allowance of $3.9 million in 2004 associated with acquired net operating losses. The tax benefit of the $3.9 million release was recorded as a reduction to goodwill.

On October 22, 2004, the American Jobs Creation Act (“AJCA”) was signed into law. The AJCA includes a tax deduction of 85% of certain foreign earnings that are repatriated, as defined in the AJCA. Equifax may elect to apply this provision to qualifying earnings repatriations during its 2005 tax year. Equifax has started an evaluation of the effects of the repatriation provision; however, we do not expect to be able to complete this evaluation until after Congress or the Treasury Department provides additional clarifying language on key elements of the provision. Equifax expects to complete its evaluation of the effects of the repatriation provision within a reasonable period of time following the publication of the additional clarifying language. The range of possible amounts that we are considering for repatriation under this provision is between zero and $100.0 million. Due to complexity of the provisions of the AJCA and pending additional clarifying language, the range of possible income tax effects of potential repatriation cannot be reasonably estimated at this time.

Cash paid for income taxes, net of amounts refunded was $102.2 million in 2004, $84.6 million in 2003 and $92.6 million in 2002.

9. SHAREHOLDERS’ EQUITY

Rights Plan. In 1995, our Board of Directors adopted a Shareholder’s Rights Plan (“Rights Plan”). Our Rights Plan contains provisions to protect our shareholders in the event of an unsolicited offer to acquire us, including offers that do not treat all shareholders equally, the acquisition in the open market of shares constituting control without offering fair value to all shareholders and other coercive, unfair or inadequate takeover bids and practices that could impair the ability of our Board to represent shareholders’ interests fully. Pursuant to the Rights Plan, our Board declared a dividend of one Share Purchase Right for each outstanding share of our common stock, with distribution to be made to shareholders of record as of November 24, 1995. The Rights, which will expire in November 2005 unless renewed by the Board of Directors, initially will be represented by, and traded together with, our common stock. The Rights are not currently exercisable and do not become exercisable unless certain triggering events occur. Among the triggering events is the acquisition of 20% or more of our common stock by a person or group of affiliated or associated persons. Unless previously redeemed, upon the occurrence of one of the specified triggering events, each Right that is not held by the 20% or more shareholder will entitle its holder to purchase one share of common stock or, under certain circumstances, additional shares of common stock at a discounted price.

Treasury Stock. During 2004, 2003 and 2002, we repurchased 5.4 million, 4.2 million and 2.9 million of our common shares through open market transactions at an aggregate investment of $138.0 million, $95.0 million and $72.5 million, respectively. In addition to the remaining authorized shares from our Board of Director’s previous authorization in February 2002, the Board authorized an additional $250.0 million in share repurchases in August 2004. At December 31, 2004, approximately $239.3 million remained available for future purchases from prior authorizations of our Board of Directors.

Stock Options. Our shareholders have approved several stock option plans which provide that qualified and nonqualified options may be granted to officers and employees. Our Board of Directors has also approved a nonqualified stock option plan that cannot be used to grant shares to directors or executive officers. In addition, options remain outstanding under two plans from which no new grants may be made, one of which was approved by shareholders. In October 2004, the Board of Directors approved that authorized grants would only be made from shareholder approved plans, resulting in cancellation of shares previously available for future grants. All plans require that options be granted at exercise prices not less than market value on the date of grant. Generally, options vest over periods of up to 3 years and are exercisable for ten years from grant date. Certain of the plans also provide for awards of restricted shares of our common stock. At December 31, 2004, there were 1.4 million shares available for future option grants and restricted stock awards.

A summary of changes in outstanding options and the related weighted average exercise price per share is shown in the following table:

2004	2003	2002

(Shares in thousands)	Shares	Average Price	Shares	Average Price	Shares	Average Price
Balance, December 31, 2003	**11,126**	**$ 19.65**	10,554	$ 18.47	10,824	$ 16.35
Granted (all at market price)	**935**	**25.70**	2,984	21.06	2,398	25.05
Cancelled	**(270)**	**20.17**	(738)	21.53	(354)	18.74
Exercised	**(2,307)**	**17.47**	(1,674)	13.93	(2,314)	15.31
Balance, December 31, 2004	**9,484**	**$ 20.76**	11,126	$ 19.65	10,554	$ 18.47
Exercisable at end of year	7,891	$ 20.16	9,076	$ 19.14	8,217	$ 17.58

The following table summarizes information about stock options outstanding at December 31, 2004 (shares in thousands):

	Options Outstanding			Options Exercisable	
Range of exercise prices	Shares	Weighted Average Remaining Contractual Life in Years	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
$7.40 to $15.24	2,003	4.23	$ 13.53	2,003	$ 13.53
$15.47 to $20.87	1,509	5.63	18.13	1,386	18.03
$21.11 to $24.18	2,977	6.87	21.85	2,447	21.97
$24.30 to $25.50	1,886	7.09	25.43	1,566	25.46
$25.55 to $37.25	1,109	7.60	26.52	489	27.42
	9,484	6.25	$ 20.76	7,891	$ 20.16

Restricted stock awards generally vest over a period of three to five years. The unearned compensation is recognized as compensation expense ratably over the applicable vesting period of the restricted stock award. The restricted stock awards granted to Thomas F. Chapman, chairman and chief executive officer, will fully vest in 2005 due to his retirement. See Item 7. Management's Discussion and Analysis of general condition and Results of Operations—CEO Transition. Restricted Stock expense of

$2.4 million in 2004, $3.7 million in 2003 and $3.3 million in 2002 was recorded in the accompanying Consolidated Statements of Income.

The following table summarizes information about restricted stock grants for 2004, 2003 and 2002:

Year		Number of Shares	Average Fair Value
2004	**Grants**	**486,500**	**$ 25.86**
	Cancellations	**6,500**	**$ 25.60**
2003	Grants	103,000	$ 20.84
	Cancellations	110,000	$ 20.62
2002	Grants	185,000	$ 24.73
	Cancellations	—	—

Long-Term Incentive Plan. We have a Key Management Long-Term Incentive Plan for certain key officers that provides for annual or long term cash awards at the end of various measurement periods based on the earnings per share and/or various other criteria over the measurement period. For certain awards, the employee may elect to receive some or all of their distribution as an equity interest. This feature of the plan ended with the 2002 payout. The total long-term related expense under this plan was $1.6 million in 2002.

In December 2003, the Board approved a new Supplemental Executive Retirement Plan for executives of Equifax that covers designated executives of Equifax Officers, effective January 1, 2004. The total expense under this plan was $0.7 million and $0.0 million in 2004 and 2003, respectively.

10. EMPLOYEE BENEFITS

Pension Benefits. Pension benefits are provided through U.S. and Canadian defined benefit pension plans and two supplemental executive defined benefit pension plans.

U.S. and Canadian Retirement Plans. We have a non-contributory qualified retirement plan covering most U.S. salaried employees (the U.S. Retirement Income Plan, or "USRIP") and maintain a defined benefit plan for most salaried employees in Canada (the Canadian Retirement Income Plan, or "CRIP"). Benefits of both plans are primarily a function of salary and years of service.

Supplemental Retirement Plans. We maintain two supplemental executive retirement programs for certain key employees. The plans, which are unfunded, provide supplemental retirement payments based on salary and years of service.

Other Benefits. We maintain certain health care and life insurance benefit plans for eligible retired employees. Substantially all of our U.S. employees may become eligible for the health care benefits if they reach retirement age while working for us and satisfy certain years of service requirements. The retiree life insurance program was frozen to new participants on December 31, 2003. We accrue the cost of providing these benefits over the active service period of the employee.

Obligations and Funded Status. A reconciliation of the benefit obligations, plan assets and funded status of the plans are as follows (in millions):

	Pension Benefits		Other Benefits	
	2004	2003	2004	2003
	(In millions)		(In millions)	
Change in Benefit Obligation				
Benefit obligation at January 1,	$ 514.4	$ 477.2	$ 24.2	$ 28.0
Service cost	7.3	6.0	0.4	0.6
Interest cost	31.3	31.0	1.7	1.7
Amendments	6.2	0.0	2.3	3.4
Actuarial (gain) loss	24.7	29.9	1.3	(4.9)
Foreign currency exchange rate changes	2.5	5.4	0.0	0.0

Medicare Act of 2003	0.0	0.0	0.0	(2.0)
Benefits paid	(34.9)	(35.1)	(2.7)	(2.6)
Benefit obligation at December 31,	551.5	514.4	27.2	24.2
Change in Plan Assets				
Fair value of plan assets at January 1,	438.6	375.5	9.0	3.5
Actual return on plan assets	54.0	68.4	1.3	1.1
Employer contributions	22.3	23.0	2.0	4.4
Foreign currency exchange rate changes	3.2	6.8	0.0	0.0
Benefits paid	(34.9)	(35.1)	0.0	0.0
Fair value of plan assets at December 31,	483.2	438.6	12.3	9.0
Funded status of plan	(68.3)	(75.8)	(14.9)	(15.2)
Unrecognized prior service cost	6.4	0.7	4.8	3.1
Unrecognized actuarial (gain) loss	213.6	212.5	0.9	0.0
Prepaid (accrued) benefit cost	$ 151.7	$ 137.4	$ (9.2)	$ (12.1)
Amounts recognized in the statement of financial position consist of:				
Prepaid benefit cost	$ 18.2	$ 16.9	$ 0.0	$ 0.0
Accrued benefit liability	(60.7)	(71.0)	(9.2)	(12.1)
Intangible asset	6.0	0.7	0.0	0.0
Accumulated other comprehensive income	188.2	190.8	0.0	0.0
Net amount recognized	$ 151.7	$ 137.4	$ (9.2)	$ (12.1)

The accumulated benefit obligation for the U.S., Canadian and Supplemental Retirement Plans was $530.4 million and $495.9 million at December 31, 2004 and December 31, 2003, respectively.

The USRIP and the Supplemental Retirement Plans both have accumulated benefit obligations in excess of those plans' respective assets as of December 31, 2004. The aggregate projected benefit obligation, accumulated benefit obligation and fair value of plan assets for these two plans are $515.4 million, $499.1 million and $438.4 million, respectively, as of December 31, 2004, and $483.9 million, $469.2 million and $398.3 million, respectively, as of December 31, 2003.

Other comprehensive income includes a $2.6 million decrease in the minimum pension liability as of December 31, 2004 and a $3.6 million increase as of December 31, 2003.

Components of Net Periodic Benefit Cost:

	Pension Benefits (In millions)			Other Benefits (In millions)		
	2004	2003	2002	2004	2003	2002
Components of net periodic benefit cost						
Service cost	$ 7.3	$ 6.0	$ 4.8	$ 0.4	$ 0.6	$ 0.7
Interest cost	31.3	31.0	30.8	1.6	1.7	1.6
Expected return on plan assets	(43.8)	(43.7)	(47.3)	(0.9)	(0.5)	(0.4)
Amortization of prior service cost	0.5	0.1	0.0	0.7	(0.1)	(0.2)
Recognized actuarial (gain) loss	14.0	4.8	0.2	0.0	0.5	0.0
Total net periodic benefit cost	$ 9.3	$ (1.8)	$ (11.5)	$ 1.8	$ 2.2	$ 1.7

Assumptions:

	Pension Benefits		Other Benefits	
	2004	2003	2004	2003
Weighted-average assumption to determine benefit obligations at the end of the year				
Discount rate	5.92%	6.25%	5.92%	6.25%
Rate of compensation increase	4.34%	4.25%	N/A	N/A

	Pension Benefits			Other Benefits		
	2004	2003	2002	2004	2003	2002
Weighted-average assumption to determine net periodic benefit cost for years ending						
Discount rate	6.25%	6.75%	7.25%	6.25%	6.75%	7.25%
Expected return on plan assets	8.68%	8.75%	9.50%	8.75%	8.75%	9.50%
Rate of compensation increase	4.25%	4.25%	4.25%	N/A	N/A	N/A

The decrease in the liability discount rate was the primary cause for the increase in the pension benefit obligation for 2004. The increase in the value of the pension plan assets was primarily related to a 13.2% investment return which was greater than the 8.75% expected rate of return set at December 31, 2003. The calculation of the net periodic benefit cost for the USRIP utilizes a market-related value of assets. The market-related value of assets recognizes the difference between actual returns and expected returns over five years at a rate of 20% per year.

An initial 12% annual rate of increase in the per capita cost of covered healthcare benefits was assumed for 2005. The rate was assumed to decrease gradually to an ultimate rate of 5% by 2010. Assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plan. A one-percentage point change in assumed healthcare cost trend rates would have the following effects:

	1-Percentage Point Increase	1-Percentage Point Decrease
Sensitivity to assumed health care cost trend rate		
Effect on total 2004 service cost and interest cost components	$ 0.2	$ (0.2)
Effect on December 31, 2004 accumulated postretirement benefit obligation	2.1	(1.8)

On December 8, 2003, President Bush signed into law the Medicare Prescription Drug, Improvement and Modernization Act of 2003. As provided for in the Medicare

Prescription Drug, Improvement, and Modernization Act of 2003, the obligations reflect that we will recognize the 28% subsidy for post-65 drug

coverage as an offset to healthcare plan costs. The reduction in obligations due to the subsidy is reflected as an unrecognized net gain to the plan. The gain was reflected in net periodic benefit cost for the first time in 2004. For current and future retirees, the 28% subsidy is expected to reduce our prescription drug plan costs by $567 per individual in 2006 and this amount is expected to increase by the valuation trend rates. Our actuaries have determined that our prescription drug plan provides a benefit that is at least actuarially equivalent to the Medicare prescription drug plan. The calculations do not reflect the final regulations issued in January 2005.

Equifax estimates that the future benefits payable for the retirement and post-retirement plans in place are as follows at December 31, 2004:

	U.S. Defined Benefit Plans	Non-U.S. Defined Benefit Plans (in millions)	Post-Retirement Benefit Plans
Fiscal year ending December 31			
2005	$ 32.4	$ 2.0	$ 3.0
2006	$ 33.7	$ 2.0	$ 3.3
2007	$ 33.6	$ 2.0	$ 3.4
2008	$ 33.9	$ 2.1	$ 3.6
2009	$ 34.1	$ 2.1	$ 3.6
Next five fiscal years to December 31, 2014	$ 175.7	$ 11.0	$ 15.7

USRIP (the "Plan") Investment and Asset Allocation Strategies

The primary goal of the asset allocation strategy of the Plan is to produce a total investment return, employing the lowest possible level of financial risk, which will: (1) satisfy annual cash benefits payments to Plan participants and (2) maintain and increase the total market value of the USRIP, after cash benefits payments, on a real (inflation adjusted) basis.

Maximization of total investment return is not, taken in isolation, a goal of the asset allocation strategy of the USRIP. Return maximization is pursued subject to the asset allocation risk control constraints noted previously.

The Plan's investment managers are required to abide by the provisions of the Employee Retirement Income Security Act ("ERISA"). Standards of performance for each manager include an expected return, a measure of volatility, and a time period of evaluation.

USRIP asset allocation strategy is determined based upon guidelines provided by our external advisor. This forecasting process takes into account projected investment returns by asset category, the correlation among those returns, the standard deviation of those returns and the future pattern of actuarial liabilities to which the plan is obligated. Asset/liability forecasting is conducted at regular intervals during the year, as needed, utilizing input from our in-house and external consulting actuaries, and our external investment advisor. All USRIP asset targets and ranges are approved by two in-house Plan Administrators, who are Named Fiduciaries under ERISA. Investment recommendations are made by our external advisor, working in conjunction with our in-house Investment Officer, who is also an ERISA Named Fiduciary. The 8.75% expected return on plan assets assumption for 2004 is based on the 50th percentile return from our asset/liability forecasting process.

The following USRIP asset allocation ranges, targets and actual allocations were in effect as of December 31, 2004 and 2003:

	Target	Range	Actual 2004	Actual 2003
Large-Cap equity	25%	20-35%	20.5%	30.5%
Mid-Cap equity	10%	5-15%	10.3%	5.4%
Small-Cap equity	8%	5-15%	14.7%	15.8%
International equity	12%	6-18%	15.8%	13.6%
Alternative Assets	15%	5-20%	15.8%	9.4%
Venture Capital	10%	5-15%	5.7%	5.8%
Real Estate	5%	0-12%	3.5%	3.2%
Fixed Income	15%	10-35%	12.8%	15.7%
Cash	minimal	0-2%	0.9%	0.7%

*Note: New USRIP asset allocation targets and ranges were put into place during 2003.

The USRIP, in an effort to meet its asset allocation objectives, utilizes a variety of asset classes which have historically produced returns which are relatively uncorrelated to those of the S&P 500. Asset classes included in this category are alternative assets (hedge funds-of-funds), venture capital (including secondary private equity) and real estate. The primary benefits to the USRIP of using these types of asset classes are: (1) their non-correlated returns reduce the over-all volatility of the USRIP's portfolio of assets, and (2) they produce superior risk-adjusted returns.

Additionally, the USRIP allows certain of its managers, subject to specific risk constraints, to utilize derivative instruments, in order to enhance asset return, reduce volatility or both. Derivatives are primarily employed by the Plan in its fixed income portfolio and in the hedge fund-of-funds area.

The USRIP is prohibited from investing additional amounts in Equifax Inc. stock once the market value of stock held by the plan exceeds 10% of the total market value of the USRIP. At December 31, 2004 and 2003, the USRIP's assets included 1.8 million shares of Equifax common stock, with a market value of approximately $49.6 million and $43.2 million, respectively.

Additionally, the USRIP is subject to the transaction prohibitions imposed by ERISA. Not more than 5% of the portfolio (at cost) shall be invested in the securities of any one issuer with the exception of Equifax common stock, and U.S. Treasury and Government Agency securities.

Foreign Retirement Plans. We also maintain defined contribution plans for certain employees in the U.K. For the years ended December 31, 2004, 2003 and 2002, our expenses related to these plans were $1.4 million, $0.7 million and $1.2 million for each year, respectively.

Employee Retirement Savings Plans. Our retirement savings plans provide for annual contributions by us, within specified ranges, determined at the discretion of the Group Plans Administrative Committee, for the benefit of eligible employees in the form of units of Equifax common stock. Employees may transfer all or a part of these Equifax common stock investments into other available investments within the plan, at any time. Our matching contributions are expensed. Expenses for these plans were $3.2 million in 2004, $3.1 million in 2003 and $3.0 million in 2002.

11. COMMITMENTS AND CONTINGENCIES

Leases. Our operating leases involve principally office space and office equipment. Under the terms of the $29.0 million operating lease for our headquarters building in Atlanta, Georgia, which commenced in 1998 and expires in 2010, we have guaranteed a portion of the residual value of the building at the end of the lease. Total lease payments for the remaining term total $9.7 million. In the event that the property were to be sold by the lessor at the end of the lease term, we would be responsible for any shortfall of the sales proceeds, up to a maximum amount of $23.2 million, which equals 80% of the value of the property at the beginning of the lease term. Based on a current appraisal of the property, we determined that its fair value is $25.0 million. The $4.0 million short-fall against the residual value guarantee will be subsequently recognized as an expense ratably over the remaining lease term.

Rental expense related to our operating leases was $22.3 million in 2004, $18.0 million in 2003 and $22.0 million in 2002. Our headquarters building operating lease has ground purchase options exercisable beginning in 2019, ground renewal options exercisable in 2048 and escalation clauses beginning in 2009. Our technology center lease in Alpharetta, Georgia expires in 2012 and includes renewal options through 2039. Future minimum payment obligations for non-cancelable operating leases exceeding one year are as follows as of December 31, 2004:

	Amount (In millions)
2005	$ 14.6
2006	11.0
2007	8.9
2008	9.2
2009	52.0
Thereafter	12.2
	$ 107.9

Data Processing and Outsourcing Services Agreements. We have separate agreements with IBM, Polk/Acxiom and others with which we outsource portions of our computer data processing operations and related functions, and certain administrative functions. The agreements expire between 2005 and 2013. The estimated aggregate minimal contractual obligation remaining under these agreements is $389.4 million as of December 31, 2004, with no future year expected to exceed $70.8 million. Annual payment obligations in regards to these agreements vary due to factors such as the volume of data processed, changes in our servicing needs as a result of new product offerings, acquisitions or divestitures, the introduction of significant new technologies or the general rate of inflation. Our data processing outsourcing agreement with IBM was renegotiated in 2003 for a ten-year term. Under this agreement (which covers our operations in North America, the U.K., Ireland and Spain), we have outsourced our mainframe and midrange operations, help service and desktop support functions and the operation of our voice and data networks. During 2004, we paid $110.5 million for these services. The estimated future minimum contractual obligation under this agreement is $361.8 million, with no year expected to exceed $54.5 million. In certain circumstances (e.g., a change in control, or for our convenience), we may terminate these data processing and outsourcing agreements, and in doing so certain of these agreements require us to pay a significant penalty.

Agreement with Computer Sciences Corporation. We have an agreement with Computer Sciences Corporation and certain of its affiliates, collectively, CSC, under which CSC-owned credit reporting agencies utilize our computerized credit database services. CSC retains ownership of its credit files and the revenues generated by its credit reporting activity. We receive a processing fee for maintaining the database and for each report supplied. The agreement was renewed by CSC for a ten-year period beginning August 1, 1998. The agreement provides us with an option to purchase CSC's credit reporting

business if CSC does not elect to renew the agreement or if there is a change in control of CSC while the agreement is in effect. Under the agreement CSC also has an option, exercisable at any time, to sell its credit reporting business to us. The option expires in 2013. The option exercise price will be determined by a third-party appraisal process and would be due in cash within 180 days after the exercise of the option. We estimate that if the option were exercised at this time, the price range would approximate $650.0 - $700.0 million. This estimate is based solely on our internal analysis of the value of the businesses, current market conditions and other factors, all of which are subject to constant change. Therefore, the actual option exercise price could be materially higher or lower than the estimated amount. If CSC were to exercise its option, we would have to obtain additional sources of funding. We believe that this funding would be available from sources such as additional bank lines of credit and the issuance of public debt and/or equity. However, the availability and terms of any such capital financing would be subject to a number of factors, including credit market conditions, the state of the equity markets, general economic conditions, and our financial performance and condition. See Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations—Risk Factors included in our annual report on Form 10-K for the year ended December 31, 2004.

Change in Control Agreements. We have Change in Control Agreements with certain of our key officers. These agreements have renewable five-year terms and become effective only upon a change in control of Equifax. A "change in control" is generally defined by the agreements to mean (i) an accumulation by any person, entity or group of 20% or more of the combined voting power of Equifax's voting stock, or (ii) a business combination resulting in the shareholders immediately prior to the combination owning less than two-thirds of the common stock and combined voting power of the new company, (iii) a sale or disposition of all or substantially all of Equifax's assets, or (iv) a complete liquidation or dissolution of Equifax. If any of these events occur and the officer's employment terminates within three years after the date of the change in control, other than from death, disability or termination for cause or voluntary termination other than for "good reason," the officer will be entitled to receive: (a) unpaid compensation accrued through the date of termination; (b) three times the sum of (i) the officer's highest annual salary for the twelve months prior to termination, and (ii) the officer's highest bonus for the three years prior to termination; (c) additional compensation and service credit under retirement plans to age 62 (five years maximum additional service credit); and (d) continuation of group health, dental, vision, life, disability, 401(k) and similar coverages for three years. Benefits payable under these agreements and other compensation or benefit plans of Equifax are not reduced to satisfy the limits of Section 280G of the Internal Revenue Code. As a result, any payments the officer receives will be increased, if necessary, so that after taking into account all taxes the officer would incur as a result of those payments, the officer would receive the same after-tax amount he or she would have received had no excise tax been imposed under Section 4999 of the Code.

Assuming a change in control had occurred on December 31, 2004, and employment had been terminated on that date, the approximate payments that would have been made under the Change in Control Agreements (not including the gross-up portion) would have been $31 million, and the officers' unvested outstanding stock options and restricted stock units would have become fully vested. The amount of the gross-up, if any, to be paid may be substantial and will depend upon numerous factors, including the price per share of Equifax common stock and the extent, if any, that payments or benefits made to the officers constitute "excess parachute payments" within the meaning of Section 280G of the Internal Revenue Code.

Guarantees. We will from time to time issue standby letters of credit, performance bonds or other guarantees in the normal course of business. The aggregate notional amount of all performance bonds and standby of all letters of credit is less than $8.0 million and all have a maturity of less than one year. Guarantees are issued from time to time to support the needs of operating units. The only outstanding guarantee that is not reflected as a liability on our Consolidated Balance Sheets was extended in

connection with the sale of our risk management collections business to RMA Holdings, LLC ("RMA") in October 2000, at which time we guaranteed the operating lease payments of a partnership affiliated with RMA to a lender of the partnership pursuant to a term loan. The operating lease, which expires December 11, 2011, has a remaining balance of $8.4 million based on the undiscounted value of remaining lease payments at December 31, 2004. Our obligations under such guarantee are not secured. We believe the likelihood of demand for payment under these instruments is minimal and expect no material losses to occur in connection with these instruments.

Subsidiary Dividends and Fund Transfers. The ability of certain of our subsidiaries and associated companies to transfer funds to us is limited by certain restrictions imposed by foreign governments, which do not, individually or in the aggregate, materially limit our ability to service our indebtedness, meet our current obligations or pay dividends.

Litigation. In November 2001, the landlord of our former headquarters facility brought an action, *1600 Peachtree, L.L.C. v. Equifax Inc.,* against us in the Superior Court of Fulton County, Georgia, which asserted claims related to our guaranty obligations under our lease termination agreement. This lawsuit seeks damages, of approximately $28.0 million, substantially all of which represents future rent contingencies, and punitive damages. On motions for summary judgment, the Superior Court ruled against our discharge defense and against plaintiff's fraud claim. On June 29, 2004, the Georgia Court of Appeals affirmed the Superior Court's rulings. Both parties appealed these rulings to the Georgia Supreme Court, which on September 27, 2004 declined to hear the appeals. The remaining issues in the case will now be tried in Superior Court. Trial is set to commence on May 4, 2005. We intend to continue to contest in the Superior Court the damages claimed by the plaintiff.

In the third quarter of 2003, the Canada Revenue Agency ("CRA") issued Notices of Reassessment asserting that Acrofax, Inc., a wholly owned Canadian subsidiary of Equifax, is liable for additional tax for the 1995 through 2000 tax years, related to certain intercompany capital contributions and loans. In 1995, Acrofax invested U.K. 30 million pounds in Luxembourg S.A., a Luxembourg subsidiary of Equifax ("LUX"), which subsequently lent that amount to Equifax PLC, a U.K. subsidiary of Equifax. In June 2000, Acrofax distributed via dividend shares of LUX to Equifax Credit Information Services, Inc. another subsidiary of Equifax. The CRA claimed that (1) by using LUX as an intermediary, Acrofax avoided paying tax on interest earned on the loan to Equifax PLC and is therefore taxable on the dividends it received from LUX; and (2) in the alternative, the transactions should be recharacterized as a loan directly from Acrofax to Equifax PLC and tax should be paid by Acrofax on the amount of interest income that it would have received from such a loan as well as withholding tax on the loan principal. The additional tax sought by the CRA for these periods ranges, based on alternative theories, from $7.1 million to $15.8 million, plus interest and penalties. Acrofax has filed Notices of Objection in response to the Notices. On September 2, 2003, we paid a statutorily-required deposit of $5.7 million against the CRA's primary assessment theory. We intend to vigorously contest these reassessments and do not believe we have violated any statutory provision or rule.

On December 30, 2003, Equifax and Naviant served a demand for arbitration alleging, among other things, that the shareholder sellers of Naviant had breached various representations and warranties concerning information furnished to us in connection with our acquisition of Naviant in 2002. The arbitration demand seeks rescission of our Naviant purchase and the recovery of the purchase price or, in the alternative, recovery of monetary damages on various grounds. On March 22, 2004, we recommenced our demand for arbitration in order to utilize the procedures of the American Arbitration Association. Some of the respondents have answered and denied liability. The arbitration has been stayed by agreement pending determination of the motions noted in the litigation described in the next paragraph. We cannot at this time predict the probable outcome of this matter.

On April 28, 2004, in a case captioned *Softbank Capital Partners LP, et al. v. Equifax Inc. and Naviant, Inc.,* certain of the former shareholders of Naviant filed suit in the U.S. District Court for the Southern District of Florida seeking declaratory relief to prevent Equifax and Naviant from proceeding with the arbitration discussed in the the preceding paragraph, except for claims asserted against Softbank Capital Partners LP, as Shareholders' Representative, for certain indemnified losses capped at the amount of a $10.0 million escrow fund specified in the agreement pursuant to which Equifax acquired Naviant. The parties are awaiting rulings on the issues presented by the motion for summary judgment filed by plaintiffs and the motion to dismiss filed by Equifax and Naviant. Although Equifax believes it and Naviant have substantial factual and legal defenses to plaintiffs' claims, we cannot at this time predict the probable outcome of this matter.

On August 13, 2004, in a case captioned *Equifax Inc. v. Austin Ventures VIII, L.P., et al.,* Equifax filed suit in the U.S. District Court for the Southern District of Florida to preserve its claims against the shareholder sellers of Naviant pending the arbitration proceeding described above.

We are involved in other lawsuits, claims and proceedings as is normal in the ordinary course of our business. Any possible adverse outcome arising from these matters is not expected to have a material impact on our results of operations or financial position, either individually or in the aggregate. However, our evaluation of the likely impact of these pending lawsuits could change in the future.

If the potential loss from any claim or legal proceeding is probable and can be estimated, we accrue a liability for estimated settlements and incurred but unpaid legal fees for services performed to date. In our opinion, the ultimate resolution of these matters will not have a materially adverse effect on our financial position, liquidity or results of operations.

12. SALE OF INVESTMENT IN INTERSECTIONS INC.

On May 5, 2004, Equifax, through its wholly owned subsidiary CD Holdings, Inc., completed the sale of 3,755,792 shares of common stock it owned in Intersections Inc., a provider of identity theft protection and credit management services, in an underwritten public offering of common stock for net proceeds of $59.4 million. Immediately prior to the public offering, CD Holdings converted a $20.0 million senior secured convertible note issued to it by Intersections in November 2001 into 3,755,792 shares of Intersections common stock, or approximately 26.9% of Intersections' outstanding stock. The book value of our investment in Intersections was $22.3 million, including accrued interest of $2.3 million. In the second quarter of 2004, we recorded, net of income taxes of $13.8 million, a net gain of $23.0 million or $0.17 per diluted share.

13. RELATED PARTY TRANSACTIONS

We maintain lending, foreign exchange, debt underwriting, cash management, trust, investment management, acquisition valuation, derivative counterparty and shareholder services relationships with SunTrust Banks, Inc. ("SunTrust") whom we consider a related party due to (a) L. Phillip Humann, a member of our board of directors, currently is the Chairman, President, and Chief Executive Officer of SunTrust, and (b) Larry L. Prince, member of our board of directors, is a director of SunTrust. We paid SunTrust $2.8 million, $2.4 million and $3.3 million respectively during the years 2004, 2003 and 2002 for these services. We also provide credit management services to SunTrust, as a customer, from whom we received $4.3 million, $2.9 million and $2.5 million, respectively during the years 2004, 2003 and 2002, and had $0.3 million and $0.2 million of corresponding outstanding receivables with, as of at December 31, 2004 and 2003, respectively. Our relationships with SunTrust are described more fully below:

- On August 20, 2004, Equifax entered into a new five-year $500.0 million senior unsecured revolving credit agreement with a group of banks. This facility replaced a prior $465.0 million revolving credit agreement which was composed of a $305.0 million multi-year portion, scheduled to expire on

October 4, 2004, and a $160.0 million 364-day portion, which would have expired on September 30, 2004. As of December 31, 2004, no borrowings were outstanding under the new $500.0 million credit facility. Borrowings outstanding under the prior $465.0 revolving credit facility totaled $137.1 million at December 31, 2003.

- SunTrust Bank (“SunTrust”), a subsidiary of SunTrust Banks, Inc., is the Administrative Agent for the aforementioned new $500.0 million revolving credit agreement, and also provides a $92.5 million committed portion of that facility. SunTrust Robinson Humphrey, a division of SunTrust Capital Markets, Inc., served as Joint Lead Arranger of the new facility. SunTrust Capital Markets, Inc. is a subsidiary of SunTrust Banks, Inc. As of December 31, 2003, SunTrust provided us a $100.0 committed portion of the prior $465.0 million U.S. revolving credit agreement. SunTrust’s total commitment of $100.0 million at December 31, 2003 was allocated 65.6% ($65.6 million) to the multi-year portion and 34.4% ($34.4 million) to the 364-day portion. Total borrowings outstanding under SunTrust’s 364-day and multi-year portions of this facility were $29.5 million at December 31, 2003.
- SunTrust extends financing in the form of an amortizing term loan to a leveraged real estate limited partnership which owns our Atlanta data center located in Alpharetta, Georgia. We are the primary operating lease tenant in the data center. An unrelated bank leasing company is the equity owner of this partnership. Although this term loan is considered to be non-recourse financing to Equifax, SunTrust is dependent on the operating lease payments made by Equifax to the partnership to service interest expense and amortize principal on the term loan’s debt. The term loan is fully amortized in 2012. As of December 31, 2004, and December 31, 2003, $21.5 million and $24.3 million, respectively, were outstanding under the term loan.
- SunTrust provides the $29.0 million synthetic lease facility related to our Atlanta corporate headquarters building. As of December 31, 2004 and December 31, 2003, the amount of this facility was $29.0 million.
- SunTrust provides investment management services for our USRIP through two of its subsidiaries, Trusco Capital and the Lighthouse Group. As of December 31, 2004 and December 31, 2003, a total of $48.4 million and $37.6 million, respectively, of USRIP assets were managed by these two subsidiaries of SunTrust.
- During 2004 and 2003, SunTrust was the counterparty on $90.0 million, notional value, of interest rate swaps with Equifax Inc.

Bank of America, N.A. (“B of A”), through its various subsidiaries, provides Equifax and our subsidiaries cash management, foreign exchange, lending and debt underwriting services. We consider B of A a related party because Jacquelyn M. Ward, a member of our board of directors, is also a director of B of A. We paid B of A $0.8 million, $0.8 million and $2.0 million respectively during the years 2004, 2003 and 2002 for these services. We also provide credit management services to B of A, as a customer, from whom we received $18.3 million, $15.3 million and $11.2 million, respectively during the years 2004, 2003 and 2002, and had $2.0 million and $1.7 million of corresponding outstanding receivables with, as of December 31, 2004 and 2003, respectively. Our relationships with B of A are described more fully below:

- As of December 31, 2003, and through the facility’s termination on August 20, 2004, B of A served as the Administrative Agent on Equifax Inc.’s $465.0 million revolving credit agreement, and provided a $100.0 committed portion of that facility. B of A’s total commitment of $100.0 million at December 31, 2003 was allocated 65.6% ($65.6 million) to the multi-year portion and 34.4% ($34.4 million) to the 364-day portion. Total borrowings outstanding under B of A’s 364-day and multi-year portions of this facility were $29.5 million at December 31, 2003.

- B of A was the Syndication Agent for the new $500.0 million revolving credit agreement referenced above under SunTrust and executed in August 2004, and also provides a $92.5 million committed portion of that facility. Banc of America Securities LLC, a subsidiary of Bank of America Corporation, served as a Joint Lead Arranger of the new facility.
- B of A extends an uncommitted $25.0 million working capital line of credit to Equifax. The facility is cancelable at the discretion of either party. The uncommitted working capital line, at December 31, 2004 and December 31, 2003, had outstanding balances of $0.0 million and $5.4 million, respectively.
- Bank of America Corporation provides investment management services for the USRIP through its subsidiary, Bank of America Capital Advisors, LLC. As of December 31, 2004, a total of $5.2 million of USRIP assets was managed by this subsidiary.
- At December 31, 2004 and December 31, 2003, B of A was the counterparty on $124.0 million, notional value, of interest rate swaps with Equifax.

We sell telecommunication credit information reports and customer portfolio reviews to Certegy, Inc (“Certegy”). In addition Certegy provides customer invoice and disclosure notification printing/mailing services to us. We consider Certegy a related party because Lee A. Kennedy, a member of our board of directors, is also Chairman and Chief Executive Officer of Certegy. Amounts paid to Certegy for fulfillment services were $9.2 million, $3.7 million and $0.1 million, respectively for the years 2004, 2003 and 2002. Fees received from Certegy, as a customer, for credit disclosure reports and portfolio reviews were $1.0 million, $0.6 million and $0.3 million, respectively during the years 2004, 2003 and 2002. The corresponding outstanding accounts receivable balances due from Certegy at December 31, 2004 and 2003, respectively, were $0.1 million and $0.2 million.

14. QUARTERLY FINANCIAL DATA (UNAUDITED)

Quarterly financial data for 2004 and 2003 are as follows:

2004	First			Second			Third			Fourth		
	Reported	Italy	Restated	Reported	Italy	Restated	Reported	Italy	Restated	Reported	Italy	Restated
	(In millions, except per share data)											
Operating revenue	$ 313.6	$ 3.7	$ 309.9	$ 318.9	$ 3.5	$ 315.4	$ 323.0	$ 3.1	$ 319.9	$ 327.6	$ —	$ 327.6
Operating income	$ 87.8	$ (0.6)	$ 88.4	$ 86.3	$ (5.7)	$ 92.0	$ 95.4	$ (0.3)	$ 95.7	$ 99.7	$ —	$ 99.7
Income from continuing operations	$ 51.2	$ (0.6)	$ 51.8	$ 73.2	$ (3.8)	$ 77.0	$ 52.7	$ (0.6)	$ 53.3	$ 55.2	$ —	$ 55.2
Discontinued operations	$ (0.4)	$ —	$ (1.0)	$ —	$ —	$ (3.8)	$ 0.5	$ —	$ (0.1)	$ 2.3	$ —	$ 2.3
Net income	$ 50.8	$ (0.6)	$ 50.8	$ 73.2	$ (3.8)	$ 73.2	$ 53.2	$ (0.6)	$ 53.2	$ 57.5	$ —	$ 57.5
Per common share (basic):												
Income from continuing operations	$ 0.39	$ (0.01)	$ 0.40	$ 0.56	$ (0.03)	$ 0.59	$ 0.40	$ (0.01)	$ 0.41	$ 0.43	$ —	$ 0.43
Net income	$ 0.39	$ (0.00)	$ 0.39	$ 0.56	$ 0.00	$ 0.56	$ 0.40	$ (0.00)	$ 0.40	$ 0.44	$ —	$ 0.44
Per common share (diluted):												
Income from continuing operations	$ 0.38	$ (0.00)	$ 0.38	$ 0.55	$ (0.03)	$ 0.58	$ 0.40	$ (0.00)	$ 0.40	$ 0.42	$ —	$ 0.42
Net income	$ 0.38	$ (0.00)	$ 0.38	$ 0.55	$ 0.00	$ 0.55	$ 0.40	$ (0.00)	$ 0.40	$ 0.43	$ —	$ 0.43

2003	First			Second			Third			Fourth		
	Reported	Italy	Restated	Reported	Italy	Restated	Reported	Italy	Restated	Reported	Italy	Restated
	(In millions, except per share data)											
Operating revenue	$ 301.6	$ 4.1	$ 297.5	$ 317.0	$ 4.2	$ 312.8	$ 309.8	$ 3.1	$ 306.7	$ 297.0	$ 3.3	$ 293.7
Operating income												

	$ 80.7	$ (0.2)	$ 80.9	$ 85.3	$ —	$ 85.3	$ 88.9	$ (0.8)	$ 89.7	$ 57.2	$ (1.1)	$ 58.3
Income from continuing operations	$ 45.1	$ (0.2)	$ 45.3	$ 49.3	$ (0.1)	$ 49.4	$ 52.8	$ (0.8)	$ 53.6	$ 31.3	$ (1.1)	$ 32.4
Discontinued operations	$ (1.3)	$ —	$ (1.5)	$ (7.4)	$ —	$ (7.5)	$ (1.6)	$ —	$ (2.4)	$ (3.3)	$ —	$ (4.4)
Net income	$ 43.8	$ (0.2)	$ 43.8	$ 41.9	$ (0.1)	$ 41.9	$ 51.2	$ (0.8)	$ 51.2	$ 28.0	$ (1.1)	$ 28.0
Per common share (basic):												
Income from continuing operations	$ 0.33	$ (0.00)	$ 0.33	$ 0.37	$ (0.00)	$ 0.37	$ 0.39	$ (0.01)	$ 0.40	$ 0.24	$ (0.01)	$ 0.25
Net income	$ 0.32	$ (0.00)	$ 0.32	$ 0.31	$ (0.00)	$ 0.31	$ 0.38	$ 0.00	$ 0.38	$ 0.21	$ 0.00	$ 0.21
Per common share (diluted):												
Income from continuing operations	$ 0.33	$ (0.00)	$ 0.33	$ 0.36	$ (0.00)	$ 0.36	$ 0.39	$ (0.01)	$ 0.40	$ 0.23	$ (0.01)	$ 0.24
Net income	$ 0.32	$ (0.00)	$ 0.32	$ 0.31	$ (0.00)	$ 0.31	$ 0.38	$ 0.00	$ 0.38	$ 0.21	$ 0.00	$ 0.21

15. SEGMENT INFORMATION

Our operations are organized into four reportable segments, with three primary reportable segments (i.e., "Equifax North America," "Equifax Europe" and "Equifax Latin America") dedicated to the marketing and selling of our core product lines (i.e., Information Services, Marketing Services and Personal Solutions) and related business operations within finite geographic regions. The fourth reportable segment ("Other") pertains to an inactive product line. We also separately disclose the financial information pertaining to our divested operations. The accounting policies of the segments are the same as those described in our summary of significant accounting and reporting policies (Note 1). We evaluate the performance of these segments based on their operating revenues, operating income and operating margins, excluding any unusual or infrequent items (if any). Inter-segment sales and transfers are not material. The measurement criteria for segment profit or loss and segment assets are substantially the same for each reportable segment. All transactions between segments are accounted for at cost, and no timing differences occur between segments.

The 2004, 2003 and 2002 operating results for our Italian business and the commercial services business component in Spain have been reclassified to discontinued operations and are not included in the Equifax Europe's reported segment results as shown below. (Note 3)

A more detailed description of these reportable segment and their products and services is as follows:

Equifax North America. Comprises the Information Services, Marketing Services and Personal Solutions operating segments. Products and services are provided in the U.S. and Canada and consist of Information Services which includes consumer and commercial services such as credit information and credit scoring, credit modeling services, locate service, fraud detection and prevention services, mortgage loan origination information services, identity verification services and other consulting services; Marketing Services which includes credit card marketing services and consumer demographic and lifestyle information services; Predictive Analytical Science Services which includes consulting in the formulation and execution of decision strategies to maximize revenue opportunities for the customers of our Information and Marketing Services businesses; and Personal Solutions credit and finance products sold directly to individuals.

Equifax Europe. Comprises the U.K. and Spain operating segments. Products and services offerings consist of Information Services including consumer and commercial services such as credit and financial information, credit scoring and credit modeling services; and Credit Marketing Services.

Equifax Latin America. Comprises the Argentina, Brazil, Chile, El Salvador, Peru and Uruguay operating segments. Product and service offerings consist of Information Services including consumer and commercial services such as credit and financial information, credit scoring and credit modeling services and Credit Marketing Services.

Other. Pertains to lottery services relating solely to a contract to provide services to the state of California. Services under this contract ceased during 2002. No further revenue or operating income has been received since the second quarter 2002 or is expected to reoccur.

Divested Operations. Pertains to the Italian mortgage information services business divested in the fourth quarter of 2004 and the commercial services business component of Spain divested in the third quarter of 2002.

Segment information for 2004, 2003 and 2002 is as follows:

	Twelve Months Ended December 31,		
	2004	**2003**	**2002**
	(In millions)		
Operating Revenue:			
Equifax North America			
Information Services	**$ 707.1**	$ 679.8	$ 588.0
Marketing Services	**236.1**	265.7	274.8
Personal Solutions	**96.1**	69.5	39.4
Equifax North America	**1,039.3**	1,015.0	902.2
Equifax Europe	**142.0**	115.8	112.1
Equifax Latin America	**91.5**	79.9	76.6
Other	**—**	—	4.4
	$1,272.8	$1,210.7	$1,095.3

	2004	**2003**	**2002**
	(In millions)		
Operating Income (Loss):			
Equifax North America			
Information Services	**$ 299.5**	$ 296.9	$ 267.2
Marketing Services	**74.4**	48.8	85.4
Marketing Services asset impairment & related charges	**(2.4)**	(30.6)	—
Marketing Services, net	**72.0**	18.2	85.4

	2004	2003	2002
Personal Solutions	**17.6**	9.2	9.0
Equifax North America	**389.1**	324.3	361.6
Equifax Europe	**30.0**	22.9	13.9
Equifax Latin America	**17.0**	20.0	20.3
Other	**—**	—	4.4
General corporate expense	**(60.3)**	(53.0)	(47.7)
	$ 375.8	$ 314.2	$ 352.5

	2004	2003 (In millions)	2002
Total Assets at December 31:			
Equifax North America	**$1,092.2**	$1,060.9	$1,064.8
Equifax Europe	**182.3**	153.2	142.5
Equifax Latin America	**214.5**	198.7	161.8
Other	**—**	2.2	3.5
General corporate expense	**67.8**	102.2	94.9
	1,556.8	1,517.2	1,467.5
Divested operations	**0.4**	36.1	39.4
	$1,557.2	$1,553.3	$1,506.9

	2004	2003 (In millions)	2002
Depreciation and amortization:			
Equifax North America	**$ 54.6**	$ 66.0	$ 53.8
Equifax Europe	**10.1**	10.6	12.1
Equifax Latin America	**6.8**	5.5	5.4
General corporate expense	**9.6**	12.0	8.4
	$ 81.1	$ 94.1	$ 79.7

	2004	2003 (In millions)	2002
Capital expenditures (excluding property & equipment & other assets acquired in acquisitions):			
Equifax North America	**$ 37.6**	$ 41.0	$ 42.9
Equifax Europe	**4.7**	6.2	5.8
Equifax Latin America	**2.5**	5.3	5.3
General corporate expense	**2.7**	0.2	1.4
	$ 47.5	$ 52.7	$ 55.4

Financial information by geographic area is as follows:

	2004		2003		2002	
	Amount	%	Amount (In millions)	%	Amount	%
Operating Revenue (based on location of customer):						
United States	**$ 939.2**	**74%**	$ 924.1	76%	$ 826.0	75%
Canada	**100.1**	**8%**	90.9	8%	80.4	7%
United Kingdom	**124.3**	**10%**	101.6	8%	97.6	9%
Brazil	**47.3**	**4%**	45.9	4%	43.4	4%
Other	**61.9**	**5%**	48.2	4%	47.9	4%
	$1,272.8	**100%***	$1,210.7	100%	$1,095.3	99%*

* Does not total due to rounding

	2004		2003		2002	
	Amount	%	Amount (In millions)	%	Amount	%
Long-lived assets of continuing operations at December 31:						
United States	**$ 812.2**	**65%**	$ 832.7	66%	$ 844.1	70%
Canada	**126.7**	**10%**	114.5	9%	99.9	8%
United Kingdom	**122.5**	**10%**	91.6	7%	84.0	7%
Brazil	**118.8**	**9%**	111.9	9%	89.0	7%
Other	**77.4**	**6%**	107.8	9%	96.2	8%
	$1,257.6	**100%**	$1,258.5	100%	$1,213.2	100%

16. SUBSEQUENT EVENTS

On March 15, 2005, we completed the acquisition of APPRO Systems, Inc. (“APPRO”), a privately-held corporation headquartered in Baton Rouge, Louisiana. APPRO is a provider of automated credit risk management and financial technologies for consumer, commercial and retail banking lending operations. We paid a total of approximately $92.0 million in cash to the stockholders and optionholders of APPRO. The net cash impact to Equifax of the Merger will be approximately $74.0 million after disposition of certain assets.

We financed the purchase price of the acquisition through available cash and approximately $72.0 million in borrowings under our existing trade-receivables backed revolving credit facility.

Credit Bureau of Baton Rouge, Inc. (“CBBR”) is a 5% shareholder of APPRO and receives computerization services for its credit files from Equifax Information

Services LLC, a subsidiary of Equifax, in the ordinary course of business. Steve Uffman is the founder, Chairman and Chief Executive Officer of APPRO and is the Chief Executive Officer of CBBR. Mr. Uffman will become Group Executive, Enabling Technologies of Equifax.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There has been no change in our independent auditors during the past two fiscal years. There have been no disagreements with our independent auditors on our accounting or financial reporting or auditing scope of procedure that would require our independent auditors to make reference to such disagreement in their report on our consolidated financial statements and financial statement schedule, or otherwise require disclosure in this Annual Report on Form 10-K.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended), as of December 31, 2004.

No system of controls, no matter how well designed and operated, can provide absolute assurance that the objectives of the system of controls are met, and no evaluation of controls can provide absolute assurance that the system of controls has operated effectively in all cases. Our disclosure controls and procedures however are designed to provide reasonable assurance that the objectives of disclosure controls and procedures are met.

Based on the evaluation discussed above, our chief executive officer and chief financial officer have concluded that our disclosure controls and procedures were, as of the end of the period covered by this report, effective and designed to provide reasonable assurance that the objectives of disclosure controls and procedures are met.

There were no changes in Equifax's internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended) that occurred during Equifax's fourth fiscal quarter of 2004 that have materially affected, or are reasonably likely to materially affect, Equifax's internal control over financial reporting.

Management's Annual Report on Internal Control Over Financial Reporting

This report is included in Item 8 on page 46 and is incorporated by reference.

Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting

This report is included in Item 8 on page 47 and is incorporated by reference.

ITEM 9B. OTHER INFORMATION

The following disclosures would otherwise have been filed on Form 8-K, Item 2.03, under the heading "Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant":

On March 15, 2005, Equifax completed the acquisition of APPRO Systems, Inc. as described under Item 1, Business—Current Developments—Acquisition of APPRO Systems, Inc. for $92.0 million. See Management's Discussion and Analysis—Acquisition of APPRO Systems, Inc. for a summary of the financing of this transaction.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information required by Item 10 of Part III regarding our directors and nominees is included in the sections captioned "Corporate Governance," "Director Nominees," "Continuing Directors" and "Board and Committee Meetings" in our definitive Proxy Statement ("2005 Proxy Statement") relating to the Annual Meeting of Shareholders to be held on May 17, 2005, to be filed with the SEC within 120 days after December 31, 2004, and is incorporated herein by reference.

Information regarding our Executive Officers required by Item 10 of Part III is set forth in Item 1 of Part I "Business—Executive Officers of the Registrant."

Information regarding compliance with Section 16(a) of the Securities Exchange Act of 1934 is included in the section of our 2005 Proxy Statement captioned "Executive Compensation—Section 16(a) Beneficial Ownership Reporting Compliance," and is incorporated herein by reference.

Equifax's Code of Ethics and Business Conduct applies to all directors, officers and employees, including our chief executive officer, our chief financial officer, our controller and our principal accounting officer. You can find our Code of Ethics and Business Conduct on our internet site, *www.equifax.com/corp/aboutefx/ethics/governance.shtml* .. We will post any amendments to the Code of Ethics and Business Conduct, and any waivers that are required to be disclosed by the rules of either the SEC or the New York Stock Exchange (NYSE), on our internet site.

Because our common stock is listed on the NYSE, our Chief Executive Officer is required to make, and he has made, an annual certification to the NYSE stating that he was not aware of any violation by Equifax of the corporate governance listing standards of the NYSE. Our Chief Executive Officer made his annual certification to that effect to the NYSE as of April 29, 2004. In addition, Equifax has filed, as exhibits to this Annual Report on Form 10-K, the certifications of its Chief Executive Officer and Chief Financial Officer required under Section 302 of the Sarbanes-Oxley Act of 2002 to be filed with the Securities and Exchange Commission regarding the quality of Equifax's public disclosure.

ITEM 11. EXECUTIVE COMPENSATION

Information required by Item 11 of Part III is included in the sections of our 2005 Proxy Statement captioned "Election of Directors—Director Compensation" and "Executive Compensation," and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information required by Item 12 of Part III is included in the sections of our 2005 Proxy Statement captioned "Executive Compensation—Securities Authorized for Issuance under Equity Compensation Plans" and "Stock Ownership by Directors and Executive Officers," and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information required by Item 14 of Part III is included in the section of our 2005 Proxy Statement captioned "Independent Auditors' Fees" and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) **List of Documents Filed as a Part of This Report:**

(1) *Financial Statements*. The following financial statements are included in Item 8 of Part II:

- Consolidated Balance Sheets—December 31, 2004 and 2003;
- Consolidated Statements of Income for the Years Ended December 31, 2004, 2003 and 2002;
- Consolidated Statements of Cash Flows for the Years Ended December 31, 2004, 2003 and 2002;
- Consolidated Statements of Shareholders' Equity and Comprehensive Income for the Years Ended December 31, 2004, 2003 and 2002;
- Notes to Consolidated Financial Statements; and
- Report of Independent Registered Public Accounting Firm on Consolidated Financial Statements.

(2) *Financial Statement Schedules*. All schedules have been omitted because they are not required or applicable, or because the required information is included in the Consolidated Financial Statements or notes to these statements.

(3) *Exhibits*. A list of the exhibits required to be filed as part of this Report by Item 601 of Regulation S-K is set forth in the Exhibit Index on page 92 of this Form 10-K, which immediately precedes such exhibits, and is incorporated herein by reference.

(b) **Exhibits.** See Item 15(a)(3).

(c) Financial Statement Schedules. See Item 15(a)(2).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 16, 2005.

EQUIFAX INC.
(Registrant)

By: /s/ THOMAS F. CHAPMAN
Thomas F. Chapman
Chairman of the Board and Chief Executive Officer

We, the undersigned directors and executive officers of Equifax Inc., hereby severally constitute Donald T. Heroman, Nuala M. King and David J. Gunter, and each of them singly, our true and lawful attorneys with full power to them and each of them to sign for us, and in our names in the capacities indicated below, any and all amendments to the Annual Report on Form 10-K filed with the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by our said attorneys to any and all amendments to said Annual Report on Form 10-K.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the day of March 16, 2005.

/s/ THOMAS F. CHAPMAN
Thomas F. Chapman, *Chairman of the Board and Chief Executive Officer*

/s/ DONALD T. HEROMAN
Donald T. Heroman, *Corporate Vice President and Chief Financial Officer (Principal Financial Officer)*

/s/ NUALA M. KING
Nuala M. King, *Vice President and Corporate Controller (Principal Accounting Officer)*

/s/ LEE A. AULT III
Lee A. Ault III, *Director*

/s/ JOHN L. CLENDENIN

John L. Clendenin, *Director*

/s/ JAMES E. COPELAND, JR.
James E. Copeland, Jr., *Director*

/s/ A. W. DAHLBERG
A. W. Dahlberg, *Director*

/s/ L. PHILLIP HUMANN
L. Phillip Humann, *Director*

/s/ LEE A. KENNEDY
Lee A. Kennedy, *Director*

/s/ LARRY L. PRINCE
Larry L. Prince, *Director*

/s/ D. RAYMOND RIDDLE
D. Raymond Riddle, *Director*

/s/ JACQUELYN M. WARD
Jacquelyn M. Ward, *Director*

2004 Form 10-K

EXHIBIT INDEX

Exhibit Number	Description
	Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession
2.1*	Agreement and Plan of Merger dated as of February 3, 2005 between Equifax Inc. and APPRO Systems, Inc. including a schedule of omitted exhibits. Equifax agrees to furnish to the SEC, upon request, a copy of each exhibit to this Agreement and Plan of Merger.
	Articles of Incorporation and Bylaws
3.1	Amended and Restated Articles of Incorporation of Equifax Inc. as amended to date (incorporated by reference to Exhibit B to Equifax's Schedule 14A filed March 27, 1996).
3.2	Bylaws of Equifax Inc. as amended to date (incorporated by reference to Exhibit 3.2 to Equifax's Form 10-K filed March 11, 2004).
	Instruments Defining the Rights of Security Holders, Including Indentures
4.1	Rights Agreement dated as of October 25, 1995 between Equifax Inc. and SunTrust Bank, Atlanta, which includes as Exhibit A the form of Rights Certificate and as Exhibit B the Summary of Rights (incorporated by reference to Exhibit 4.3 to Equifax's Form 10-K filed March 29, 2001).
4.2	Form of Rights Certificate (included in Exhibit 4.1).
4.3	Amendment to Rights Agreement, dated as of July 7, 2001, amending the Rights Agreement dated as of October 25, 1995 between Equifax Inc. and SunTrust Bank (incorporated by reference to Exhibit 99.1 to Equifax's Form 8-A/A, Amendment No. 1 filed July 9, 2001).
4.4	Form of Indenture dated as of June 29, 1998 between Equifax Inc. and The First National Bank of Chicago, Trustee (under which Equifax's 6.3% Notes due 2005 and 6.9% Debentures due 2028 were issued) (incorporated by reference to Exhibit 4.4 to Equifax's Form 10-K filed March 31, 1999).
4.5	Indenture dated as of October 29, 2002 between Equifax Inc. and The Bank of New York, Trustee, relating to Equifax's 4.95% Notes due November 1, 2007 (incorporated by reference to Exhibit 99.3 to Equifax's Form 10-Q filed November 12, 2002).
4.6	Credit Agreement dated as of August 20, 2004 among Equifax Inc., Equifax PLC, the Lenders named therein and SunTrust Bank as Administrative Agent (incorporated by reference to Exhibit 4.1 to Equifax's Form 8-K filed August 20, 2004).
4.7	Except as set forth in the preceding Exhibits 4.1 through 4.6, instruments defining the rights of holders of long-term debt securities of Equifax have been omitted where the total amount of securities authorized does not exceed 10% of the total assets of Equifax Inc. and its subsidiaries on a consolidated basis. Equifax agrees to furnish to the SEC, upon request, a copy of such instruments with respect to issuances of long-term debt of Equifax and its subsidiaries.
	Management Contracts and Compensatory Plans or Arrangements

10.1	Equifax Inc. 1988 Performance Share Plan for Officers, as amended (incorporated by reference to Exhibit 10.1 to Equifax's Form 10-K filed March 31, 1998).

10.2	Equifax Inc. 1997 Incentive Compensation Plan (incorporated by reference to Exhibit 10.2 to Equifax's Form 10-K filed March 31, 1998).
10.3	Equifax Inc. Deferred Compensation Plan (incorporated by reference to Exhibit 10.3 to Equifax's Form 10-K filed March 31, 1998).
10.4*	Form of Tier 1 Change in Control Agreement.
10.5*	Form of Tier 2 Change in Control Agreement.
10.6	Equifax Inc. Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.8 to Equifax's Form 10-K filed March 31, 1998).
10.7	Equifax Inc. Non-Employee Director Stock Option Plan and Form of Non-Employee Director Stock Option Agreement (incorporated by reference to Exhibit 10.16 to Equifax's Form 10-K filed March 31, 1999).
10.8	Equifax Inc. Supplemental Executive Retirement Plan (incorporated by reference to Exhibit 10.7 to Equifax's Form 10-K filed March 29, 2001).
10.9	Supplemental Retirement Plan for Executives of Equifax Inc. (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed November 15, 2004).
10.10	Equifax Inc. Executive Life and Supplemental Retirement Benefit Plan (incorporated by reference to Exhibit 10.8 to Equifax's Form 10-K filed March 29, 2001).
10.11	Equifax Inc. Key Management Long-Term Incentive Plan (incorporated by reference to Exhibit 10.22 to Equifax's Form 10-K filed March 29, 2001).
10.12	Equifax Inc. 2000 Stock Incentive Plan as amended (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed November 3, 2004).
10.13	Form of Non-Qualified Stock Option Agreement under the Equifax Inc. 2000 Stock Incentive Plan (incorporated by reference to Exhibit 10.5 to Equifax's Form 8-K filed September 9, 2004).
10.14	Form of Non-Qualified Stock Option Agreement under the Equifax Inc. 2000 Stock Incentive Plan (U.K. approved option version) (incorporated by reference to Exhibit 10.6 to Equifax's Form 8-K filed September 9, 2004).
10.15	Form of Non-Qualified Stock Option Agreement under the Equifax Inc. 2000 Stock Incentive Plan (U.K. unapproved option version) (incorporated by reference to Exhibit 10.7 to Equifax's Form 8-K filed September 9, 2004).
10.16	Form of Incentive Stock Option Agreement under the Equifax Inc. 2000 Stock Incentive Plan (incorporated by reference to Exhibit 10.8 to Equifax's Form 8-K filed September 9, 2004).
10.17	Form of Deferred Share Award Agreement (restricted stock units) under the Equifax Inc. 2000 Stock Incentive Plan (incorporated by reference to Exhibit 10.9 to Equifax's Form 8-K filed September 9, 2004).
10.18	Equifax Inc. Bonus Exchange Program (incorporated by reference to Exhibit 10.24 to Equifax's Form 10-K filed March 29, 2001).
10.19	Bonus Deferral Arrangement (incorporated by reference to Exhibit 10.25 to Equifax's Form 10-K filed March 12, 2002).

10.20	Equifax Inc. Executive Deferred Compensation Plan (incorporated by reference to Exhibit 10.27 to Equifax's Form 10-K filed March 28, 2003).
10.21	Equifax Inc. Director Deferred Compensation Plan (incorporated by reference to Exhibit 10.28 to Equifax's Form 10-K filed March 28, 2003).
10.22	Equifax Grantor Trust dated as of January 1, 2003 between Equifax Inc. and Wachovia Bank, N.A., Trustee (incorporated by reference to Exhibit 10.30 to Equifax's Form 10-K filed March 28, 2003).
10.23	Employment Agreement dated as of October 25, 2002 between Equifax Inc. and Donald T. Heroman and form of Employee Confidentiality, Non-Solicitation and Assignment Agreement (incorporated by reference to Exhibit 10.32 to Equifax's Form 10-K filed March 28, 2003).
10.24	Equifax Inc. Director and Executive Stock Deferral Plan as amended through March 31, 2003 (incorporated by reference to Exhibit 4 to Equifax's Registration Statement on Form S-8 filed November 12, 2003).
10.25*	Separation Agreement and General Release of Claims dated as of November 10, 2003 between Equifax Inc. and Mark E. Miller.
10.26*	Transition Agreement dated as of December 17, 2004 between Equifax Inc. and Thomas F. Chapman.
10.27*	Form of Executive Officer Deferred Share Award Agreement.
10.28*	Form of Director Deferred Share Award Agreement.
10.29*	Compensation Arrangements for Non-Employee Directors.
10.30*	Summary of Executive Officer Compensation.
10.31*	Deferred Share Award Agreement dated February 3, 2005 of Thomas F. Chapman under Equifax Inc. 2000 Stock Incentive Plan and Transition Agreement dated December 17, 2004.
10.32*	Summary of Annual Incentive Plan.
	Material Contracts
10.33	Agreement for Computerized Credit Reporting Services and Options to Purchase and Sell Assets dated as of August 1, 1988 among The Credit Bureau, Incorporated of Georgia, Equifax Inc., Computer Sciences Corporation, CSC Credit Services, Inc., Credit Bureau of Greater Cincinnati, Inc., Credit Bureau of Greater Kansas City, Inc., Johns Holding Company, CSC Credit Services of Minnesota, Inc. and CSC Accounts Management, Inc. (incorporated by reference to Exhibit 10.18 to Equifax's Form 10-K filed March 30, 2000).

10.34	First through Third Amendments dated as of December 28, 1990, 1991 and September 27, 1991, respectively, to Agreement for Computerized Credit Reporting Services and Options to Purchase and Sell Assets (incorporated by reference to Exhibit 10.26 to Equifax's Form 10-K filed March 31, 1997).
10.35	Fourth Amendment dated as of December 31, 1992 to Agreement for Computerized Services and Options to Purchase and Sell Assets (incorporated by reference to pages 8 through 16 and Exhibit 4.1 to Amendment No. 1 to Form S-3, Registration Statement No. 33-62820 filed June 17, 1993).

10.36	Fifth Amendment dated as of September 7, 1993 to Agreement for Computerized Credit Reporting Services and Options to Purchase and Sell Assets (incorporated by reference to Exhibit 10.21 to Equifax's Form 10-K filed March 30, 2000).
10.37	Sixth Amendment dated as of 1994 to Agreement for Computerized Credit Reporting Services and Options to Purchase and Sell Assets (incorporated by reference to Exhibit 10.25 to Equifax's Form 10-K filed March 30, 1995).
10.38	Lease Agreement dated as of March 18, 1994 between Equifax Inc. and William J. Wade, Individual Owner Trustee of Equifax Business Trust No. 1994-A, related to leveraged lease of JV White Technology Center (incorporated by reference to Exhibit 10.24 to Equifax's Form 10-K filed March 30, 2000).
10.39	Groundlease Agreement dated as of March 5, 1998 between Rhodes Center Property, L.L.C. and Equifax Inc. related to lease of Equifax's corporate headquarters (incorporated by reference to Exhibit 10.29 to Equifax's Form 10-K filed March 31, 1999).
10.40	Sale, Sublease, Assignment and License Agreement dated as of November 15, 2002 between Equifax Inc. and Seisint, Inc. (incorporated by reference to Exhibit 10.33 to Equifax's Form 10-K filed March 28, 2003).
10.41	Analytic Products and Services Master Contract Agreement between Equifax Inc. and Fair, Isaac and Company, Incorporated (incorporated by reference to Exhibit 10.34 to Equifax's Form 10-K filed March 28, 2003).
10.42	Global Amendments between Equifax Credit Information Services, Inc. and Fair, Isaac and Company, Incorporated (incorporated by reference to Exhibit 10.35 to Equifax's Form 10-K filed March 28, 2003).
10.43**	Agreement for Operations Support dated as of July 1, 2003 between International Business Machines Corporation and Equifax Inc. (incorporated by reference to Exhibit 10.1 to Equifax's Form 10-Q/A filed April 29, 2004).
10.44	Credit and Security Agreement dated as of September 7, 2004, among Equifax Receivables Finance LLC, as Borrower, Equifax Capital Management, Inc., as Servicer, Blue Ridge Asset Funding Corporation, the Liquidity Banks from time to time party thereto, and Wachovia Bank, National Association, as Agent (incorporated by reference to Exhibit 10.1 to Equifax's Form 8-K filed September 9, 2004).
10.45	(First Step) Receivables Sale Agreement dated as of September 7, 2004, among Equifax Inc., Equifax Information Services LLC, Equifax Direct Marketing Solutions LLC, Equifax Information Services of Puerto Rico Inc. and Compliance Data Center, Inc., as Originators and Equifax Capital Management, Inc., as Buyer (incorporated by reference to Exhibit 10.2 to Equifax's Form 8-K filed September 9, 2004).
10.46	(Second Step) Receivables Sale Agreement dated as of September 7, 2004 between Equifax Capital Management, Inc., as Seller and Equifax Receivables Finance LLC, as Buyer (incorporated by reference to Exhibit 10.3 to Equifax's Form 8-K filed September 9, 2004).
10.47	Performance Undertaking dated as of September 7, 2004 between Equifax Capital Management, as Seller and Equifax Receivables Finance LLC, as Buyer (incorporated by reference to Exhibit 10.4 to Equifax's Form 8-K filed September 9, 2004).

	Other Exhibits and Certifications
11.1	Calculation of earnings per share (The calculation of per share earnings is in Part II, Item 8, Note 1 to the Consolidated Financial Statements and is omitted in accordance with Section (b)(11) of Item 601 of Regulation S-K).
14.1	Code of Ethics (The Equifax Business Ethics and Compliance Program) (incorporated by reference to Exhibit 14 to Equifax's Form 10-K filed March 11, 2004).
21.1*	Subsidiaries of Equifax Inc.
23.1*	Consent of Independent Registered Public Accounting Firm.
24.1	Powers of Attorney (included on signature page).
31.1*	Rule 13a-14(a) Certification of Chief Executive Officer.
31.2*	Rule 13a-14(a) Certification of Chief Financial Officer.
32.1*	Section 1350 Certification of Chief Executive Officer.
32.2*	Section 1350 Certification of Chief Financial Officer.
99.1*	Financial measures that supplement generally accepted accounting principles.

* Filed electronically herewith.

** Document omits information pursuant to a Request for Confidential Treatment under Rule 406 of the Securities Act of 1933 which has been granted by the SEC. Omitted portions have been filed separately with the SEC.

Exhibit 2.1

AGREEMENT AND PLAN OF MERGER

Among

EQUIFAX INC.

LAPHROAIG ACQUISITION CORPORATION

APPRO SYSTEMS, INC.

and

SHAWMUT EQUITY PARTNERS, L.P.,

as Representative

February 3, 2005

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EXHIBITS AND SCHEDULES

Exhibits

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Exhibit 3.2(i)—Form of Kilpatrick Stockton LLP Legal Opinion

Schedules

Schedule 1.2(d)—Company Options
Schedule 1.3—Preliminary Allocation Schedule
Schedule 1.5—Escrow Allocation Schedule
Schedule 2.3—General Ledger Accounts used for Balance Sheet Preparation
Schedule 3.1(c)—Third-Party Consents of Company
Schedule 3.2(c)—Third-Party Consents of Parent and Merger Sub
Schedule 6.1—Conduct of the Business
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Schedule 8.2—Transaction Expenses
Schedule 8.8—Transaction Bonuses

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "**Agreement**"), dated as of February 3, 2005, is made by and among Equifax Inc., a Georgia corporation ("**Parent**"), Laphroaig Acquisition Corporation, a Louisiana corporation and wholly-owned subsidiary of Parent (the "**Merger Sub**"), Appro Systems, Inc., a Louisiana corporation (the "**Company**"), and Shawmut Equity Partners, L.P., as Representative (the "**Representative**"). Capitalized terms used and not otherwise defined herein have the meanings set forth in **Article 12** below.

WHEREAS, the respective Boards of Directors of Parent, the Merger Sub and the Company have each determined that it is in the best interests of their respective shareholders for the Merger Sub to merge with and into the Company (the "**Merger**") pursuant to the terms and subject to the conditions of this Agreement and in accordance with the Louisiana Business Corporation Law, La. R.S. 12:1, et seq. (the "**LBCL**"), and, accordingly, each has approved this Agreement and the Merger;

WHEREAS, certain shareholders of the Company (collectively, the "**Principal Shareholders**") have agreed, among other things, to vote all of their Shares in favor of this Agreement and the Merger in accordance with a Principal Shareholders Agreement, dated as of the date hereof, among the Principal Shareholders, Parent and the Merger Sub in the form attached hereto as *Exhibit A* (the "**Principal Shareholders Agreement**"); and

WHEREAS, upon the terms and subject to the conditions set forth herein and in accordance with the provisions of the LBCL, Parent, the Merger Sub and the Company are entering into a business combination pursuant to which the Merger Sub shall merge with and into the Company, in accordance with the LBCL, whereupon the separate existence of the Merger Sub shall cease, the Company shall be the surviving corporation to the Merger and the Surviving Corporation shall become a wholly-owned subsidiary of Parent, all upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE 1

THE MERGER

1.1 The Merger.

(a) At the Effective Time (as defined in **Section 1.1(b)**), the Merger Sub shall merge with and into the Company in accordance with the LBCL, whereupon the separate existence of the Merger Sub shall cease, the Company shall be the surviving corporation to the Merger (sometimes hereinafter referred to as the "**Surviving Corporation**") and the Surviving Corporation shall become a wholly-owned subsidiary of Parent, all upon the terms and conditions set forth herein. The name of the Surviving Corporation shall be "APPRO Systems, Inc.".

(b) At the Closing (as defined in **Section 2.2(a)** below), the Parties will cause the Merger to be consummated by filing a Certificate of Merger, together with any required related certificates or documents, with the Secretary of State of the State of Louisiana, in such form as required by, and in accordance with the applicable provisions of, the LBCL and in such form as approved by the Company and Parent prior to such filing. The Parties will make all other filings or recordings as required by the LBCL in connection with the Merger. The Merger shall become effective at such time as the Parties agree upon and designate in the Certificate of Merger as the Effective Time. The time at which the Merger becomes effective is referred to herein as the "**Effective Time**".

(c) From and after the Effective Time, the Surviving Corporation shall succeed to all the assets, rights, privileges, powers and franchises and be subject to all of the liabilities, restrictions, disabilities and duties of the Company and the Merger Sub, all as provided under the LBCL. The Merger shall have the effects set forth in this

Agreement, the Certificate of Merger, and the applicable provisions of the LBCL.

1.2 Conversion of Securities.

(a) Cancellation of Treasury Stock. All shares of Common Stock that are owned as of the Effective Time by the Company as treasury stock will be cancelled and retired and will cease to exist and no consideration whatsoever shall be delivered in exchange therefore.

(b) Conversion of Preferred Stock. At the Effective Time, by virtue of the Merger and without any action on the part of the holders thereof, each share of Preferred Stock issued and outstanding immediately prior to the Effective Time shall be automatically converted into the right to receive cash in an amount equal to the Preferred Stock Cash Compensation Per Share (as defined below). As of the Effective Time, each holder of a certificate representing shares of Preferred Stock shall cease to have any rights with respect thereto, except the right to receive the Preferred Stock Cash Compensation Per Share for each share of Preferred Stock represented by such certificate in accordance with the terms and conditions of this Agreement, upon surrender of each such certificate in accordance with **Section 1.4** below, without interest.

For purposes of this Agreement, the following capitalized terms shall have the meanings set forth below:

(i) "Preferred Stock Cash Compensation Per Share" shall mean the sum of (x) $31.32 per share of Preferred Stock plus (y) an amount equal to all accrued and unpaid dividends per share of Preferred Stock up to and including the day of the Effective Time plus (z) the Common Stock Per Share Value (as defined below) for the number of shares of Common Stock issuable upon conversion of each share of Preferred Stock at the Preferred Stock Conversion Ratio (as defined below).

(ii) "Preferred Stock Preference Value Per Share" shall mean the sum of (x) and (y) in the definition of Preferred Stock Cash Compensation Per Share in **Section 1.2(b)(i)** above.

(iii) "Preferred Stock Common Stock Equivalents" means the total number of shares of Common Stock issuable upon conversion of the total number of issued and outstanding shares of Preferred Stock at the per share conversion ratio of 1.63206 (the "**Preferred Stock Conversion Ratio**").

(iv) "Fully Diluted Shares Outstanding" means the sum of (A) the total number of issued and outstanding shares of Common Stock, (B) the total number of shares of Common Stock subject to all issued and outstanding Company Options (as defined below), and (C) the Preferred Stock Common Stock Equivalents, in each case issued and outstanding immediately prior to the Effective Time.

(v) "Preferred Stock Preference Value" shall mean the product determined by multiplying (A) the Preferred Stock Preference Value Per Share times (B) the total issued and outstanding shares of Preferred Stock.

(vi) "Fully Diluted Per Share Value" shall mean the quotient determined by dividing (A) the difference between (x) the Merger Consideration and (y) the Preferred Stock Preference Value by (B) the Fully Diluted Shares Outstanding.

(vii) "Common Stock Merger Consideration" shall mean the Merger Consideration less (A) the Preferred Stock Preference Value less (B) the Aggregate Company Option Consideration (as defined below).

(viii) "Common Stock Per Share Value" shall mean the quotient determined by dividing (A) the Common Stock Merger Consideration by (B) the sum of (x) the number of shares of Common Stock issued and outstanding and (y) the Preferred Stock Common Stock Equivalents.

(c) Conversion of Common Stock. At the Effective Time, by virtue of the Merger and without any action on the part of the holders thereof, each share of Common Stock issued and outstanding

immediately prior to the Effective Time shall be automatically converted into the right to receive cash in an amount equal to the Common Stock Per Share Value (determined as of the Effective Time). As of the Effective Time, each holder of a certificate representing such shares of Common Stock shall cease to have any rights with respect thereto, except the right to receive the Common Stock Per Share Value for each share of Common Stock represented by such certificate in accordance with the terms and conditions of this Agreement, upon surrender of such certificate in accordance with Section 1.4 below, without interest.

(d) Conversion of Company Options. Immediately prior to the Effective Time, each outstanding stock option (each, a "**Company Option**" and collectively, the "**Company Options**") to purchase Common Stock shall be converted automatically into the right to receive, for each share of Common Stock subject to such Company Option, cash in an amount equal to the Company Option Consideration for such Company Options (determined as of the Effective Time). For purposes hereof, with respect to each Company Option, "**Company Option Consideration**" shall mean the amount by which the Fully Diluted Per Share Value exceeds the exercise price per share of each share of Common Stock subject to such Company Option. For purposes hereof, the term "**Aggregate Company Option Consideration**" shall mean the aggregate amount of Company Option Consideration for all Company Options. Each outstanding Company Option so converted shall, immediately following such conversion, be cancelled and the holder thereof shall have no further rights with respect to such Company Option other than the right to receive the Company Option Consideration applicable thereto for each share subject to such Company Options as determined in accordance with the terms of this Agreement upon surrender of proper documentation under **Section 1.4** below, without interest. A schedule of Company Options outstanding on the date of this Agreement is attached to this Agreement as *Schedule 1.2(d)*. The Company shall amend and restate *Schedule 1.2(d)* for purposes of the Closing to reflect any changes in such schedule between the date of this Agreement and the Closing Date.

(e) Conversion of the Merger Sub Common Stock. At the Effective Time, each share of common stock, $1.00 par value per share of the Merger Sub issued and outstanding immediately prior to the Effective Time shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into and become one validly issued, fully paid and nonassessable share of common stock, $1.00 par value per share of the Surviving Corporation.

1.3 Preliminary Allocation of Merger Consideration. The Company has prepared a preliminary schedule of the allocation of the Merger Consideration payable to each holder of Preferred Stock and Common Stock (each such holder a "**Shareholder**" and collectively, the "**Shareholders**") and Company Options (each, an "**Optionholder**" and collectively, the "**Optionholders**", and together with the Shareholders, the "**Securityholders**" or singly, a "**Securityholder**"), which is attached to this Agreement as *Schedule 1.3* (the "**Preliminary Allocation Schedule**"). The Parties acknowledge and agree that the Company will amend *Schedule 1.3* as of the Effective Time to (i) reflect the actual adjustments and allocation of the Merger Consideration then required by the applicable provisions of this Agreement and (ii) instruct the Exchange Agent as to the portion of the Exchange Fund (as defined in **Section 1.4(a)** below) payable as of the Effective Time to each of the Securityholders (such amended *Schedule 1.3* defined herein as the "**Final Allocation Schedule**"). The Parties acknowledge that the aggregate dollar amount of the Merger Consideration and the portion thereof allocated to each of the Securityholders at the Closing may differ from the Preliminary Allocation Schedule based upon (i) the Pre-Closing Operating Capital Adjustment; (ii) the number of shares of Common Stock issued as of the Effective Time pursuant to Company Options and Preferred Stock of the Company exercisable for or convertible into, respectively, Shares; (iii) additional dividends accruing with respect to the Preferred Stock from the date of this Agreement through the Closing Date; (iv) the aggregate amount of Transaction Bonuses; (v) the aggregate amount of Transaction Expenses; and (vi) other applicable provisions of this Agreement.

1.4 Exchange of Certificates.

(a) After approval of this Agreement in accordance with Section 6.8 below, and prior to the Effective Time, pursuant to an exchange agreement (the "**Exchange Agreement**") in the form attached hereto as *Exhibit 1.4(a)-1*, Parent will designate SunTrust Bank, a Georgia banking corporation, as exchange agent (the "**Exchange Agent**") (i) to receive the Exchange Fund Amount in a segregated account (the "**Exchange Fund**"); (ii) to make a payment from the Exchange Fund of the Escrow Deposit in accordance with **Section 2.2(c)** to the Escrow Agent; (iii) to make a payment from the Exchange Fund of the CUNA Escrow Deposit in accordance with **Section 2.2(c)** to the Escrow Agent; (iv) to make a payment from the Exchange Fund to the Representative Fund in accordance with **Section 2.2(c)**; (v) to make payments from the Exchange Fund of the Transaction Expenses set forth on *Schedule 8.2*; (vi) to make payments from the Exchange Fund in accordance with the Final Allocation Schedule to the Shareholders upon surrender of certificates held by such Shareholders that, immediately prior to the Effective Time, represented outstanding Shares that have been converted into a portion of the Merger Consideration pursuant to **Sections 1.2(b)** and **(c)** ("**Shareholder Certificates**"); (vii) to make the payments to the Optionholders from the Exchange Fund in accordance with the Final Allocation Schedule upon delivery of the proper documentation (which documentation shall include an Option Cancellation Agreement in the form attached hereto as *Exhibit 1.4(a)-2*) for the Company Options held by such Optionholders that, immediately prior to the Effective Time, represented outstanding Company Options that have been converted into a portion of the Merger Consideration pursuant to **Section 1.2(d)** (such proper documentation of Company Options, the "**Optionholder Certificates**", and together with the Shareholder Certificates, the "**Certificates**", or singly, a "**Certificate**"); and (viii) to make required payments to Dissenting Shareholders, if any, from the Exchange Fund in accordance with Section 1.6 upon delivery of the proper documentation. On the Closing Date, Parent shall deliver the Exchange Fund Amount to the Exchange Agent by wire transfer, in trust for the benefit of the Securityholders, to be distributed as set forth in this Agreement and the Exchange Agreement.

(b) If such Certificates are not surrendered at Closing by the registered holders thereof as contemplated by this **Section 1.4**, as soon as practicable after the Effective Time (but in no event later than five (5) Business Days thereafter), Parent shall cause the Exchange Agent to send a notice and a transmittal form to each such Securityholder at the address of record with the Company advising such holder of the effectiveness of the Merger and the procedure for surrendering to the Exchange Agent their Certificates in exchange for the portion of the Merger Consideration payable pursuant to **Section 2.1**. Each Securityholder, upon proper surrender thereof to the Exchange Agent in accordance with this **Section 1.4** or the instructions in such notice, shall be entitled to receive in exchange therefor (without interest) the portion of the Merger Consideration payable to such Securityholder pursuant to **Section 2.1**. Until properly surrendered, each Certificate shall be deemed for all purposes to evidence only the right to receive the portion of the Merger Consideration payable for such Certificate pursuant to **Section 2.1**. Subject to **Section 1.4(d),** Securityholders shall not be entitled to receive the portion of the Merger Consideration to which they would otherwise be entitled until the applicable Certificates are properly surrendered in accordance with this **Section 1.4**.

(c) If any portion of the Merger Consideration is to be delivered to a Person other than the Person in whose name the Certificate surrendered in exchange therefor is registered or otherwise documented, it shall be a condition to the delivery of such portion of the Merger Consideration that (i) the Certificate so surrendered shall be transferable, and shall be properly assigned, endorsed (or accompanied by appropriate stock powers) with signatures guaranteed by a commercial bank or by a member firm of the New York Stock Exchange, (ii) such transfer shall otherwise be proper, and (iii) the Person requesting such transfer shall pay to the Exchange Agent any transfer or other taxes payable by reason of the foregoing or establish to the reasonable satisfaction of the Exchange Agent that such taxes have been paid or are not required to be paid. Notwithstanding the foregoing, neither the Exchange Agent nor any Party

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shall be liable to a Securityholder for any portion of the Merger Consideration payable to such holder pursuant to **Section 2.1** that are properly delivered to a public official pursuant to applicable abandoned property, escheat or similar laws.

(d) If any Certificate shall have been lost, stolen or destroyed, upon the receipt of (i) an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed, (ii) such security bond or indemnity as Parent may reasonably require, and (iii) any other documents necessary in the reasonable opinion of the Exchange Agent, to evidence and effect the bona fide exchange thereof, the Exchange Agent shall deliver in exchange for such lost, stolen or destroyed Certificate the portion of the Merger Consideration payable in exchange therefor pursuant to **Section 2.1.**

(e) Any portion of the Exchange Fund that remains undistributed on the date that is six (6) months after the Effective Time shall be delivered to Parent, upon demand, and any Securityholder who has not previously complied with this Section 1.4 shall thereafter look only to Parent, as a general unsecured creditor, for payment of its portion of the Merger Consideration pursuant to **Section 2.1**.

1.5 Escrow.

(a) Subject to **Section 6.5**, Parent shall cause $7,000,000 in cash (the "**Escrow Deposit**") from the Merger Consideration to be deposited in immediately available funds on the Closing Date into the Escrow Account to be held, invested, released and distributed by the Escrow Agent pursuant to the terms of **Section 1.5 (a)** through **(d)**, **Section 2.3** and **Section 10.3(a)** of this Agreement and the Escrow Agreement. The Escrow Deposit will be comprised of the following components: (a) $1,500,000, which will be held for purposes of satisfying any Post-Closing Operating Capital Adjustment payable to Parent pursuant to **Section 2.3(a)** (the "**Post-Closing Adjustment Fund**"); and (b) $5,500,000, which will be held for purposes of, and will serve as the sole and exclusive source for, satisfaction of any indemnification or other claims of Parent or the Merger Sub (including, after the Closing, the Surviving Corporation) under **Sections 1.5(b)** and **8.11** and **Article 10** (the "**Indemnity Fund**"); *provided, however*, that the foregoing sentence shall not further limit or otherwise constitute a defense of any claims that Parent or the Merger Sub (including, after the Closing, the Surviving Corporation) may have pursuant to the Principal Shareholders Agreement on the terms set forth therein. In addition, $500,000 (the "**Representative Amount**") from the Merger Consideration shall be delivered by Parent to the Representative and held directly by the Representative in an account (the "**Representative Fund**") for purposes of satisfying obligations of or to the Representative under **Section 1.11(d)** and **(e)**. Each Securityholder's percentage interest in the amounts deposited in each of the Post-Closing Adjustment Fund, the Indemnity Fund, the Representative Fund and the CUNA Escrow Account in the event any of such amounts may be ultimately released and distributed to the Securityholders will be set forth on the schedule which is attached to this Agreement as *Schedule 1.5* (the "**Escrow Allocation Schedule**").

(b) If the Post-Closing Operating Capital Adjustment payable to Parent pursuant to **Section 2.3(a)** exceeds the amount in the Post-Closing Adjustment Fund, Parent shall be entitled to receive payment of any excess amount from the Indemnity Fund and the Indemnity Fund shall be reduced by the amount of any such excess.

(c) Releases from the Post-Closing Adjustment Fund shall be governed by **Section 2.3(d)** below and the Escrow Agreement. Subject to establishing a reserve adequate for claims that have been asserted in good faith within such applicable time periods by Parent pursuant to **Section 10.2**, the balance remaining in the Indemnity Fund not subject to such reserve shall be released and distributed to the Securityholders on April 30, 2006 and the balance subject to such reserve and not thereafter used for the related claims shall be released and distributed promptly as provided in the Escrow Agreement.

(d) The remaining cash, if any, held by the Representative in the Representative Fund shall be delivered to the Securityholders in the relative percentages set forth on the Escrow Allocation Schedule by

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the Representative at the Representative's discretion; *provided, however,* that all such remaining cash shall be delivered to the Securityholders on the later of (i) December 31, 2006 and (ii) the date on which no claims against the Indemnity Fund or the Representative exist.

(e) Any interest on the Escrow Deposit shall be paid as provided in the Escrow Agreement.

(f) The CUNA Escrow Account, a separate escrow fund established solely with respect to the CUNA Consideration, shall be established as set forth in Section 1.12

below.

1.6 Dissenters' Rights. Shares of Common Stock that have been voted against adoption of this Agreement and against approval of the Merger and with respect to which the holder has validly exercised dissenters' rights under Section 131 of the LBCL, La. R.S. 12:131 ("**Dissenting Shares**") will not be converted into the right to receive the Common Stock Per Share Value for each share of Common Stock at or after the Effective Time unless and until the holder of such shares (a "**Dissenting Shareholder**") fails to perfect or effectively withdraws or otherwise becomes ineligible for such right to dissent from the Merger in accordance with the LBCL. Each Dissenting Shareholder shall be entitled to receive only the payment provided by Section 131 of the LBCL with respect to shares of Common Stock owned by such Dissenting Shareholder. If a holder of Dissenting Shares so fails to perfect, effectively withdraws or otherwise becomes ineligible for such dissenters' rights, then, as of the Effective Time or the occurrence of such event, whichever last occurs, each of such holder's Dissenting Shares will cease to be a Dissenting Share and will be converted into and represent the right to receive the Common Stock Per Share Value, without interest, upon the surrender of the certificates representing such shares. The Company shall give Parent prompt written notice of any demands by Dissenting Shareholders received by the Company, withdrawals of such demands, and any other instruments served on the Company and any material correspondence received by the Company in connection with such demands. After the Effective Time, the Surviving Corporation shall conduct all negotiations and proceedings with respect to demands for dissenters' rights under the LBCL. Prior to the Effective Time, the Company shall not, except with the prior written consent of Parent, make any payment with respect to any demands for dissenters' rights of Dissenting Shares, compromise or offer to settle or settle any such demands or approve any withdrawal of any such demands. Any funds paid pursuant to Section 131 of the LBCL to Dissenting Shareholders shall be paid out of any funds then remaining in the Exchange Fund and, if greater than such amount, the excess shall be paid out of the assets of the Surviving Corporation.

1.7 Withholding Rights. The Surviving Corporation or Parent, as the case may be, shall be entitled to instruct the Exchange Agent to deduct and withhold from the portion of the Merger Consideration otherwise payable pursuant to this Agreement to any Securityholder such Withholding Taxes as Parent is required to deduct and withhold with respect to the making of such payment. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Securityholder in respect of which such deduction and withholding were made. So long as a Securityholder has delivered to the Exchange Agent a properly completed and executed Substitute Form W-9, Form W-8 BEN or other Form W-8s as applicable prior to the date on which payment to a Securityholder is required to be made to such Securityholder, the Exchange Agent may not withhold the maximum amount of back-up Withholding Taxes required to be deducted from the portion of the Merger Consideration otherwise payable to such Securityholder from the Exchange Fund pursuant to this Agreement.

1.8 Articles of Incorporation. The Company Articles of Incorporation in effect immediately prior to the Effective Time shall be amended and restated in their entirety to read substantially the same as the articles of incorporation of the Merger Sub, except that such articles of incorporation will state the name of the Surviving Corporation as "APPRO Systems, Inc." and, as so amended and restated, will be the articles of incorporation of the Surviving Corporation (the "**Surviving Corporation Articles**") until amended in accordance with the terms thereof and applicable law; *provided, however*, that the Surviving Corporation Articles shall allow for indemnification in respect of Continuing Indemnity Matters to the Surviving Corporation's present and former directors and officers (including the directors and officers of the Company prior to the Merger).

1.9 Bylaws. The Company Bylaws in effect immediately prior to the Effective Time shall be amended and restated in their entirety to read substantially the same as the bylaws of the Merger Sub and, as so amended and restated, will be the bylaws of the Surviving Corporation (the "**Surviving Corporation Bylaws**") until amended in accordance with the terms thereof and applicable law; *provided, however*, that the Surviving Corporation Bylaws shall contain exculpatory and indemnification provisions that provide no less protection to the Surviving Corporation's present and former directors and officers (including the directors and officers of the Company prior to the Merger) than the Company Bylaws in effect immediately prior to the Closing.

1.10 Directors and Officers. From and after the Effective Time, until their successors are duly elected or appointed in accordance with applicable law, (i) the directors of the Merger Sub at the Effective Time shall constitute the directors of the Surviving Corporation and will hold office until his or her successor is duly appointed and qualified, or until his or her earlier death, resignation or removal in accordance with the Surviving Corporation Articles and Surviving Corporation Bylaws, and (ii) the officers of the Company at the Effective Time shall be the officers of the Surviving Corporation and will hold office until his or her successor is duly appointed and qualified, or until his or her earlier death, resignation or removal in accordance with the Surviving Corporation Articles and Surviving Corporation Bylaws.

1.11 Appointment of Representative.

(a) The Representative is hereby appointed as, and the Representative hereby acknowledges and accepts such appointment, as the representative of the Shareholders and for each Optionholder executing an Option Cancellation Agreement for purposes of this Agreement, the Exchange Agreement and the Escrow Agreement (collectively, the "**Representative Agreements**") at and after the Effective Time. The Representative may resign at any time, and the Representative may be removed with the consent of the Principal Shareholders that owned in the aggregate, immediately prior to the Effective Time, more than 50% of the Shares collectively owned by such Shareholders (a "**Majority in Interest**"). In the event that a Representative has resigned or been removed, a new Representative shall be appointed with the consent of a Majority in Interest, such appointment to become effective upon the written acceptance thereof by the new Representative. Each of the Principal Shareholders shall use its or his respective commercially reasonable efforts to appoint a new Representative and provide written notice to Parent of such new appointment as soon as practicable following such resignation or removal. No such resignation or appointment of a new Representative shall be effective as against Parent, the Merger Sub or the Surviving Corporation until such time as Parent shall have received written notice of the appointment of a new Representative. Subject to **Section 1.11(b)** below, the Representative shall have the following non-exclusive powers at and after the Effective Time as the representative of the Shareholders and for each Optionholder executing an Option Cancellation Agreement: (i) the power to act for such Securityholders with regard to the indemnification obligations hereunder; (ii) the power to compromise any claim on behalf of such Securityholders and to transact matters of litigation or arbitration, in connection with the Representative Agreements; (iii) the power to do or refrain from doing all such further acts and deeds on

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behalf of such Securityholders that the Representative deems necessary or appropriate in its sole discretion consistent with the provisions of the Representative Agreements; (iv) the power to execute all such documents as the Representative shall deem necessary or appropriate in connection therewith; and (v) the power to receive service of process in connection with any claims hereunder; *provided*, *however*, that in no event shall the Representative have the power to act on behalf of such Securityholders under the Principal Shareholders Agreement.

(b) The Representative shall have such powers and authority as are necessary to carry out the functions assigned to it under this Agreement. Parent, the Merger Sub, the Surviving Corporation and each of their respective Affiliates shall be entitled to conclusively rely upon any and all written actions and instructions delivered by the Representative on behalf of Securityholders under or pursuant to the Representative Agreements. The Representative shall be permitted to act on behalf of the Securityholders with respect to any matter under the Representative Agreements; *provided*, that a Majority in Interest (and GE Equity, in the case of a settlement or admission of any kind that specifically names GE Equity or any Affiliate thereof as having engaged in wrongful activity) consent to any release to Parent or the Merger Sub (including, after the Closing, the Surviving Corporation) from the Indemnity Fund, the Post-Closing Adjustment Fund or the CUNA Escrow Account by the Representative; and *provided, however,* that, notwithstanding anything set forth herein to the contrary, the Representative shall not be authorized to act on behalf of the Securityholders with respect to the Principal Shareholders Agreement. The Representative shall have no liability to any Securityholder with respect to actions taken or omitted to be taken in its capacity as Representative

except with respect to the Representative's willful misconduct. The Representative will at all times be entitled to rely on any directions received from (i) a Principal Shareholder or (ii) a Majority in Interest; *provided, however*, that the Representative shall not be required to follow any such direction, and shall be under no obligation to take any action in its capacity as Representative, unless the Representative has been provided with funds, security or indemnities which, in the sole determination of the Representative, are sufficient to protect the Representative against the costs, expenses and liabilities which may be incurred by the Representative in responding to such direction or taking such action. The Representative shall be entitled to engage such counsel, experts and other agents and consultants as it shall deem necessary in connection with exercising its powers and performing its functions hereunder and (in the absence of willful misconduct on the part of the Representative) shall be entitled to conclusively rely on the opinions and advice of such persons. Once no further funds exist in the Representative Fund, the Representative shall be entitled to reimbursement from the Securityholders (which reimbursement shall be paid by each Securityholder in accordance the percentages set forth on the Escrow Allocation Schedule) for all reasonable expenses, disbursements and advances (including fees and disbursements of its counsel, experts and other agents and consultants) incurred by the Representative in such capacity, and for indemnification against any loss, liability or expenses arising out of actions taken or omitted to be taken in its capacity as Representative (except for those arising out of the Representative's willful misconduct), including the costs and expenses of investigation and defense of claims.

1.12 CUNA Escrow.

(a) Parent shall cause a portion of the Merger Consideration equal to the CUNA Consideration (the "**CUNA Escrow Deposit**") to be deposited into the CUNA Escrow Account to be held, invested and released by the Escrow Agent pursuant to the terms of this **Section 1.12** and the Escrow Agreement. Each Securityholders' percentage interest in the amounts deposited in the CUNA Escrow Account shall be set forth on the Escrow Allocation Schedule.

(b) Upon receipt by the Surviving Corporation (or any of its Affiliates) of all or a portion of the CUNA Consideration, it shall provide immediate written notice thereof to the Escrow Agent and the Representative (such written notice to set forth the amount and date of receipt thereof). Within one (1) Business Day after its receipt of such notice, the Escrow Agent shall release and distribute to the

Securityholders from the CUNA Escrow Account an amount equal to the amount of the CUNA Consideration specified in the notice. Releases from the CUNA Escrow Account shall be governed solely by this **Section 1.12** and the Escrow Agreement. The releases and distributions from the CUNA Escrow Account shall be made to the Securityholders in the relative percentages set forth on the Escrow Allocation Schedule.

(c) From and after the Effective Time, Parent hereby covenants that it shall pursue and shall cause the Surviving Corporation to pursue any and all actions necessary to realize the full and timely payment from CUNA of the CUNA Consideration; *provided, however*, that the reasonable out-of-pocket expenses (up to a maximum of $20,000) of any such actions in pursuing payment shall be borne by the Securityholders, first through the Representative Fund, and to the extent the Representative Fund is exhausted, severally and not jointly by each Securityholder, in accordance with the respective percentages set forth on the Escrow Allocation Schedule. Any expenses in excess of the foregoing maximum shall require the advance consent of the Representative prior to being incurred, *provided, however*, that if Parent must act to preclude the expiration or forfeit of a right and the Representative has not granted its advance consent, Parent may exceed the foregoing maximum to the extent required to preserve any such right, without the advance consent of the Representative. Parent further covenants that neither Parent, nor the Surviving Corporation nor any of their Affiliates shall take any actions that would adversely impact the payment by CUNA of the CUNA Consideration. If CUNA has not paid the CUNA Consideration within one hundred fifty (150) days after the Closing Date, Parent and the Surviving Corporation shall assign to a Person designated by the Representative on behalf of the Securityholders all right to any claim Parent and the Surviving Corporation may have against CUNA for the payment of the CUNA Consideration. In addition, at the time of any such assignment, the CUNA Escrow Deposit shall be released to Parent in accordance with the terms of the Escrow Agreement. Following such assignment and release, Parent and the Surviving Corporation shall continue to cooperate with all reasonable requests from the Representative and take no action that that would adversely impact the payment by CUNA of the CUNA Consideration.

(d) Prior to receipt by the Surviving Corporation of the entire CUNA Consideration and the distribution of the full amount in the CUNA Escrow Account to the Securityholders, if the Representative shall determine that a breach of the covenants set forth in **Sections 1.12(c)** or **8.10** hereof shall have occurred, the Representative shall promptly provide written notice of such breach to Parent. Parent shall have twenty (20) days from receipt of the notice hereunder within which to cure such breach. In the event of a failure of Parent to cure the breach within such twenty-day period, or in the event such breach is not capable of being cured, Parent and the Representative shall attempt to resolve in good faith any disputes concerning the alleged breach for a period of ten (10) days. In the event Parent and the Representative are unable to reach a mutually satisfactory resolution, the Representative and Parent shall initiate, no later than the expiration of such ten-day period, arbitration proceedings under **Section 13.12** of this Agreement. In the event that an arbitrator determines that a breach of **Sections 1.12(c)** or **8.10** hereof shall have occurred, at any time after two (2) Business Days have elapsed from the time of such arbitrator's decision, the Representative shall be entitled to provide written notice to the Escrow Agent of such decision, and thereupon the Escrow Agent shall immediately release and distribute to the Securityholders the balance of the CUNA Escrow Deposit in the respective percentages set forth on the Escrow Allocation Schedule.

ARTICLE 2

MERGER CONSIDERATION; THE CLOSING

2.1 Merger Consideration.

(a) Aggregate Merger Consideration. Subject to adjustment as set forth herein, the aggregate cash consideration to be delivered by Parent to or for the benefit of the Securityholders in connection with the

Merger (the "**Merger Consideration**") shall be (i) $92,000,000; plus or minus (ii) any Pre-Closing Operating Capital Adjustment as determined at Closing in accordance with **Section 2.2(b)**; plus or minus (iii) any Post-Closing Operating Capital Adjustment as determined in accordance with **Section 2.3**.

(b) Preferred Stock Closing Consideration. The aggregate cash consideration to be delivered by Parent at the Closing to the Exchange Agent for the benefit of the holders of Preferred Stock (the "**Preferred Stock Closing Cash Consideration**") shall be equal to the number of shares of Preferred Stock outstanding immediately prior to the Effective Time multiplied by the Preferred Stock Cash Compensation Per Share (as determined as of the Closing). The Preferred Stock Closing Cash Consideration shall be reduced by the Preferred Stock Portion of each of the CUNA Escrow Deposit, the Indemnity Fund, the Post-Closing Adjustment Fund, and the Representative Fund. The portion of the Preferred Stock Closing Cash Consideration payable to each holder of Preferred Stock shall be as set forth on the Final Allocation Schedule.

(c) Common Stock Closing Consideration. The aggregate cash consideration to be delivered by Parent at the Closing to the Exchange Agent for the benefit of the holders of Common Stock (the "**Common Stock Closing Cash Consideration**") shall be equal to Merger Consideration (as determined as of Closing), minus the Preferred Stock Closing Cash Consideration, the Company Option Closing Cash Consideration, and the Common Stock Portion of each of the CUNA Escrow Deposit, the Indemnity Fund, the Post-Closing Adjustment Fund, and the Representative Fund. The portion of the Common Stock Closing Cash Consideration payable to each holder of Common Stock, other than with respect to Dissenting Shares, shall be as set forth on the Final Allocation Schedule.

(d) Company Option Closing Consideration. The aggregate cash consideration to be delivered by Parent at the Closing to the Exchange Agent for the benefit of the holders of outstanding Company Options (the "**Company Option Closing Cash Consideration**") shall be equal to the Aggregate Company Option Consideration (as

determined as of the Closing), minus the Company Option Portion of each of the CUNA Escrow Deposit, the Indemnity Fund, the Post Closing-Adjustment Fund, and the Representative Fund. The portion of the Company Option Closing Cash Consideration payable to each holder of Company Options shall be as set forth on the Final Allocation Schedule.

(e) Post-Closing Operating Capital Adjustment. To the extent any Post-Closing Operating Capital Adjustment is due to the Securityholders from Parent as provided for in **Section 2.3**, then such amount shall increase the Merger Consideration and shall be paid by Parent to the Securityholders in the relative percentages set forth on the Escrow Allocation Schedule.

2.2 The Closing; Pre-Closing Operating Capital Adjustment.

(a) Closing. The closing of the transactions contemplated by this Agreement (the "**Closing**") shall take place at the offices of Kilpatrick Stockton LLP located at 1100 Peachtree Street, Suite 2800, Atlanta, GA 30309-4530 at 10:00 a.m., Atlanta, Georgia time, four (4) Business Days following full satisfaction or due waiver of all of the closing conditions set forth in **Article 3** hereof (other than those to be satisfied at the Closing) or on such other date as is mutually agreeable to Parent and the Company. The date and time of the Closing are herein referred to as the "**Closing Date**."

(b) Pre-Closing Operating Capital Adjustment. At least five (5) Business Days prior to the Closing Date, the Company shall deliver to Parent (i) a projected balance sheet of the Company as of the Closing Date (the "**Projected Balance Sheet**") and (ii) a statement setting forth in reasonable detail the projected Operating Capital of the Company as of the Closing Date based upon the Projected Balance Sheet (the "**Preliminary Closing Statement**"). The Projected Balance Sheet and the Preliminary Closing Statement shall be prepared in good faith and in accordance with GAAP, consistently applied based upon prior practice, and the Preliminary Closing Statement shall include only those general ledger accounts set forth on *Schedule 2.3*. The difference between the projected Operating Capital set forth on the Preliminary

Closing Statement and $10,239,871 (the "**Target Operating Capital**") shall be referred to herein as the "**Pre-Closing Operating Capital Adjustment.**" The Merger Consideration shall be, at Closing, (i) increased dollar for dollar by the amount, if any, by which the projected Operating Capital exceeds the Target Operating Capital, or (ii) decreased dollar for dollar by the amount, if any, by which the projected Operating Capital is less than the Target Operating Capital.

(c) Closing Deliveries. Subject to the terms and conditions set forth in this Agreement, the Parties shall consummate or cause to be consummated the following transactions on the Closing Date:

(i) Parent shall deliver to the Exchange Agent by wire transfer of immediately available funds, for the benefit of the Securityholders, the Exchange Fund Amount;

(ii) Parent shall cause the Exchange Agent to:

(A) deliver to the Securityholders by wire transfer of immediately available funds, the amounts to be paid at Closing as set forth on the Final Allocation Schedule, subject to the provisions of **Section 1.4**;

(B) pay the Transaction Expenses (to the extent not paid on or prior to the Closing Date) as set forth on *Schedule 8.2* to the Persons entitled thereto;

(C) deliver the Escrow Deposit and the CUNA Escrow Deposit by wire transfer of immediately available funds to the Escrow Account and the CUNA Escrow Account, respectively, to be held, invested, released and distributed by the Escrow Agent pursuant to the terms of the Escrow Agreement; and

(D) deliver to the Representative the Representative Amount by wire transfer of immediately available funds to the Representative Fund as such account shall be designated in writing by the Representative.

(iii) Parent and the Company shall make such other deliveries as are required by and in accordance with **Article 3** hereof. Upon the wire transfer of the funds referred to in **Section 2.2(c)(i)**, the Merger Consideration shall be paid, and shall be deemed paid, for purposes of consummating the Merger.

2.3 Post-Closing Adjustments to Merger Consideration.

(a) Post-Closing Adjustment. Following the Closing, the Merger Consideration shall (i) increase dollar for dollar by the amount, if any, by which the Company's Operating Capital on the Closing Date, as determined pursuant to **Section 2.3(c)**, exceeds the Operating Capital set forth on the Preliminary Closing Statement, or (ii) decrease dollar for dollar by the amount, if any, by which the Company's Operating Capital on the Closing Date, as determined pursuant to **Section 2.3(c)**, is less than the Operating Capital set forth on the Preliminary Closing Statement (any such adjustment is hereinafter referred to as the "**Post-Closing Operating Capital Adjustment**" as such amount is finally determined as provided herein). The Post-Closing Operating Capital Adjustment shall be paid in accordance with **Section 2.3(d)**.

(b) Closing Statement. As soon as reasonably practicable, but in no event later than ninety (90) days after the Closing Date, Parent shall deliver to the Representative (i) an audited balance sheet of the Company as of the Closing Date audited by KPMG LLP (the "**Closing Financial Statement**"), (ii) a statement setting forth in reasonable detail the Operating Capital of the Company as of the Closing Date that shall include (x) only those general ledger accounts set forth on *Schedule 2.3* and (y) (to the extent not included in (x)) an accrual for any Transaction Expenses of the Company (aa) that remain unpaid after the Effective Time through the preparation date of the Closing Financial Statement (excluding the amounts on *Schedule 8.2*) and (bb) that were not accrued on or otherwise reflected on the Preliminary Closing Statement (the "**Closing Statement**"), including a description in reasonable detail of all variations of the Operating Capital reflected on the Closing Statement from that reflected on the Preliminary Closing Statement and (iii) a calculation in reasonable detail of the amount of the Post-Closing Operating Capital Adjustment, if any, required pursuant to the provisions of **Section 2.3(a)** (the "**Post-Closing Adjustment Calculation**"); *provided*, *however,* that, notwithstanding anything set forth herein to the contrary, neither the Preliminary Closing Statement nor any of the Final Financial Documents shall include any Transaction Expenses that have been paid prior to the Effective Time or for which payment has been directed to be made by the Company pursuant to **Section 8.2** out of the Exchange Fund. The Final Financial Documents shall be prepared in good faith in accordance with GAAP, consistently applied based upon prior practice prior to the Closing. The approval by the Shareholders of this Agreement and the Merger shall constitute confirmation of the Shareholders' obligation to cooperate with the Company's or Parent's independent accountants, as reasonably requested by Parent, in Parent's efforts to produce the Closing Financial Statements, including, but not limited to, making available to the Company's or Parent's independent accountants relevant information, records or documents relating to the Company for periods prior to the Closing Date.

(c) Resolution of Disputes Regarding the Post-Closing Adjustments. Parent and the Surviving Corporation shall deliver or make available to the Representative and the Securityholders' independent accountants, to be chosen by, and at the direction of the Representative, the books and records of the Company and the relevant working papers of Parent's independent accountants (with the prior consent of such accountants, which shall not be unreasonably withheld) for the purpose of verifying the Final Financial Documents. The Representative shall have a period of up to thirty (30) days after receipt of the Final Financial Documents to present in writing to Parent any objections thereto on behalf of the Securityholders, setting forth the specific item to which each such objection relates and the specific basis for each such objection (to the extent the information necessary to make a specific objection is reasonably available to the Representative). The Final Financial Documents shall be deemed to be acceptable to the Securityholders and shall become final and binding on the Parties, except to the extent that the Representative shall have made a written objection thereto within such thirty-day period. If the Representative shall raise any such objection within such thirty-day period, then the Representative and Parent shall attempt in good faith to resolve any dispute concerning the item(s) subject to such objection. Upon failure to resolve any such dispute within twenty (20) days of Parent's receipt of the Representative's written objections, the same shall be submitted to Deloitte & Touche (the "**Independent Accounting Firm**"). The Independent Accounting Firm shall be instructed to use its

best efforts to render a decision as to all items in dispute within thirty (30) days of submission, and the parties to this Agreement agree to cooperate with each other and each other's authorized representatives and with the Independent Accounting Firm in order that any and all items in dispute shall be resolved as soon as practicable. The determination of the Independent Accounting Firm concerning any item in dispute shall be final and binding on the parties without further right of appeal. The fees and expenses of the Independent Accounting Firm incurred in the resolution of such dispute shall be allocated between the Securityholders and Parent in the same proportion that the aggregate amount of the items unsuccessfully disputed by each such party (as finally determined by the Independent Accounting Firm) bears to the total amount of all disputed items submitted to the Independent Accounting Firm. The fees, if any, to be paid on the

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Securityholders' behalf, shall be paid out of the Representative Fund, and thereafter, severally and not jointly by the Securityholders (in accordance with the relative percentages set forth on the Escrow Allocation Schedule). No later than one hundred fifty (150) days after the Closing Date, any amounts in the Post-Closing Adjustment Fund that are not subject to a good faith dispute among the parties to this Agreement shall be paid to either Parent or the Securityholders, as applicable, and Parent and the Representative shall jointly instruct the Escrow Agent to release such undisputed amounts to Parent or to the Securityholders (in accordance with the relative percentages set forth on the Escrow Allocation Schedule), as applicable.

(d) Payment of Post-Closing Adjustment. Within five (5) Business Days after the Post-Closing Adjustment is determined as provided in **Section 2.3(c)**, (i) in the event of an adjustment increasing the Merger Consideration, (x) the Representative and Parent shall jointly instruct the Escrow Agent to release to the Securityholders (in accordance with the respective percentages set forth on the Escrow Allocation Schedule) pursuant to the terms and conditions of the Escrow Agreement, the total amount of the Post-Closing Adjustment Fund from the Escrow Account by wire transfer of immediately available funds to an account or accounts of such Securityholders at one or more financial institutions in accordance with such instructions as the Securityholders may hereafter provide and (y) Parent shall cause to be paid to the Securityholders (in accordance with the relative percentages set forth on the Escrow Allocation Schedule) the amount by which the Post-Closing Operating Capital Adjustment exceeds the Post-Closing Adjustment Fund by wire transfer of immediately available funds to an account or accounts of such Securityholders at one or more financial institutions in accordance with such instructions as the Securityholders may hereafter provide; and (ii) in the event of an adjustment decreasing the Merger Consideration, the Representative and Parent shall jointly instruct the Escrow Agent to release to Parent, in accordance with the terms of the Escrow Agreement, the total amount of the Post-Closing Operating Capital Adjustment from the Post-Closing Adjustment Fund by wire transfer of immediately available funds in accordance with such instructions. If a balance remains in the Post-Closing Adjustment Fund after payment to Parent pursuant to this **Section 2.3(d)**, then concurrently with such payment to Parent, the Representative and Parent shall jointly instruct the Escrow Agent to, and the Escrow Agent shall, release to the Securityholders in accordance with the respective percentages set forth on the Escrow Allocation Schedule such balance by wire transfer of immediately available funds to an account or accounts of such Securityholders at one or more financial institutions in accordance with such instructions as the Securityholders may hereafter provide.

2.4 Closing of Transfer Books. At the Effective Time, the stock transfer books of the Company shall be closed and no transfer of Shares shall thereafter be made. If, after the Effective Time, Certificates formerly representing Shares or Company Options or the right to acquire Shares or Company Options effective at the Closing are presented to Parent or the Surviving Corporation, they shall be cancelled and exchanged for the right to receive a portion of the Merger Consideration in accordance with **Section 2.1**.

ARTICLE 3

CONDITIONS TO CLOSING

3.1 Conditions to Parent's and the Merger Sub's Obligations. The obligations of Parent and the Merger Sub to consummate the transactions contemplated by this Agreement are subject to the satisfaction, or waiver in writing by Parent, of the following conditions as of the Closing Date:

(a) The representations and warranties of the Company set forth in **Article 4** hereof shall be, with respect to those representations and warranties qualified by any materiality standard, true and correct in all respects at and as of the Closing Date, and with respect to all other representations and warranties, true and correct in all material respects at and as of the Closing Date, except, in both instances, to the extent such representations and warranties expressly relate to an earlier date or time (in which case such

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representations and warranties shall be true and correct in all respects, or in all material respects, as appropriate, on and as of such earlier date);

(b) The Company shall have performed in all material respects all of the covenants and agreements required to be performed by it under this Agreement at or prior to the Closing;

(c) All third-party consents that are set forth on *Schedule 3.1(c)* shall have been obtained;

(d) The applicable waiting periods, if any, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "**HSR Act**") shall have expired or been terminated, and all other material governmental filings, consents, authorizations and approvals that are required for the consummation of the transactions contemplated hereby shall have been made and obtained;

(e) No action or proceeding before any court or governmental body shall be pending wherein an unfavorable judgment, decree or order would prevent the performance of this Agreement or the consummation of any of the transactions contemplated hereby, declare unlawful the transactions contemplated by this Agreement, cause such transactions to be rescinded or affect in a material adverse way the right of Parent to operate the businesses and control the Surviving Corporation following the Closing;

(f) Since the date of the Latest Balance Sheet, there shall have been no Material Adverse Effect;

(g) The Company shall have delivered to Parent each of the following:

(i) a certificate of the Company, dated the Closing Date, stating that the conditions specified in subsections (a), (b), (c), (e) and (f) hereof, as they relate to the Company have been satisfied;

(ii) copies of the third party and governmental consents required by subsections (c) and (d) above;

(iii) all minute books, stock books, ledgers and registers, corporate seals and other corporate records relating to the organization, ownership and maintenance of the Company; *provided,* that such delivery will be deemed to have occurred if such records are located at the office of the Company;

(iv) a certified copy of the Company Articles of Incorporation, dated within three (3) days of the Closing, and a certificate of the Secretary of the Company, dated as of the Closing Date, certifying that the Articles of Incorporation have not been further amended or modified in any respect;

(v) an opinion of Taylor, Porter, Brooks & Phillips, LLP, legal counsel to the Company, dated as of the Closing Date, in the form attached as *Exhibit 3.1(g)(v)*;

(vi) an opinion of separate legal counsel to the APPRO Systems, Inc. Employee Stock Ownership Plan (the "**ESOP**") that the procedures followed by the trustee of the ESOP in determining how to vote the shares of Common Stock held in the ESOP, and the voting of such shares, were in compliance with all applicable laws;

(vii) a copy of an opinion, addressed to the trustee of the ESOP, opining that the consideration to be received by the ESOP and its beneficiaries in the Merger is fair to

them from a financial point of view;

(viii) a Certificate of Good Standing of the Company issued by the Louisiana Secretary of State, dated within three (3) days of the Closing;

(ix) certified resolutions of the Board of Directors of the Company which:

(A) provide, contingent upon the occurrence of the Closing, pursuant to Section 5.6(c) of the APPRO Systems, Inc. Stock Option Plan, that all Company Options outstanding as of the Closing shall be converted and therefore be deemed automatically canceled and determine that

the Company Option Consideration is the "**Change in Control Value**" (as such term is defined in the APPRO Systems, Inc. Stock Option Plan and in accordance with **Section 1.2(d)** above);

(B) provide for the termination of the APPRO Systems, Inc. 401(k) Plan as of a date prior to the Closing Date; and

(C) provide for the amendment of the ESOP so that, effective immediately after the Effective Time, the ESOP is a profit-sharing plan and is no longer an employee stock ownership plan and terminate the ESOP as of the Closing Date;

(x) certified resolutions of the Board of Directors and shareholders of the Company authorizing the execution, delivery and performance of this Agreement;

(xi) evidence reasonably satisfactory to Parent that a separate 401(k) plan has been established to cover employees of LCCS and that the accounts of such employees in the APPRO Systems, Inc. 401(k) Plan have been transferred to such separate plan effective as of a date prior to the Closing Date; and

(xii) such other documents or instruments as Parent may reasonably request to effect the transactions contemplated hereby and to evidence satisfaction of the conditions contained in this **Section 3.1**.

(h) The Company, the Representative and the Escrow Agent shall have executed and delivered the Escrow Agreement;

(i) All outstanding Company Options shall have been exercised or, if not exercised or if exercised and not yet paid, canceled as contemplated by this Agreement; and

(j) This Agreement and the Merger shall have been approved by at least eighty percent (80%) of the total voting power of the shareholders of the Company entitled to vote upon the Merger and this Agreement.

3.2 Conditions to the Company's Obligations. The obligations of the Company to consummate the transactions contemplated by this Agreement are subject to the satisfaction of the following conditions as of the Closing Date:

(a) The representations and warranties set forth in **Article 5** hereof shall be true and correct in all respects at and as of the Closing, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct in all respects on and as of such earlier date);

(b) Parent and the Merger Sub shall have performed in all material respects all the covenants and agreements required to be performed by them under this Agreement at or prior to the Closing, including, but not limited to delivery at the Closing of the Merger Consideration as required herein;

(c) All third-party consents which are set forth on *Schedule 3.2(c)* shall have been obtained;

(d) The applicable waiting periods, if any, under the HSR Act shall have expired or been terminated, and all other material governmental filings, consents, authorizations and approvals that are required for the consummation of the transactions contemplated hereby shall have been made and obtained;

(e) No action or proceeding before any court or government body shall be pending wherein an unfavorable judgment, decree or order would prevent the performance of this Agreement or the consummation of any of the transactions contemplated hereby, declare unlawful the transactions contemplated by this Agreement or cause such transactions to be rescinded following Closing;

(f) Parent shall have delivered to the Company certified copies of the resolutions duly adopted by Parent's and the Merger Sub's boards of directors authorizing the execution, delivery and performance of this Agreement;

(g) Parent shall have delivered to the Company a certificate, dated the Closing Date, stating that the preconditions specified in subsections (a), (b), (c), (e) and (f) hereof, as they relate to Parent and/or the Merger Sub, have been satisfied;

(h) Parent and the Escrow Agent shall have executed and delivered the Escrow Agreement to the Company;

(i) The Company shall have received an opinion from Kilpatrick Stockton LLP, counsel to Parent and the Merger Sub, in form and substance as set forth on *Exhibit 3.2(i)* attached hereto, addressed to the Company and the Securityholders, and dated as of the Closing Date; and

(j) This Agreement and the Merger shall have been approved by at least eighty percent (80%) of the total voting power of the shareholders of the Company entitled to vote upon the Merger and this Agreement.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Subject to the exceptions set forth and identified in the disclosure schedule attached hereto, as amended or supplemented from time to time by the Company prior to the Closing Date by the Company's delivery of amendments or supplements to Parent (the "**Disclosure Schedule**"), the Company represents and warrants to Parent and the Merger Sub as follows:

4.1 Organization and Corporate Power. The Company is a corporation duly organized and validly existing and in good standing under the laws of the State of Louisiana. The Company has all requisite corporate power and authority to own and operate its properties and to carry on its businesses as now conducted. The Company is qualified to do business in every jurisdiction in which its ownership of property or the conduct of business as now conducted requires it to qualify, except where the failure to be so qualified would not have a Material Adverse Effect.

4.2 Subsidiaries. The Company has no Subsidiaries.

4.3 Corporate Power; Authority. The Company has the requisite corporate power and authority to execute and deliver this Agreement, and subject to the approval of this Agreement and the approval and adoption of the plan of merger contemplated by this Agreement by the requisite vote of the holders of the Common Stock and Preferred Stock, to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions so contemplated hereby

have been duly approved by the Board of Directors of the Company, and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or to consummate the transactions so contemplated (other than, with respect to the Merger, the filing and recordation of the appropriate merger documents as required by the LBCL). This Agreement has been duly executed and delivered by and, assuming the due authorization, execution and delivery thereof by Parent and the Merger Sub, constitutes a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as enforceability may be limited or affected by applicable bankruptcy, insolvency, reorganization and other laws of general application relating to or affecting the rights of creditors and except as enforceability may be limited by rules of law governing specific performance, injunctive relief or other equitable remedies.

4.4 Consents and Approvals; No Breaches. Except for filings, permits, authorizations, consents and approvals as may be required under the HSR Act, the filing of a Certificate of Merger and any required related certificates under the LBCL, and the other matters referred to in *Item 4.4* of the Disclosure Schedule, assuming the accuracy of the representations and warranties set forth in **Article V**, the execution, delivery and performance of this Agreement by the Company and the consummation of the transactions contemplated hereby will not (a) conflict with or result in the breach of any provision of the Company Articles of Incorporation or the Company Bylaws; (b) require any material authorization, consent, filing, approval, exemption or other material action by or material notice to any court or other administrative or governmental body; (c) constitute a breach or default under or result in a violation of or give any third party the right to modify, terminate or accelerate any obligation under any material indenture, mortgage, lease, loan agreement or other material agreement or instrument to which the Company is a party or by which it is bound; or (d) result in a material violation of any law, statute, rule or regulation or order, judgment or decree to which the Company or its respective properties are subject.

4.5 Capital Stock. The authorized number of shares of capital stock of the Company consists of 10,000,000 shares of Common Stock, no par value per share, and 1,895,266 shares of Series A Convertible Redeemable Preferred Stock, $0.01 par value per share. As of the date of this Agreement, (i) 1,367,050.15 shares of Common Stock are issued and outstanding and are owned of record by the Shareholders in the amounts as set forth on *Item 4.5* of the Disclosure Schedule; (ii) 8,099.85 shares of Common Stock are held as treasury stock of the Company; (iii) 167,700 shares of Common Stock are reserved for issuance upon the exercise of Company Options in the amounts and to the holders set forth on *Item 4.5* of the Disclosure Schedule; and (iv) 1,053,560 shares of Preferred Stock are issued and outstanding and are owned of record by the Shareholders in the amounts as set forth on *Item 4.5* of the Disclosure Schedule. Except as set forth on *Item 4.5* of the Disclosure Schedule, all of the outstanding shares of capital stock of the Company have been duly authorized and are validly issued, fully paid and nonassessable and are not subject to preemptive rights. Each share of Preferred Stock is convertible into 1.63206 shares of Common Stock. Except as set forth on *Item 4.5* of the Disclosure Schedule, the Company has no other capital stock, equity securities or securities containing any equity features authorized, issued or outstanding, and there are no agreements, options, warrants or other rights or arrangements existing or outstanding which provide for the sale or issuance of any of the foregoing by the Company. Except as set forth on *Item 4.5* of the Disclosure Schedule, there are no agreements or other obligations which require the Company to repurchase or otherwise acquire any shares of the Company's capital stock or other equity securities. All of the issued and outstanding Shares and all other capital or other securities previously issued and outstanding of the Company, any Subsidiary thereof or any of their respective predecessors, were offered, issued and sold in accordance with all applicable securities laws. To the Company's Knowledge, there are no agreements among other Persons, to which the Company is not a party and by which it is not bound, with respect to the voting (including without limitation voting trusts or proxies) or sale or transfer (including without limitation agreements relating to rights of first refusal, co-sale rights or ("drag-along" rights) of any securities of the Company other than the Principal Shareholders Agreement or as otherwise set forth on *Item 4.5* of the Disclosure Schedule.

4.6 Financial Statements. *Item 4.6* of the Disclosure Schedule contain the following attachments: (a) the Company's unaudited balance sheet as of September 30, 2004, the ("**Latest Balance Sheet**") and the related statements of operations and cash flows for the nine (9) months then ended (together with the Latest Balance Sheet, the "**Most Recent Financial Statements**") and (b) the Company's audited balance sheets and related statements of operations, shareholders' deficit and cash flows for the years ended December 31, 2003 and 2002 (the "**Audited Financial Statements**"), and together with the Most Recent Financial Statements, the "**Financial Statements**"). The Financial Statements have been prepared in accordance with GAAP consistently applied during the periods presented and present fairly in all material respects the financial condition of the Company and results of its operations as of the dates and for the

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periods referred to therein; *provided, however*, that the Most Recent Financial Statements are subject to normal, recurring year-end adjustments, as set forth on *Item 4.6* of the Disclosure Schedule, and any other adjustments reflected therein, and do not contain footnotes and other presentation items. The Company has never been required to file any forms, notifications or reports with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, which it has not so filed.

4.7 Absence of Certain Developments. Since the date of the Latest Balance Sheet, there has not been any Material Adverse Effect. Except (i) for the transactions and other actions contemplated by this Agreement; (ii) for liabilities incurred in connection with or as a result of this Agreement; or (iii) as set forth on *Item 4.7* of the Disclosure Schedule, since the date of the Latest Balance Sheet, the Company has not:

(a) borrowed any amount or incurred or become subject to any material liabilities, except liabilities incurred in the ordinary course of business, liabilities under contracts entered into in the ordinary course of business and borrowings from banks (or similar financial institutions) necessary to meet ordinary course working capital requirements;

(b) mortgaged, pledged or subjected to any Lien (other than a Permitted Lien) any material portion of its assets;

(c) sold, assigned or transferred any material portion of its tangible assets, except in the ordinary course of business, or cancelled without fair consideration any material debts or claims owing to or held by it;

(d) sold, assigned or transferred any material trademarks, trade names, copyrights, trade secrets or other intangible assets or intellectual property, except in the ordinary course of business;

(e) suffered any theft, damage, destruction or casualty loss in excess of $100,000 to its assets (whether or not covered by insurance) or suffered any other extraordinary losses or waived any rights of material value or suffered any substantial destruction of books and records;

(f) issued, sold or transferred any of its capital stock or other equity securities, securities convertible into its capital stock or other equity securities or warrants, options or other rights to acquire its capital stock or other equity securities, or any bonds or debt securities (except for shares of Common Stock that may be issued upon exercise of the Company Options listed on *Item 4.5* of the Disclosure Schedule on or before the Closing Date);

(g) made, or agreed to make, any material capital expenditures outside of the ordinary course of business;

(h) except in the ordinary course of business, made any increase in or established any bonus, severance, deferred compensation, pension, retirement, profit sharing, stock option, stock purchase or other employee benefit plan (including, without limitation, the granting of stock options, stock appreciation rights, performance awards, or restricted stock awards) or any other increase in the compensation payable or to become payable to any of its shareholders, directors, officers or key employees;

(i) made any loan to, or engaged in any other transaction with, any of its directors, officers and employees, other than for the advance or reimbursement of business expenses in accordance with Company policy and historical practice;

(j) made any material change in its accounting methods;

(k) suffered any change in its assets, liabilities, licenses, permits or franchises, or in any agreement to which it is a party or is bound, which has had or would have a

Material Adverse Effect;

(l) made or had authorized any change to the Company Articles of Incorporation or the Company Bylaws;

(m) declared, set aside or paid any dividend or made any distribution with respect to its capital stock (whether in cash or in kind) or redeemed, purchased or otherwise acquired any of its capital stock;

(n) entered into any employment contract or collective bargaining agreement, written or oral, or modified the terms of any existing such contract or agreement;

(o) made any loans or advances to, guarantees for the benefit of or any investments in, any Person (other than advances to directors, officers and employees of the Company in the ordinary course of business consistent with past practice); or

(p) committed to do any of the foregoing.

4.8 Title to Properties; Assets.

(a) Except as set forth on *Item 4.8(a)* of the Disclosure Schedule, the Company has good and marketable title to all of the personal property shown on the Latest Balance Sheet free and clear of all Liens except for Permitted Liens. The Company does not own any real property.

(b) The real property subject to the leases listed on *Item 4.8(b)* of the Disclosure Schedule constitutes all of the real property leased by the Company. The leases listed on *Item 4.8(b)* of the Disclosure Schedule are in full force and effect and the Company holds a valid and existing leasehold interest under each of the leases for the term set forth on *Item 4.8(b)* of the Disclosure Schedule. The Company has delivered to Parent complete and accurate copies of each of the leases listed on *Item 4.8(b)* of the Disclosure Schedule, and none of such leases have been modified in any material respect, except to the extent that such modifications are set forth in the copies of such leases delivered to Parent. The Company is not in default in any material respect under any of such leases. The Company has not received written notice that the lessor of any of such leases intends to cancel, suspend or terminate such lease or to exercise or not exercise any option thereunder.

(c) The equipment and personal properties set forth on the Latest Balance Sheet are in good condition and repair, ordinary wear and tear excepted, and are usable in the ordinary course of business. The Company owns or leases under valid leases all buildings, machinery, equipment and other tangible assets necessary for the reasonable conduct of its business as currently conducted.

4.9 Tax Matters. Except as provided on *Item 4.9* of the Disclosure Schedule:

(a) The Company has filed all Federal Income Tax Returns and all other material Tax Returns required to be filed by it, and all such Tax Returns were, as of such filing, complete and correct in all material respects. The Company has paid all Taxes shown to be due on such Tax Returns and all material Taxes for which no return was required to be filed.

(b) No written claim has ever been made by any Tax Authority in a jurisdiction where the Company did not file Tax Returns that it is or may be subject to taxation by that jurisdiction.

(c) There is no action, suit, proceeding, investigation, audit or claim now pending or, to the Company's Knowledge, proposed or threatened against the Company in respect of any Tax.

(d) There are no liens for Taxes upon the Company or any of its properties or assets except statutory liens for current Taxes not yet due and payable or due but not delinquent or being contested in good faith by appropriate proceedings. All Taxes that are required to be withheld or collected by the Company from their respective employees have been duly withheld and collected and, to the extent required, have been properly paid or deposited as required by applicable laws.

(e) The Company has not waived any statute of limitations in respect of Taxes of the Company for any taxable period that is still open or agreed to any extension of time with respect to a Tax assessment or deficiency of the Company that is still pending other than by filing Tax Returns pursuant to valid automatic extensions of the required filing date.

(f) The Company (i) has not filed a consent under former Code Section 341(f) concerning collapsible corporations, (ii) is not a party to any Tax allocation or sharing agreement between the Company, on the one hand, and another Person with which it files a consolidated Tax Return for Federal Income Taxes, on the other hand, (iii) is not or has not been a "United States real property holding corporation" as defined in Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code, and (iv) to the Company's Knowledge, has not participated in a "reportable transaction" as defined under Treasury Regulation section 1.6011-4(b), as modified by Rev. Proc. 2004-65, Rev. Proc. 2004-66, Rev. Proc. 2004-67 and Rev. Proc. 2004-68.

4.10 Contracts and Commitments.

(a) Except as set forth on *Item 4.10* of the Disclosure Schedule, stated as of the date of this Agreement and again as of the Closing Date, the Company is not a party to any: (i) collective bargaining agreement or contract with any labor union; (ii) bonus, pension, profit sharing, retirement, severance or other form of deferred compensation plan or agreement, other than as described in **Section 4.14** of this Agreement or the items of the Disclosure Schedule relating thereto; (iii) stock purchase, stock option or similar plan; (iv) contract for the employment or retention of or for providing severance or non-compete related payments to any officer, individual employee or other person on a full-time or consulting basis or for providing any compensation in connection with the sale of the Company; (v) agreement or indenture relating to the borrowing of money or to mortgaging, pledging or otherwise placing a Lien (other than a Permitted Lien) on the assets of the Company or letter of credit or surety bond arrangements; (vi) guaranty of any obligation for borrowed money or otherwise or other material guaranty; (vii) lease or agreement under which it is lessee of, or holds or operates any property, real or personal, owned by any other party, for which the annual rental exceeds $50,000; (viii) lease or agreement under which it is lessor of or permits any third party to hold or operate any property, real or personal, for which the annual rental exceeds $50,000; (ix) contract or group of related contracts with the same party or, to the Company's Knowledge, group of related parties for the purchase of products or services, under which the undelivered balance of such products or services is in excess of $50,000 annually; (x) contract or group of related contracts with the same party or, to the Company's Knowledge, group of related parties for the sale of products or services under which the undelivered balance of such products or services is in excess of $50,000 annually; (xi) contracts prohibiting the Company from freely engaging in business anywhere in the United States; (xii) sales, distributor or franchise agreements under which annual payments made or received by the Company in fiscal 2004 are expected to exceed $50,000; (xiii) material contracts relating to the marketing, sale, advertising or promotion of its products or services; (xiv) agreements with any supplier or customer under which the Company is obligated to indemnify such supplier or customer against liability claims; (xv) agreements relating to ownership of or investments in any business or enterprise, including investments in joint ventures and minority equity investments; (xvi) settlement, conciliation or similar agreements; (xvii) agreements with respect to the lending or investing of funds; or (xviii) other contract or agreement, whether or not made in the ordinary course of business, which is material to the Company or the absence of which would reasonably be expected to have a Material Adverse Effect.

(b) True and correct copies of all written contracts which are referred to on *Item 4.10* of the Disclosure Schedule, together with all material amendments, waivers or other changes thereto have been made available to Parent. Each oral contract of the type that would be required to be disclosed in **Section 4.10(a)** above is described on *Item 4.10* of the Disclosure Schedule. The Company has provided Parent with complete and accurate copies of the Company Articles of Incorporation and the Company Bylaws.

(c) All of the contracts, agreements and instruments set forth on *Item 4.10* of the Disclosure Schedule are, to the Company's Knowledge, valid, binding and enforceable in accordance with their respective terms as against the counterparties thereto, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights and as limited by general principles of equity that restrict the availability of equitable remedies. The Company has performed all obligations required to be performed by it and is not in material default under any contract, agreement or instrument set forth on *Item 4.10* of the Disclosure Schedule. No event has occurred which with the passage of time or the giving of notice or both would reasonably be expected to result in a material default, breach or event of noncompliance by the Company or, to the Company's Knowledge, any other party under any such contract, agreement or instrument. Except as set forth on *Item 4.10* of the Disclosure Schedule, (i) the Company has not received written notice of the intention of any party to cancel or terminate any contract, agreement or instrument required to be set forth on *Item 4.10* of the Disclosure Schedule; and (ii) to the Company's Knowledge, there has not been any breach or anticipated breach by the other parties to any such contract, agreement or instrument.

4.11 Intellectual Property; Software.

(a) *Item 4.11* of the Disclosure Schedule sets forth a complete and accurate list of all material intellectual property rights, including all Proprietary Technology (as defined below) (other than for processes, trade secrets and know-how), patents, patent applications, trademarks, trademark applications, trade names and service marks, service mark applications, copyrights and copyright applications, and licenses (collectively, "**Intellectual Property Rights**") necessary for the conduct of the Company's business as presently conducted and as proposed to be conducted by the Company as of the date hereof (collectively, the "**Company Intellectual Property Rights**"), together with a complete list of all licenses granted by or to the Company with respect to any of the above. As used in this Agreement, "**Proprietary Technology**" means all source and object code, algorithms, architecture, structure, display screens, layouts, processes, inventions, trade secrets, know-how, development tools and other proprietary rights owned by the Company and pertaining to any product or service manufactured, marketed or sold, or to the Knowledge of the Company proposed to be marketed or sold (as the case may be), by the Company, and all documentation and media constituting, the above.

(b) Prior to the date hereof, the Company has delivered to Parent correct and complete copies of all trademarks, trademark applications, patents, patent applications, copyrights and copyright applications evidencing the Intellectual Property Rights owned by the Company and set forth on *Item 4.11* of the Disclosure Schedule. The Company is the owner of, or is licensed to use by a Person which, to the Company's Knowledge, has legally enforceable rights to license, all of the Intellectual Property Rights employed in the operation of or otherwise material to its business as now conducted and as proposed as of the date hereof to be conducted by the Company. Except as set forth on *Item 4.11* of the Disclosure Schedule, the Company has made all filings and recordations reasonably required and permitted to protect and maintain its interest in its Intellectual Property Rights material to its business as now conducted and as proposed as of the date hereof to be conducted by the Company.

(c) The operation of the Company's business as now conducted or as proposed to be conducted by the Company as of the date hereof does not infringe any Intellectual Property Rights of any Person. There are no agreements, understandings, instruments, contracts, judgments, orders, writs or decrees to which

the Company is a party, or by which its assets are bound, which involve indemnification by the Company with respect to infringements or other violations of any Intellectual Property Rights other than those contained in license and distribution agreements entered into in the ordinary course of business by the Company, or as otherwise set forth on *Item 4.11* of the Disclosure Schedule.

(d) The Company has not received any communications alleging that it has violated or, by conducting its business as proposed as of the date hereof to be conducted by the Company, would violate any of the Intellectual Property Rights of any Person, nor, to the Company's Knowledge, is there any basis for the foregoing.

(e) To the Company's Knowledge, there is no unauthorized use, infringement or misappropriation of any of the Company Intellectual Property Rights by any Person, including any employee, former employee, independent contractor or consultant of the Company or any Subsidiary thereof. The Company has taken reasonable and practicable steps designed to safeguard and maintain the secrecy and confidentiality of the Intellectual Property Rights owned by it. All officers, directors, employees and consultants of the Company developing any Intellectual Property Rights owned or used by the Company have executed and delivered an agreement regarding the protection of the proprietary information of the Company, and a license or assignment to the Company of all Intellectual Property Rights arising from the services performed by such persons to the extent not already provided for under applicable law. The Company has not received any written notice that any current or prior officer, employee, or consultant of the Company claims or has a right to claim an ownership interest in any Company Intellectual Property Rights as a result of having been involved in the development or licensing of any such Company Intellectual Property Rights while employed by or consulting to the Company.

4.12 No Undisclosed Liabilities. The Company has no debt, liability or obligation, including any liability or obligation on account of taxes or any governmental charge or penalty, interest or fine that would be required by GAAP to be reflected on its balance sheet, except (i) as set forth on *Item 4.12* of the Disclosure Schedule; (ii) for debts, liabilities and obligations incurred in the ordinary course of business after the date of the Latest Balance Sheet; (iii) for liabilities reflected on the Latest Balance Sheet, and (iv) for those debts, liabilities or obligations incurred as a result of the transactions contemplated hereby. Notwithstanding the foregoing, no liability shall constitute a breach of this **Section 4.12** if such liability is the subject of or is covered by another Section within this **Article 4** (e.g., litigation that is the subject of and is covered by **Section 4.13**) and the existence of such liability does not constitute a breach of such other Section.

4.13 Litigation. Except as set forth on *Item 4.13* of the Disclosure Schedule, there is no claim, litigation, action, suit, order, judgment, investigation or proceeding pending or, to the Company's Knowledge, threatened against the Company (or against any of their respective officers, directors, agents or employees (in each case, in their capacity as such)), at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign. Except as set forth on *Item 4.13* of the Disclosure Schedule, the Company is not subject to any outstanding injunction, judgment, order or decree of any court, arbiter or governmental body that would reasonably be expected to prevent or delay the consummation of the Merger.

4.14 Employee Benefit Plans.

(a) Except as set forth on *Item 4.14* of the Disclosure Schedule, since the date of the Most Recent Financial Statements, there has not been any adoption or amendment in any material respect by the Company of any "employee benefit plans" within the meaning of Section 3(3) of Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), to which the Company or any Subsidiary thereof contributes or any other practices, commitments, arrangements and agreements pursuant to which the Company or any Subsidiary thereof provides, directly or indirectly, any compensation or benefits for

employees or former employees, directors, consultants, independent contractors, or leased employees of Company or any Subsidiary thereof or their dependents (excluding payroll practices and plans, agreements and arrangements that are mandated by law) (collectively, the "**Plans**"). Except as set forth on *Item 4.14* of the Disclosure Schedule, there exist no employment, consulting, severance, termination agreements, rabbi trust, or other compensation arrangements between the Company and any current or former employee, officer or director of the Company (collectively, "**Compensation Agreements**").

(b) *Item 4.14* of the Disclosure Schedule contains a list of all Plans maintained, or contributed to, by the Company for the benefit of any current or former employees, officers or directors of the Company or any of its Subsidiaries. The Company has delivered to Parent correct and complete copies of (i) each Plan (or, in the case of any unwritten Plans, descriptions thereof) and all amendments thereto, (ii) the most recent annual report on Form 5500 filed with the Internal Revenue Service with respect to each Plan (if any such report was required), (iii) the most recent summary plan description for each Plan for which such summary plan description is required, (iv) each trust agreement and group annuity contract relating to any Plan, (v) all documentation of nondiscrimination testing that has been prepared for or with respect to a Plan for which such testing is required, including average deferral percentage testing, average contribution percentage testing, and Code Section 410(b) coverage testing completed for the most recent plan year, and (vi) each Compensation Agreement (or in the case of any unwritten Compensation Agreements, descriptions thereof) and all amendments.

(c) Except as set forth on *Item 4.14* of the Disclosure Schedule, (i) all Plans intended to qualify under Section 401(a) of the Code (each, a "**Pension Plan**") have received determination letters from the Internal Revenue Service to the effect that such Pension Plans are qualified under Section 401(a) of the Code, and no such determination letter has been revoked nor, to the Knowledge of the Company, has revocation been threatened, or (ii) the Company has filed an application for a determination with the Internal Revenue Service for such Pension Plan, which is being operated in material compliance with applicable law. Except as set forth on *Item 4.14* of the Disclosure Schedule, no facts or circumstances exist that could adversely affect the qualified status of any Pension Plan. There is no material pending or, to the Company's Knowledge, threatened litigation or governmental investigation relating to any of the Plans or the Compensation Agreements.

(d) No Plan is subject to Title IV of ERISA. Each Employee Benefit Plan has been operated and administered in all material respects in accordance with its terms and all applicable laws, including ERISA and the Code. To the Company's Knowledge, (i) the Company has no liability for a "prohibited transaction" (as such term is defined in Section 406 of ERISA or Section 4975(c)(1) of the Code) for which no exemption exists under Section 408 of ERISA or Section 4975(c)(2) or (d) of the Code, (ii) the Company has not participated in a violation of Part 4 of Title I, Subtitle B of ERISA by a plan fiduciary of any Plan, and (iii) no fiduciary of any Plan is subject to any unpaid civil penalty under 502(l) of ERISA.

(e) With respect to any Plan that is an employee welfare benefit plan as defined in Section 3(1) of ERISA, except as set forth on *Item 4.14* of the Disclosure Schedule, (i) no such Plan is funded, (ii) each such Plan that is a "group health plan," as such term is defined in Section 5000(b)(1) of the Code, has complied in all material respects with the applicable requirements of Section 4980B(f) of the Code and (iii) each such Plan (including any such Plan covering retirees or other former employees) may be amended or terminated without material liability (other than the payment of benefits that are accrued and payable as of the date of such amendment or termination) to the Company or any of its Subsidiaries at any time. There has been no written or, to the Company's Knowledge, oral communication to employees by the Company that would reasonably be expected to promise or guarantee such employees retiree health or life insurance or other retiree death benefits on a permanent basis.

(f) Except as set forth on *Item 4.14* of the Disclosure Schedule, the consummation of the transactions contemplated by this Agreement will not (x) entitle any employees of the Company to severance pay, (y) accelerate the time of payment or vesting or trigger any payment of compensation or benefits under,

increase the amount payable or trigger any other material obligation pursuant to, any of the Plans or the Compensation Agreements or (z) result in any material breach or violation of, or a default under, any of the Plans or the Compensation Agreements.

(g) Except as set forth on *Item 4.14* of the Disclosure Schedule, each Employee Benefit Plan may be amended, revised or terminated by the Company in its sole discretion.

(h) Except as set forth on *Item 4.14* of the Disclosure Schedule, all contributions or premiums required to be paid on or before the Closing Date by the Company or any Subsidiary under the terms of each Employee Benefit Plan have been made in a timely fashion in accordance with the time periods prescribed by ERISA, the Code and the terms of the Employee Benefit Plan, or are shown as a liability on the Financial Statements.

4.15 Insurance. *Item 4.15* of the Disclosure Schedule lists each material insurance policy maintained by the Company (the "**Insurance Policies**"). To the Company's Knowledge, all of the Insurance Policies are in full force and effect and the Company is not in default with respect to its obligations under any of such insurance policies. *Item 4.15* of the Disclosure Schedule describes any self-insurance, co-insurance or similar arrangements affecting the Company. Except as set forth on *Item 4.15* of the Disclosure Schedule there are no outstanding unpaid premiums or claims, and there are no provisions for retroactive or retrospective premium adjustments. The Company has not been refused or denied insurance coverage. No written notice of cancellation or nonrenewal with respect to, or disallowance of any claim under, any such policy has been received by the Company.

4.16 Labor Relations Matters.

(a) The Company is not a party to, nor is it bound by, any collective bargaining agreement, contract or other agreement or understanding with a labor union or labor organization, nor is the Company the subject of a proceeding asserting that it has committed an unfair labor practice (within the meaning of the National Labor Relations Act) or seeking to compel it to bargain with any labor organization as to wages and conditions of employment, nor is there any strike or other labor dispute involving the Company pending or, to the Company's Knowledge, threatened, nor, to the Company's Knowledge, is there any activity involving its employees seeking to certify a collective bargaining unit or engaging in any other organization activity.

(b) To the Company's Knowledge, the Company has not been, within the last three (3) years, the subject of, or involved in, any investigation, complaint or proceeding by the United States Department of Labor, the Office of Federal Contract Compliance, the Equal Employment Opportunity Commission or any similar federal, state or local body dealing with any employment policies and practices of the Company or any Person currently employed by it. The Company is not liable for the payment of any compensation, damages, fines, penalties, or other amounts, however designated, for failure to comply with any of such laws. The Company is not delinquent in payments to any of its employees for any wages, salaries, commissions or bonuses earned to the date hereof or any material amounts required to be reimbursed to such employees.

(c) *Item 4.16* of the Disclosure Schedule sets forth a complete and correct list of all current employee manuals and all material written employment policies and procedures of the Company, correct and complete copies of which have been provided to or made available to Parent.

4.17 Compliance with Laws; Permits and Approvals. The Company has substantially complied and is in substantial compliance with all material laws, rules, regulations, orders, judgments and decrees of foreign, federal, state and local governments and all agencies thereof applicable to the Company or by which any of their respective assets or properties are bound. The Company has all material governmental licenses, franchises, permits, approvals, authorizations, exemptions, certificates and registrations necessary

to carry on its business as currently conducted ("**Licenses**"). No loss or expiration of any License is pending or, to the Company's Knowledge, threatened (including, without limitation, as a result of the transactions contemplated hereby) other than expiration in accordance with the terms thereof. *Item 4.17* of the Disclosure Schedule contains a complete listing of all material Licenses owned or possessed by the Company or used by the Company in the conduct of its business.

4.18 Environmental Compliance and Conditions.

(a) Except as set forth on *Item 4.18* of the Disclosure Schedule, to the Company's Knowledge, the Company has obtained and possesses all permits, licenses and other authorizations required by the Company under federal, state and local laws and regulations concerning public health and safety, worker health and safety, and pollution or protection of the environment in effect on or prior to the Closing Date applicable to the Company and its operations, including all such laws and regulations relating to the

emission, discharge, release or threatened release of any chemicals, petroleum, pollutants, contaminants or hazardous or toxic materials, substances or wastes into ambient air, surface water, groundwater or lands or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any chemicals, petroleum, pollutants, contaminants or hazardous or toxic materials, substances or waste ("**Environmental and Safety Requirements**").

(b) To the Company's Knowledge, the Company is in compliance with all Environmental and Safety Requirements or any written notice or demand letter issued, entered, promulgated or approved thereunder, except where the failure to comply would not have a Material Adverse Effect.

(c) No hazardous substance has been disposed of, spilled, leaked or otherwise released ("**Releases**") on or under any of the real properties leased by the Company, except where such Releases are in material compliance with Environmental and Safety Requirements.

(d) The Company has not received any written notice of violations or liabilities arising under Environmental and Safety Requirements, including any investigatory, remedial or corrective obligation, relating to the Company or its facilities and arising under Environmental and Safety Requirements.

(e) Without limiting the generality of the foregoing, to the Company's Knowledge, no facts, events, or conditions relating to the past or present properties, facilities or operations of the Company shall give rise to any material corrective, investigatory or remedial obligations pursuant to Environmental and Safety Requirements, or give rise to any other material liabilities (whether accrued, absolute, contingent, unliquidated or otherwise) pursuant to Environmental and Safety Requirements, including those liabilities relating to onsite or offsite Releases or threatened Releases of hazardous materials, substances or wastes, personal injury, property damage or natural resource damage.

4.19 Compensation and Related Employee Matters.

(a) *Item 4.19* of the Disclosure Schedule contains a complete and accurate list of (i) all directors, officers and employees of the Company as of December 31, 2004, including each employee on leave of absence or layoff status, specifying their names, primary work locations and job designations, the total amount paid or payable as compensation to each such person, and the basis of such compensation, whether fixed or commission or a combination thereof, as of December 31, 2004 and (ii) all independent contractors and consultants of the Company as of December 31, 2004.

(b) To the Company's Knowledge, except as set forth on *Item 4.19* of the Disclosure Schedule, no employee of the Company is subject to any non-compete, nondisclosure, confidentiality, employment, consulting or similar agreements with persons other than the Company affecting or in conflict with the present business activities of the Company.

4.20 Records.

(a) Except as set forth on *Item 4.20* of the Disclosure Schedule, (i) the minutes and other similar records of meetings or consent actions of the shareholders and the board of directors (and committees thereof) provided or made available by the Company to Parent contain all records of meetings and consent actions taken in lieu thereof by such shareholders and such directors (and committees of the board of directors), and show all material corporate actions taken by such shareholders and such directors, and any committees thereof, for the Company and (ii) the share transfer records of the Company provided to Parent reflect all issuances, transfers of record and redemptions of the capital stock of the Company.

(b) The books, records and accounts of the Company are stated in reasonable detail and are accurate and complete in all material respects and have been maintained in accordance with good business practices on a basis consistent with prior years. The books and records of the Company are consistent in all material respects with the Financial Statements.

4.21 Receivables. All of the trade receivables and notes receivable that are reflected in the Latest Balance Sheet or on the accounting records of the Company as of the Closing Date, represent or will represent obligations arising from bona fide transactions in the ordinary course of business of the Company. To the Company's Knowledge, such receivables are, or will be as of the Closing Date, collectible, except (a) to the extent of (i) the normal allowance for doubtful accounts with respect to accounts receivable, and (ii) the normal reserve for customer credits and allowances, in each case consistent with prior practices of the Company and as reflected on the Latest Balance Sheet and (b) as set forth on *Item 4.21* of the Disclosure Schedule.

4.22 Affiliated Transactions. Except as set forth on *Item 4.22* of the Disclosure Schedule, to the Company's Knowledge, no shareholder, officer, director, employee or Affiliate of the Company or any entity in which any such Person or individual owns any beneficial equity interest (other than beneficial ownership of less than 5% of the outstanding equity interest in a publicly held entity) has been involved in any business arrangement or relationship with the Company or is a party to any agreement, contract or arrangement with the Company or which pertains to the business of the Company or owns or has any interest in any asset, tangible or intangible, used by the Company.

4.23 Interest in Customers, Suppliers and Competitors. To the Company's Knowledge, except as set forth on *Item 4.23* of the Disclosure Schedule, no officer, director or shareholder or of the Company and no spouse, parent, sibling or lineal descendent of any of the foregoing, has any direct or indirect material interest in any material customer, supplier or competitor of the Company, or in any Person from whom or to whom the Company leases any real or personal property, or in any other Person with whom the Company is doing business, directly or indirectly (including as a debtor or creditor), whether in existence as of the Closing Date or proposed, other than the ownership of stock of publicly trade corporations and other entities.

4.24 Brokerage. Except for the fees and expenses of Stephens, Inc., there are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the Company.

4.25 Voting Requirements. The affirmative vote of the holders of a majority of the voting power present and entitled to vote or a written consent signed by the holders of a majority of the Company's voting power, and the affirmative vote of a majority of the holders of the outstanding shares of Preferred Stock (the "**Requisite Shareholder Approval**"), voting as a single class, or a written consent by a majority of the holders of the outstanding shares of Preferred Stock, to approve this Agreement, the Merger and the

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other transactions contemplated by this Agreement, is the only vote or written consent of the holders of any class or series of the Company's capital stock necessary to approve this Agreement, the Merger, and the other transactions contemplated by this Agreement.

4.26 Bank Accounts. *Item 4.26* of the Disclosure Schedule contains a list of each bank or other financial institution in which the Company has an account, safe deposit box or lock box arrangement, the identifying numbers or symbols of each such account, box or arrangement, and the name of each Person authorized to draw thereon or to have access thereto.

4.27 Disclosure. Neither this Agreement, the Disclosure Schedule (including the Financial Statements), any Supplemental Disclosure Schedule(s) nor the certificate to be delivered by the Company at Closing pursuant to **Section 3.1(g)(i)** contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein, viewed as a whole, in light of the circumstances under which they were made, not misleading.

4.28 Absence of Other Warranties. Except as and to the extent expressly set forth in this Agreement, the Company does not make any representation or warranty whatsoever, and disclaims any liability and responsibility for any statement or information not contained in this Agreement, the Disclosure Schedule, any Supplemental Disclosure Schedule(s) and the certificate to be delivered by the Company at Closing pursuant to **Section 3.1(g)(i)**.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF PARENT AND THE MERGER SUB

Except as set forth in the disclosure schedule prepared by Parent attached hereto (the "**Parent Schedule**") Parent and the Merger Sub, jointly and severally, represent and warrant to the Company and in favor of the Securityholders that:

5.1 Organization and Corporate Power. Parent is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of formation, with all requisite corporate power and corporate authority to enter into this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby. The Merger Sub is a corporation duly organized and validly existing under the laws of the State of Louisiana, with full corporate power and corporate authority to enter into this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby.

5.2 Authorization. The execution and delivery of this Agreement and the consummation of the transactions completed hereby have been duly approved by the respective Boards of Directors of Parent and the Merger Sub and no other corporate proceedings on the part of Parent and the Merger Sub are necessary to consummate the transactions so contemplated (other than, with respect to the Merger, the filing and recordation of the appropriate merger documents as required by the LBCL). No vote or consent of the shareholders of Parent is required to approve this Agreement, the Merger or the other transactions contemplated by this Agreement. This Agreement has been duly executed and delivered by each of Parent and the Merger Sub and, assuming the due authorization, execution and delivery thereof by the Company, constitutes a valid and binding obligation of each of Parent and the Merger Sub, enforceable against such parties in accordance with its terms, except as enforceability may be limited or affected by applicable bankruptcy, insolvency, reorganization and other laws of general application relating to or affecting the rights of creditors and except as enforceability may be limited by rules of law governing specific performance, injunctive relief or other equitable remedies.

5.3 No Violation. Neither Parent nor the Merger Sub is subject to or obligated under its articles of incorporation, its bylaws, any applicable law, or rule or regulation of any governmental authority, or any material agreement or instrument to which it is a party, or any license, franchise or permit, or subject to any order, writ, injunction or decree, which would be breached or violated in any material respect by Parent's or the Merger Sub's execution, delivery or performance of this Agreement or the consummation of the transactions contemplated hereby.

5.4 Governmental Authorities; Consents. Except for the applicable requirements of the HSR Act and of the LBCL, and except as set forth on *Item 5.4* of Parent Schedule, neither Parent nor the Merger Sub is required to submit any notice, report or other filing with any governmental authority in connection with the execution, delivery or performance by it of this Agreement or the consummation of the transactions contemplated hereby. Except as set forth on *Item 5.4* of Parent Schedule and except for the applicable requirements of the LBCL, no consent, approval or authorization of any governmental or regulatory authority or any other party or Person is required to be obtained by Parent or the Merger Sub in connection with its execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

5.5 Litigation. Except as set forth on *Item 5.5* of Parent Schedule, there is no claim, litigation, action, suit, order, judgment, investigation or proceeding pending or, to Parent's knowledge, threatened against or affecting Parent or the Merger Sub at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which could adversely affect Parent's or the Merger Sub's performance under this Agreement or the consummation of the transactions contemplated hereby.

5.6 Brokerage. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of Parent or the Merger Sub.

5.7 Financing. Parent has and shall have at the Closing sufficient cash to make all payments required in connection with the performance of this Agreement and the consummation of the transactions contemplated hereby and to pay all of its related fees and expenses.

5.8 No Reliance. In entering into this Agreement, neither Parent nor the Merger Sub has relied upon any representations other than the representations and warranties of the Company set forth or referenced in this Agreement.

5.9 No Prior Activities. The Merger Sub has not incurred nor prior to the Closing will it incur any liabilities or obligations, except those incurred in connection with its organization and with the negotiation of this Agreement and the performance hereof, and the consummation of the transactions contemplated hereby, including the Merger.

ARTICLE 6

PRE-CLOSING COVENANTS OF THE COMPANY

6.1 Conduct of the Business. Except as otherwise contemplated by this Agreement, or as otherwise set forth on *Schedule 6.1*, or as required by law or any governmental entity, the Company covenants that until the earlier of the termination of this Agreement or the Closing, it will operate its business in all material respects in the ordinary course and will use its Reasonable Efforts to continue, in a manner consistent with the past practices, to maintain and preserve intact and to keep available the services of its present officers and significant employees and to maintain its ordinary and customary relationships with its

suppliers, customers and others having business relationships with it with a view toward preserving for Parent the Company's business, the assets used therein and the goodwill associated therewith. Until the earlier of the termination of this Agreement and the Closing, except as set forth on *Schedule 6.1* or as contemplated by this Agreement, the Company shall not, without the prior written approval of Parent (which approval will not be unreasonably withheld and Parent will use its Reasonable Efforts to respond to any request by the Company for such approval within three (3) Business Days of receiving such request; *provided, however*, that the Parties shall comply with the HSR Act and other applicable antitrust laws and regulations in connection with such Parent approval process contemplated by this **Section 6.1**), take or permit to be taken any of the following actions with respect to the Company:

(a) borrow any amount or incur or become subject to any liabilities, except liabilities incurred in the ordinary course of business, liabilities under contracts entered into in the ordinary course of business and borrowings from banks (or similar financial institutions) necessary to meet ordinary course working capital requirements;

(b) mortgage, pledge or subject to any Lien (other than a Permitted Lien) any portion of its assets, except in the ordinary course of business;

(c) sell, assign or transfer any material portion of its tangible assets, or cancel, without fair consideration, any material debts or claims owing to or held by it except in the ordinary course of business;

(d) sell, assign or transfer any material trademarks, trade names, copyrights, trade secrets or other intangible assets or intellectual property, except in the ordinary course of business;

(e) waive any rights of material value;

(f) issue, sell or transfer any of its capital stock or other equity securities, securities convertible into its capital stock or other equity securities or warrants, options or other rights to acquire its capital stock or other equity securities, or any bonds or debt securities;

(g) make, or agree to make, any material capital expenditures outside of the ordinary course of business;

(h) enter into any other material transaction, except in the ordinary course of business;

(i) except in the ordinary course of business, or as otherwise contemplated by this Agreement, make any increase in or establish any bonus, severance, deferred compensation, pension, retirement, profit sharing, stock option, stock purchase or other employee benefit plan (including, without limitation, the granting of stock options, stock appreciation rights, performance awards, or restricted stock awards) or any other increase in the compensation payable or to become payable to any of its shareholders, directors, officers or key employees;

(j) make any loan to, or engage in any other transaction with, any of its directors, officers and employees outside the ordinary course of business;

(k) make any material change in its accounting methods, except as required by law or by GAAP (*provided,* that the Company shall notify Parent in writing of any such material change);

(l) make or authorize any amendment to the Company Articles of Incorporation or the Company Bylaws;

(m) declare, set aside or pay any dividend or make any distribution with respect to its capital stock (whether in cash or in kind) or redeem, purchase or otherwise acquire any of its capital stock;

(n) enter into any employment contract with an employee or collective bargaining agreement, written or oral, or modify the terms of any existing such contract or agreement;

(o) make any loans or advances to, guarantees for the benefit of or any investments in, any Person (other than advances to the Company's employees in the ordinary course of business consistent with past practice); or

(p) commit to do any of the foregoing.

6.2 Access to Books and Records. During the period commencing on the date hereof and ending on the earlier of the termination of this Agreement and the Closing, subject to applicable law, the Company shall permit Parent and its authorized representatives (the "**Parent Representatives**") to have reasonable access, during regular business hours and upon reasonable advance notice, to the Company and to its books, contracts and records, and shall furnish to Parent such information regarding the business of the Company as Parent may reasonably request, in each case to the extent that such access does not unreasonably interfere with the business or operations of the Company; provided that Parent and such Parent Representatives comply with the confidentiality obligations contained herein and Parent acknowledges that it remains bound by the Confidentiality and Non-Disclosure Agreement, dated October 19, 2004, between Parent and the Company (as amended and supplemented) (the "**Confidentiality Agreement**") and it shall be responsible for any breaches of the Confidentiality Agreement by any of the Parent Representatives. Notwithstanding anything in the Agreement to the contrary, the foregoing shall not (i) require the Company to permit any inspection, or to disclose any information, that, in its reasonable judgment would result in the disclosure of any trade secrets or violate any of the Company's obligations with respect to confidentiality or (ii) require any disclosure by the Company that would, as a result of such disclosure, have the effect of causing the waiver of any legal privilege. In the event of a conflict or inconsistency between the terms of this Agreement and the Confidentiality Agreement, the terms of this Agreement shall govern.

6.3 Regulatory Filings. The Company shall make or cause to be made all filings and submissions under the HSR Act and any other material laws or regulations applicable to the Company as may be required of the Company for the consummation of the transactions contemplated herein. The Company shall coordinate and cooperate with Parent in exchanging such information and assistance as Parent may reasonably request in connection with all of the foregoing.

6.4 Conditions. The Company shall use Reasonable Efforts to cause the conditions set forth in **Section 3.1** to be satisfied and to consummate the transactions contemplated herein as soon as reasonably possible after the satisfaction or waiver of the conditions set forth in **Article 3** (other than those to be satisfied at the Closing).

6.5 Supplemental Disclosures; Effect. **(a)** From time to time after the execution of this Agreement until the Closing or earlier termination of this Agreement, the Company shall deliver to Parent and the Merger Sub one or more supplemental disclosure schedules (each, a "**Supplemental Disclosure Schedule**") setting forth any update or change required to be made to the form of the Disclosure Schedule originally delivered upon the execution and delivery of this Agreement (the "**Original Disclosure Schedules**") (and in previously delivered Supplemental Disclosure Schedules, if any) arising out of matters first discovered or first occurring after the date of this Agreement but prior to the Closing Date. Each such Supplemental Disclosure Schedule shall be delivered to Parent and the Merger Sub promptly after the discovery by the Company that any such update to the Original Disclosure Schedules is required. Each Supplemental Disclosure Schedule shall be accompanied by all available information related to the newly disclosed matter necessary to adequately evaluate such matter and shall identify all representations and warranties herein that would reasonably be affected by such information or matter. The delivery of a Supplemental Disclosure Schedule with respect to any fact or matter that should have been disclosed in the Original Disclosure Schedules shall not cure or otherwise be deemed a waiver of any inaccuracy or

misrepresentation in any representation or warranty. The update delivered as of Closing in respect of **Section 4.10(a)** shall not be considered or deemed to be a Supplemental Disclosure Schedule for purposes of this **Section 6.5**.

(b) At the Closing, if any matter set forth in the Supplemental Disclosure Schedules would reasonably be expected to result in Parent or the Merger Sub (including, after the Closing, the Surviving Corporation) actually suffering or incurring Losses arising out of or resulting from such matter ("**Supplemental Losses**"), the amount of the Escrow Deposit shall be increased by an amount equal to fifty percent (50%) of such Supplemental Losses (up to a maximum increase in the Escrow Deposit of $2,000,000) and any and all of such increase shall be allocated at Closing to the Indemnity Fund. Notwithstanding anything set forth herein to the contrary, in no event shall the Escrow Deposit exceed nine million dollars ($9,000,000) or the amount allocated at Closing to the Indemnity Fund exceed seven million five hundred thousand dollars ($7,500,000). Subject to a maximum increase of two million dollars ($2,000,000), and with the consent of the Company (which consent shall not be unreasonably withheld or delayed), Parent and the Merger Sub are hereby authorized and directed to increase the amount of the Escrow Deposit by an amount equal to fifty percent (50%) of such Supplemental Losses, to cause such amount to be deposited with the Escrow Agent in the Indemnity Fund, and to reduce the amount of the Merger Consideration payable on the Closing Date to Securityholders by such amount. Any such supplemental disclosures pursuant to a Supplemental Disclosure Schedule shall not constitute a breach of the condition in

Section 3.1(a); *provided,* that if any such supplemental disclosure results in the failure of some other condition to Closing set forth in **Section 3.1**, such other condition shall be unaffected thereby.

(c) If any matter(s) set forth in the Supplemental Disclosure Schedules would reasonably be expected to result in Parent or the Merger Sub (including, after the Closing, the Surviving Corporation) actually suffering or incurring Losses arising out of or resulting from such matter in excess of Four Million Dollars ($4,000,000), whether individually or in the aggregate, Parent shall have ten (10) Business Days to object to such disclosure, if at all, in a writing delivered to the Company and the Representative proposing an amendment to the size of the Indemnity Fund acceptable to Parent, in its sole and absolute discretion; *provided,* that Parent and the Company shall discuss the terms of such amendment during the first five (5) Business Days of such ten (10) Business Day review period. If the Closing has been scheduled for a date within such ten (10) Business Day review period, the Closing shall be delayed until the end of such review period unless Parent waives in writing such review period or any portion thereof. If the Company does not execute the proposed amendment within five (5) Business Days after receipt, Parent shall have the right, but not the obligation, to terminate this Agreement without liability to any Party hereunder pursuant to **Section 9.1(b)**.

(d) All determinations to be made by Parent and/or the Merger Sub pursuant to application of the provisions of **Section 6.5(b)** shall be made reasonably and in good faith and based upon the supplemental information provided by the Company in connection with any Supplemental Disclosure Schedule. Parent and the Merger Sub shall document their determination in writing and shall provide the same to Company and the Representative within two (2) Business Days of each such determination.

6.6 Dissenting Shares. The Company covenants and agrees to comply with the provisions of Section 112C of the LBCL, La. R.S. 12:112C, which provides that notice of a special meeting of shareholders for the purpose of approving this Agreement and the Merger shall specifically state that the purpose of such meeting is to approve this Agreement and the transactions contemplated hereby, including the Merger, and shall also contain the following statement: "Dissenting shareholders who comply with the procedural requirements of the Business Corporation of Louisiana will be entitled to receive payment of the fair cash value of their shares if the transaction to be considered is effected upon approval of less than eighty percent of the corporation's total voting power."

6.7 Resignations of Directors. If requested by Parent, the Company shall deliver to Parent the resignations of such Persons as Parent shall request in writing no later than two (2) Business Days prior to the Closing from their positions as directors of the Company effective as of the Effective Time.

6.8 Shareholder Approval. The Company shall use its reasonable efforts to obtain, as promptly as practicable, the Requisite Shareholder Approval, either at a special meeting of shareholders or pursuant to a written shareholder consent, all in accordance with the applicable requirements of the LBCL, the Company Articles of Incorporation and the Company Bylaws. In connection with such special meeting of shareholders or written shareholder consent, the Company shall provide to its shareholders a written proxy or information statement (the "**Information Statement**") which includes (i) a summary of the material terms of the Merger and this Agreement (which summary shall include a summary of the material terms relating to the indemnification obligations of the shareholders, the escrow arrangements and the authority of the Representative, and a statement that the adoption of this Agreement by the shareholders of the Company shall constitute approval of such terms) and (ii) a statement that the shareholders are or may be entitled to assert dissenters' rights under the Section 131 of the LBCL, La. R.S. 12:131 and a copy of Section 131 of the LBCL. Parent agrees to cooperate with the Company in the preparation of the Information Statement. The Company agrees not to distribute the Information Statement until Parent has had a reasonable opportunity to review and comment on the Information Statement and the Information Statement has been approved by Parent (which approval may not be unreasonably withheld or delayed). If the Requisite Shareholder Approval is obtained by means of a written consent, the Company shall comply with Section 76 of the LBCL, La. R.S. 12:76, and other applicable provisions of the LBCL, and shall promptly inform Parent of the date on which such notice was sent. The Company, acting through its Board of Directors, shall include in the Information Statement the unanimous recommendation of its Board of Directors that the shareholders of the Company vote in favor of the adoption of this Agreement and the approval of the Merger. The Company shall ensure that the Information Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under and at the time which they were made, not misleading (provided that the Company shall not be responsible for the accuracy or completeness of any information concerning Parent or the Merger Sub taken from SEC filings of Parent or otherwise furnished or approved by Parent in writing for inclusion in the Information Statement).

ARTICLE 7

COVENANTS OF PARENT

7.1 Access to Books and Records. From and after the Closing, Parent shall, and shall cause the Surviving Corporation to, provide the Representative and its agents (at the Securityholders' sole cost and expense) with reasonable access (for the purpose of examining and copying), during normal business hours, to the books and records of the Surviving Corporation with respect to periods or occurrences prior to the Closing Date in connection with any matter whether or not relating to or arising out of this Agreement or the transactions contemplated hereby. Parent shall not, for a period of five (5) years following the Closing Date allow the Surviving Corporation to destroy, alter or otherwise dispose of any of the books and records of the Surviving Corporation for the period prior to the Closing Date.

7.2 Notification. Prior to the Closing, upon discovery, Parent shall promptly inform the Company in writing of any material variances from Parent's representations and warranties contained in **Article 5**.

7.3 Director and Officer Liability and Indemnification. For a period of six (6) years after the Closing Date, Parent will assist in obtaining, for each individual serving as a director or officer of the Company at any time prior to the Effective Time, at an expense to be paid by the Exchange Agent pursuant to **Section 8.2**, directors' and officers' liability insurance pursuant to the D&O Policy.

Notwithstanding anything contained herein to the contrary, in no event shall any such expense for directors' and officers' liability insurance become the liability of Parent, the Merger Sub or the Surviving Corporation. Notwithstanding anything contained herein to the contrary, such insurance shall only cover claims by Persons other than those that execute a release pursuant to this Agreement or the Option Cancellation Agreement and shall be expressly subject to any excluded claims under the D&O Policy. Parent agrees that it and the Surviving Corporation will (a) not take any action to terminate or amend the D&O Policy and (b) take any action reasonably requested by such director(s) or officer(s) in connection with D&O Policy that does not impose a material cost on Parent or the Surviving Corporation.

7.4 Regulatory Filings. Parent and the Merger Sub shall make or cause to be made all filings and submissions under the HSR Act and any other laws or regulations applicable to Parent and the Merger Sub as may be required of Parent and the Merger Sub for the consummation of the transactions contemplated herein. Parent shall coordinate and cooperate with the Company in exchanging such information and assistance as the Company may reasonably request in connection with all of the foregoing.

7.5 Conditions. Parent shall use all Reasonable Efforts to cause the conditions set forth in **Section 3.2** to be satisfied and to consummate the transactions contemplated herein as soon reasonably possible after the satisfaction or waiver of the conditions set forth in **Article 3** (other than those to be satisfied at the Closing).

7.6 Contact with Employees, Customers and Suppliers. After the date hereof, but prior to the Closing, Parent and Parent's Representatives shall contact and communicate with the employees, customers and suppliers of the Company in connection with the transactions contemplated hereby only upon the prior written approval of the Company which consent shall not be unreasonably withheld.

7.7 Employee Benefit Plans.

(a) Parent will continue, or cause the Merger Sub to continue, the employee benefit plans that the Company has in effect at the Effective Time and are specified on *Schedule 7.7(a)* (the "**Continuing Employee Benefit Plans**") until such time as Parent determines to convert the Continuing Employee Benefit Plans to employee benefit plans maintained by Parent.

(b) Each person employed by the Company prior to the Effective Time who remains an employee of Parent or its Affiliates following the Effective Time (each a "**Continued Employee**") will be generally entitled to participate in:

(i) the Equifax Inc. 401(k) Plan (the "**Equifax 401(k) Plan**"), effective immediately as of the Effective Time;

(ii) the Equifax Inc. Pension Plan (the "**Equifax Pension Plan**"), effective as of the first entry date for such plan beginning after the first anniversary of the Effective Time; and

(iii) the other employee benefit plans of Parent and its subsidiaries that are generally available to similarly situated employees of Parent and its Affiliates.

All such participation will be subject to and contingent on compliance with the terms of such plans as may be in effect from time to time.

(c) *Service Crediting*: Parent agrees that to the extent that Continued Employees become participants in:

(i) the Equifax 401(k) Plan, such employees will receive credit under such plan for service prior to the Effective Time with the Company (and any predecessor entity) for purposes of eligibility, vesting and eligibility for retirement;

(ii) the Equifax Pension Plan, such employees will receive credit under such plan for service prior to the Effective Time with the Company (and any predecessor entity) for purposes of vesting and eligibility for retirement, but not for purposes of benefit accrual or eligibility to participate;

(iii) vacation (provided that Company's paid time off plan will be terminated and paid at or promptly after the Effective Time and Surviving Corporation will not continue benefits under such plan), disability and severance plans, such employees will receive credit for all purposes under such plan for service prior to the Effective Time with the Company, provided that service will only be credited under the severance plans for an employee only if such employee terminates employment three (3) or more years after the Effective Time and such employee has remained continuously employed by Parent or an Affiliate of Parent since the Effective Time; and

(iv) any medical, dental or health plan sponsored or maintained by the Parent, such Continued Employees will not have to satisfy any applicable waiting periods, pre-existing condition exclusions (except to the extent such exclusions were applicable under a corresponding Plan at the Effective Time), and will receive credit for any deductibles and co-payments applied or made with respect to each Continued Employee or his or her spouse or dependents in the plan or calendar year, as applicable, in which the Continued Employee becomes a participant of such Parent plan.

(d) *Company Tax-Qualified Retirement Plans*. Parent will take, or cause to be taken, all administrative actions necessary to complete the termination of the ESOP and the APPRO Systems, Inc. 401(k) Plan (the "**APPRO 401(k) Plan**"), including, but not limited to:

(i) preparing and filing a request with the IRS that the IRS issue a favorable determination letter with respect to the termination of each of the ESOP and the APPRO 401(k) Plan;

(ii) at the appropriate time, directing the trustee of each of the ESOP and the APPRO 401(k) Plan to make distributions from each of the ESOP and the APPRO 401(k) Plan;

(iii) unless prohibited by law or administratively impracticable, permitting participants to roll over their distributions from the ESOP and/or the APPRO 401(k) Plan to the Equifax 401(k) Plan; and

(iv) directing the trustee of the ESOP as to the allocation among participant accounts of any amounts allocated to the ESOP pursuant to **Section 1.5**.

ARTICLE 8

ADDITIONAL AGREEMENTS OF THE PARTIES

8.1 Public Announcements. The Parties shall issue a joint press release, mutually acceptable to the Company and Parent, promptly upon execution of this Agreement. Thereafter, through and including the Closing Date, no Party to this Agreement will issue any press release or make any other public disclosures concerning the Merger or the contents of this Agreement without the prior written consent of the other party. Notwithstanding the above, nothing in this **Section 8.1** will preclude any party from making any disclosures required by law or necessary and proper in conjunction with the filing of any tax return or other document required to be filed with any governmental entity; *provided,* that the party required to make the release or statement shall allow the other party reasonable time to review and comment on such release or statement in advance of such issuance.

8.2 Expenses. Each of the Company, Parent and the Merger Sub shall pay all of its own fees, costs and expenses (including, without limitation, fees, costs and expenses of legal counsel, investment bankers, brokers or other representatives and consultants and appraisal fees, costs and expenses) ("**Transaction Expenses**") incurred in connection with the negotiation of this Agreement and the other agreements contemplated hereby, the performance of its obligations hereunder and thereunder, and the consummation of the transactions contemplated hereby and thereby; *provided, however*, that the filing fee for any filing under the HSR Act shall be borne equally by the Company and Parent. All Transaction Expenses incurred by the Company (or for which the Company has agreed to reimburse or pay on behalf of any Shareholder or representative thereof) at or prior to the Effective Time that have not been accrued on the Preliminary Closing Statement or paid as of the Closing Date shall be paid directly by the Exchange Agent on behalf of the Securityholders to the Persons and in the amounts listed on *Schedule 8.2* in accordance with the provisions of Sections 1.4(a) and 2.2(c); *provided*, that if any Transaction Expenses of the Company (i) remain unpaid after the Effective Time (excluding the amounts on *Schedule 8.2*) and (ii) have not been accrued on or otherwise reflected on the Preliminary Closing Statement or the Final Financial Documents, then such Transaction Expenses shall be deducted from the Representative Fund, and thereafter, shall be paid severally and not jointly by the Securityholders, in accordance with the respective percentages set forth on the Escrow Allocation Schedule; and *provided*, *however,* that, notwithstanding anything set forth herein to the contrary, neither the Preliminary Closing Statement nor any of the Final Financial Documents shall include any Transaction Expenses that have been paid prior to the Effective Time or for which payment has been directed to be made by the Company pursuant to **Section 8.2** out of the Exchange Fund.

8.3 Disclosure Generally. The inclusion of any matter in the Disclosure Schedule shall qualify only such representation and warranty expressly identified in the Disclosure Schedule; *provided, however*, that if it is reasonably apparent from the text of the disclosure that an item disclosed in response to a representation and warranty is omitted from another representation or warranty where such disclosure would be appropriate, such item shall be deemed to have been disclosed in response to such representation and warranty from which such item is omitted. The inclusion of any matter in the Disclosure Schedule shall expressly not be deemed to constitute an admission or acknowledgement by the Company in and of itself, or otherwise imply, that any such matter is material, is outside the ordinary course of the business of the Company, or creates a measure for materiality for the purposes of this Agreement.

8.4 Acknowledgment by Parent and the Merger Sub. The representations and warranties of the Company set forth herein, in the Disclosure Schedule, any

Supplemental Disclosure Schedule(s) and the certificate to be delivered by the Company at Closing pursuant to **Section 3.1(g)(i)** constitute the sole and exclusive representations and warranties of the Company to Parent and the Merger Sub in connection with the transactions contemplated hereby, and Parent and the Merger Sub understand, acknowledge and agree that all other representations and warranties of any kind or nature expressed or implied are specifically disclaimed by the Company.

8.5 Intentionally Omitted.

8.6 Further Assurances. The Company and Parent shall cooperate with each other and use all their respective Reasonable Efforts to take or cause to be taken all actions, and do or cause to be done all things necessary, proper or advisable on their respective parts to consummate and make effective the transactions contemplated by this Agreement as soon as reasonably practicable, including preparing and filing as promptly as practicable all documentation to effect all necessary applications, notices, petitions, filings and other documents and to obtain as promptly as reasonably practicable all consents, registrations, approvals, permits and authorizations necessary or advisable to be obtained from any third party and/or any governmental entity in order to consummate the transactions contemplated by this Agreement. In

furtherance of the foregoing, the Company and Parent agree to file, or cause to be filed, within three (3) Business Days following the date hereof all documentation, filings and other documents necessary under the HSR Act and to request early termination of any applicable waiting periods thereunder. Subject to applicable laws relating to the exchange of information, the Company and Parent shall have the right to review in advance, and to the extent practicable each will consult the other on, all the information relating to the Company or Parent, as the case may be, that appear in any filing made with, or written materials submitted to, any third party and/or any governmental entity in connection with the transactions contemplated by this Agreement. In exercising the foregoing right, each of Parent and the Company shall act reasonably and as promptly as reasonably practicable.

8.7 Unallocated Options. Notwithstanding any provision herein to the contrary, the Company shall not issue additional options to purchase its Common Stock or Preferred Stock prior to the Closing.

8.8 Transaction Bonuses. Notwithstanding any provision herein to the contrary, including **Section 6.1** of this Agreement, the Company shall be authorized to agree to make cash payments to certain members of the Company's management in the form of transaction bonuses in the amounts set forth on *Schedule 8.8*, which amounts will be paid to such management personnel at or promptly following the Effective Time. The aggregate amount of such transaction bonuses, together with the employer portion of all applicable Taxes thereon, based on Pre-Closing Tax Period rates, shall be accrued upon the Company's books immediately prior to the Effective Time. All such amounts are referred to herein as "**Transaction Bonuses**".

8.9 No Solicitation. The Company covenants and agrees that until the earlier of the termination of this Agreement or the Closing, it shall not, nor shall it authorize any of its officers, directors, shareholders, employees, agents, relatives, heirs, representatives or Affiliates to, directly or indirectly (i) negotiate or discuss with any other Person any transaction involving a merger of the Company, or the sale of all or any of the capital stock of the Company (other than in connection with the exercise or conversion of securities outstanding as of the date hereof), or the sale of any assets of the Company outside the ordinary course of the Company's business, or any other business combination involving the Company, (ii) reveal the terms of this Agreement to any Person except in connection with carrying out the transactions contemplated in this Agreement, or (iii) solicit, encourage, negotiate or accept any offer, bid or proposal from any other Person respecting any transaction involving a merger of the Company, the sale of any of the shares in the Company (other than in connection with the exercise or conversion of securities outstanding as of the date hereof), the sale of any assets of the Company outside the ordinary course of the Company's business, or any other business combination involving the Company. If any proposal of the kind described in the preceding clause (iii) is received by the Company prior to any termination of this Agreement pursuant to Article 9 hereof, then the Company shall immediately notify Parent of the receipt of such proposal.

8.10 Lending Call Center Services, LLC. Parent shall strictly comply and shall cause the Surviving Corporation to strictly comply with any and all applicable provisions of the LCCS Agreement, as well as any and all other agreements between the Company and CUNA and the Company and Lending Call Center Services, LLC. Parent shall keep and shall cause the Surviving Corporation to keep the Representative fully apprised of, and Parent shall consult and shall cause the Surviving Corporation to consult with, the Representative with respect to, all material matters concerning CUNA and the payment by CUNA of the CUNA Consideration.

8.11 Collection and Payment of Accounts Receivable. After the Closing, the Surviving Corporation shall in good faith use commercially reasonable efforts (without resort to litigation or an outside collection agency) to collect the accounts receivable of the Company in existence at the Effective Time (the "**Outstanding Receivables**"). Without limiting the foregoing, the Surviving Corporation shall not be

deemed to be in good faith using commercially reasonable efforts to collect the Outstanding Receivables if it shall forgive, discharge or compromise, in whole or in part, any Outstanding Receivable and the purpose for such forgiveness, discharge or compromise was not to resolve a bona fide customer dispute with respect to or otherwise resulting from any act or omission by the Company prior to the Effective Time; *provided*, that if the Surviving Corporation desires to forgive, discharge or compromise, in whole or in part, an Outstanding Receivable, and pursuant to this **Section 8.11** such forgiveness, discharge or compromise would not constitute the good faith use of commercially reasonable efforts to collect the Outstanding Receivables, the Surviving Corporation may nonetheless effect such forgiveness, discharge or compromise so long as it provides the Representative with prior written notice of such forgiveness, discharge or compromise, which written notice shall include a written agreement by the Surviving Corporation that the amount so forgiven, discharged or compromised shall be considered an amount collected by the Surviving Corporation for purposes hereof. Following each of the date that is forty-five (45) days after the Closing Date, the date that is ninety (90) days after the Closing Date, the date that is one hundred thirty-five (135) days after the Closing Date and the date that is one hundred eighty (180) days after the Closing Date, the Surviving Corporation shall prepare and provide the Representative an accounting of the collection status of all of the Outstanding Receivables. If the amounts collected by the Surviving Corporation in respect of the Outstanding Receivables through the date that is one hundred eighty (180) days after the Closing Date are less than the value reported for those Outstanding Receivables on the Closing Financial Statement (without giving effect to any reserve or allowance therefor), then the Representative and Parent shall jointly instruct the Escrow Agent to release to the Surviving Corporation out of the Indemnity Fund, in accordance with the terms of the Escrow Agreement, the difference between the amounts so collected and the aggregate amount of the Outstanding Receivables on the Closing Financial Statement. If following the 180th day after the Closing Date but on or prior to April 30, 2006, the Surviving Corporation collects any of the Outstanding Receivables that were uncollected on the 180th day after the Closing, Parent shall cause the Surviving Corporation to deposit into the Indemnity Fund any amounts so collected. Following the Closing, Parent shall cause the Surviving Corporation to perform and discharge its obligations under each written agreement that it has with each account debtor represented by an Outstanding Receivable in accordance with the terms of each such agreement; *provided*, that a failure by the Surviving Corporation to so perform and discharge its obligations under any such written agreement shall limit Parent's and the Surviving Corporation's rights under this **Section 8.11** only to the extent that any such performance failure (x) relieves an account debtor from its obligation to pay an Outstanding Receivable or (y) results in an account debtor refusing to pay an Outstanding Receivable; in either such case, the amount not paid shall be considered an amount collected by the Surviving Corporation for purposes of this **Section 8.11**.

ARTICLE 9

TERMINATION

9.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of each of Parent, the Merger Sub and the Company;

(b) by Parent by giving written notice to the Company at any time prior to the Closing in the event (i) the Company has within the then previous ten (10) Business Days given Parent any notice pursuant to **Section 6.5** above and (ii) the event or circumstance that is the subject of such notice has had or would reasonably be expected to have a Material Adverse Effect;

(c) by Parent, if there has been a material violation or breach by the Company of any covenant, representation or warranty contained in this Agreement which would reasonably be expected to prevent the satisfaction of any condition precedent to the obligations of Parent at the Closing under **Section 3.1** and such violation or breach has not been waived by Parent or cured (if it is capable of being cured) by the

Company to the reasonable satisfaction of Parent within ten (10) Business Days after written notice thereof from Parent;

(d) by the Company, if there has been a material violation or breach by Parent or the Merger Sub of any covenant, representation or warranty contained in this Agreement which has prevented or would reasonably be expected to prevent the satisfaction of any condition precedent to the obligations of the Company at the Closing under **Section 3.2** and such violation or breach has not been waived by the Company or cured (if it is capable of being cured) by Parent to the reasonable satisfaction of the Company within ten (10) Business Days after written notice thereof by the Company (*provided,* that neither a breach by Parent of **Section 5.7** hereof nor the failure to deliver the Merger Consideration at the Closing as required hereunder shall be subject to a cure period hereunder unless otherwise agreed to in writing by the Company);

(e) by Parent, if the transactions contemplated hereby have not been consummated within ninety (90) days after the date hereof; *provided,* that Parent shall not be entitled to terminate this Agreement pursuant to this **Section 9.1(e)** if Parent's breach of this Agreement has prevented the consummation of the transactions contemplated hereby; or

(f) by the Company, if the transactions contemplated hereby have not been consummated within ninety (90) days after the date hereof; *provided,* that the Company shall not be entitled to terminate this Agreement pursuant to this **Section 9.1(f)** if the Company's breach of this Agreement has prevented the consummation of the transactions contemplated hereby.

9.2 Effect of Termination. In the event of the termination of this Agreement pursuant to **Section 9.1**, this Agreement will forthwith become void, there will be no liability on the part of Parent, the Merger Sub or the Company or any of their respective officers or directors to the other Parties hereto and all rights and obligations of any Party hereto will cease except as otherwise provided in Sections 8.10 and 10.1; *provided, however*, that nothing herein will relieve any Party from liability for the willful breach of any of its representations, warranties, covenants or agreements set forth in this Agreement, or from any obligation under the Confidentiality Agreement.

ARTICLE 10

SURVIVAL; INDEMNIFICATION

10.1 Survival of Representations, Warranties and Covenants. All of the representations and warranties of the Parties herein shall survive the Closing hereunder and continue in full force and effect until April 30, 2006, other than the representations set forth in Section 4.21, which shall not survive the Closing. No covenants shall survive after the Closing Date except for those set forth in **Sections 1.5** (Escrow), **1.11** (Appointment of Representative), **1.12** (CUNA Escrow), **2.3** (Post-Closing Adjustments to Merger Consideration), **2.6** (Further Action), **7.1** (Access to Books and Records), **7.3** (Director and Officer Liability and Indemnification), **8.2** (Expenses), **8.5** (Tax Matters), **8.6** (Further Assurances), **8.10** (Lending Call Center Services, LLC), and **8.11** (Collection and Payment of Accounts Receivable) and **Articles 10, 11** and **13**. If written notice of a claim has been properly given in the manner required by **Section 10.2(c)** prior to the expiration of the applicable representations and warranties, then the relevant representations and warranties shall survive only as to such claim until such claim has been finally resolved.

10.2 Indemnification.

(a) Subject to Sections 10.1 and 10.3, Parent and the Merger Sub (including, after the Closing, the Surviving Corporation) shall be indemnified and held harmless by the Securityholders for any and all liabilities, losses, damages, claims, reasonable costs and expenses, interest, awards, judgments, damages, fines, fees and penalties (including without limitation reasonable attorneys', experts and consultants' fees

and expenses, but excluding consequential, punitive or exemplary damages) (collectively, "**Losses**") actually suffered or incurred by Parent or the Merger Sub, arising out of or resulting from:

(i) the inaccuracy of any representation or warranty made by the Company contained in this Agreement; and

(ii) the breach of any covenant or agreement made by the Company in this Agreement;

provided, however, that no indemnity shall be provided under this **Section 10.2(a)** for any Losses relating to Taxes resulting from (A) the Merger being treated as a sale of assets pursuant to any express or deemed election by Parent under Section 338 of the Code or any other provision of foreign, state or local Tax law having similar effect, (B) a reduction in any net operating loss, capital loss, tax credit carryover or other Tax asset generated in a Pre-Closing Tax Period allocable to the Surviving Corporation, (C) any transaction that occurs on the Closing Date after the Effective Time that is not in the ordinary course of business or (D) any transaction of the Surviving Corporation occurring after the Closing Date.

(b) Subject to **Sections 10.1** and **10.3**, the Securityholders shall be indemnified and held harmless by Parent for any and all Losses actually suffered or incurred by any of them, arising out of or resulting from:

(i) the inaccuracy of any representation or warranty made by Parent or the Merger Sub contained in this Agreement;

(ii) the breach of any covenant or agreement made by Parent or the Merger Sub in this Agreement; and

(iii) the negligent actions of the Exchange Agent with respect to its obligations pursuant to **Section 1.4** of this Agreement and the Exchange Agreement.

(c) All claims for indemnification against a Party (an "**Indemnifying Party**"), under any provision of this **Article 10** shall be asserted and resolved as follows:

(i) *Third Party Claims—Generally*. In the event of any claim or demand for which an Indemnifying Party would be liable for Losses to the other Party (an "**Indemnified Party**") which is asserted against or sought to be collected from such Indemnified Party by a Person other than a Party (a "**Third Party Claim**"), the Indemnified Party shall deliver a Claim Notice (as defined below) with reasonable promptness to the Indemnifying Party after the Indemnified Party has actual notice of the Third Party Claim. The failure by any Indemnified Party to provide the Indemnifying Party with the timely Claim Notice required by the preceding sentence shall not

impair the Indemnified Party's rights hereunder except to the extent that an Indemnifying Party demonstrates that it has been prejudiced thereby. The Indemnifying Party shall notify the Indemnified Party within thirty (30) days of receipt of the Claim Notice ("**Notice Period**") whether the Indemnifying Party desires, at the sole cost and expense of the Indemnifying Party (but subject to the limitations of **Section 10.3**), to defend the Indemnified Party against such Third Party Claim.

(ii) *Third Party Claims—Defense by Indemnifying Party*. If the Indemnifying Party notifies the Indemnified Party within the Notice Period that the Indemnifying Party desires to defend the Indemnified Party with respect to the Third Party Claim pursuant to this **Section 10.2(c)**, then the Indemnifying Party shall have the right to defend, at its sole cost and expense (but subject to the limitations of **Section 10.3**), and, except as provided in the following sentence, through counsel of its choice that is reasonably acceptable to the Indemnified Party, such Third Party Claim by all appropriate proceedings, which proceedings shall be defended by the Indemnifying Party to a final conclusion or shall be settled at the discretion of the Indemnifying Party, so long as the Indemnified Party is fully released with respect to such Third Party Claim. If there exists a conflict of interest that would make it inappropriate in the reasonable judgment of the Indemnified Party (based upon opinion of counsel) for the same counsel to represent both the Indemnified Party and the

Indemnifying Party, and the Indemnifying Party does not provide separate counsel reasonably acceptable to the Indemnified Party, then the Indemnified Party shall be entitled to retain its own counsel, in each jurisdiction for which the Indemnified Party reasonably determines counsel is required, with the Indemnifying Party bearing fifty percent (50%) of the reasonable fees and expenses associated with such counsel (but subject to the limitations of **Section 10.3**). Assumption by the Indemnifying Party of the defense of such Third Party Claim will not constitute an admission by the Indemnifying Party that the claim or litigation is one for which the Indemnifying Party is required to indemnify the Indemnifying Party under this **Article 10**. The Indemnifying Party shall have full control of such defense and proceedings;*provided, however*, that the Indemnified Party may at the sole cost and expense of the Indemnifying Party (but subject to the limitations of **Section 10.3**), file during the Notice Period any motion, answer, or other pleadings that the Indemnified Party reasonably deems, upon advice of counsel, necessary or appropriate to protect its interests and not prejudicial to the Indemnifying Party (it being understood and agreed that, except as provided in **Section 10.2(c)(iii)** hereof, if an Indemnified Party takes any such action that is prejudicial and causes an adjudication that is adverse to the Indemnifying Party, the Indemnifying Party will be relieved of its obligations hereunder with respect to the portion of such Third Party Claim prejudiced by the Indemnified Party's action); and *provided, further*, *however*, that if requested by the Indemnifying Party, the Indemnified Party agrees, at the sole cost and expense of the Indemnifying Party (but subject to the limitations of **Section 10.3**), to cooperate with the Indemnifying Party and its counsel in contesting any Third Party Claim that the Indemnifying Party elects to contest, or, if appropriate in the reasonable judgment of the Indemnified Party and related to the Third Party Claim in question, in making any counterclaim against the Person asserting the Third Party Claim or any cross-complaint against any Person (other than the Indemnified Party). The Indemnified Party may, at its sole cost and expense, participate in, but not control, any defense or settlement of any Third Party Claim controlled by the Indemnifying Party pursuant to this **Section 10.2(c)(ii)**.

(iii) *Third Party Claims—Defense by Indemnified Party*. If the Indemnifying Party fails to notify the Indemnified Party within the Notice Period that the Indemnifying Party desires to defend the Indemnified Party pursuant to **Section 10.2(c)(i)**, or if the Indemnifying Party gives such notice but fails at any time to take any procedural action reasonably required to defend the Third Party Claim, then the Indemnified Party will have the right (but not the obligation) to defend, with the related reasonable costs and expenses borne by the Indemnifying Party (but subject to the limitations of **Section 10.3**), the Third Party Claim by all appropriate proceedings. The Indemnified Party shall have full control of such defense, proceedings and settlement; *provided, however*, that (x) any settlement shall be subject to the final sentence of this Paragraph 10.2(c)(iii) and (y) if requested by the Indemnified Party, the Indemnifying Party agrees, at the sole cost and expense of the Indemnified Party (but subject to the limitations of **Section 10.3**), to cooperate with the Indemnified Party and its counsel in contesting any Third Party Claim which the Indemnified Party is contesting, or, if appropriate in the reasonable judgment of the Indemnifying Party and relating to the Third Party Claim in question, in making any counterclaim against the Person asserting the Third Party Claim, or any cross-complaint against any Person (other than the Indemnifying Party). In addition, if (A) an Indemnified Party determines in good faith that a Third Party Claim would reasonably be expected to materially and adversely affect the business operations or commercial reputation of the Surviving Corporation, taken as a whole, other than as a result of monetary damages for which it would be entitled to indemnification, (B) the action seeks injunctive or similar relief that would reasonably be expected to materially and adversely affect the business operations or commercial reputation of the Surviving Corporation, taken as a whole or (C) the amount claimed is greater than one hundred fifty percent (150%) of any then available sums for recovery against or in respect of an Indemnifying Party, an Indemnified Party may, by notice to the Indemnifying Party, assume the exclusive right to defend such action; *provided*, that in no event shall such Indemnified Party compromise or settle such action

without the prior consent of the Representative (which consent shall not be unreasonably withheld) and*provided, further,* that the Indemnifying Party shall be obligated to bear fifty percent (50%) of the reasonable legal fees, costs and expenses of such defense, judgment or settlement, but shall not be required to bear the cost of more than one counsel for the Indemnified Party. Notwithstanding the foregoing provisions of this **Section 10.2(c)(iii)**, if the Indemnifying Party has notified the Indemnified Party with reasonable promptness that the Indemnifying Party disputes, or reserves its rights to dispute, its liability to the Indemnified Party with respect to such Third Party Claim and if such dispute is resolved in favor of the Indemnifying Party, the Indemnifying Party will not be required to bear the costs and expenses of the Indemnified Party's defense pursuant to this **Section 10.2(c)(iii)** or of the Indemnifying Party's participation therein at the Indemnified Party's request, and the Indemnified Party will reimburse the Indemnifying Party in full for the reasonable costs and expenses incurred by the Indemnifying Party in connection with such litigation (but subject to the limitations of **Section 10.3**). The Indemnifying Party may participate in, but not control, any defense or settlement controlled by the Indemnified Party pursuant to this **Section 10.2(c)(iii)**, but the Indemnifying Party will bear its own costs and expenses with respect to such participation. Regardless of whether the Indemnifying Party defends a Third Party Claim on behalf of the Indemnified Party or participates in the defense thereof, the Indemnified Party and the Indemnifying Party shall reasonably cooperate with each other in all material respects in connection with the defense of such Third Party Claim. The Indemnified Party shall furnish such information regarding itself and the Third Party Claim as the Indemnifying Party may reasonably request in writing and as shall be reasonably required in connection with the defense thereof. No Third Party Claim may be settled by the Indemnifying Party without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld), unless such settlement provides a full and unconditional release of the Indemnified Party for such claim. No Third Party Claim may be settled by any Indemnified Party without the prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld).

(iv) *Non-Third Party Claims*. In the event the Indemnified Party should have a claim for Losses against the Indemnifying Party hereunder that does not involve a Third Party Claim being asserted against or sought to be collected from the Indemnified Party, the Indemnified Party shall deliver an Indemnity Notice (as defined below) with reasonable promptness to the Indemnifying Party after the Indemnified Party has actual notice of such claim. The failure by any Indemnified Party to give the notice referred to in the preceding sentence shall not impair such Indemnified Party's rights hereunder except to the extent that an Indemnifying Party demonstrates that it has been prejudiced thereby. The Indemnifying Party and the Indemnified Party agree to proceed in good faith to negotiate a resolution of any dispute relating to such a claim for Losses within sixty (60) days following receipt of any Indemnity Notice. If any such claim is not resolved within the foregoing period, the parties to this Agreement may pursue any available remedies (but subject to the limitations of Sections 10.3, 13.12 and 13.13 and the jury trial waiver provision set forth herein).

(v) The term "**Claim Notice**" shall mean written notification of a Third Party Claim by the Indemnified Party to the Indemnifying Party pursuant to**Section 10.2(c)(i)**, enclosing a copy of all papers served, if any, and specifying the nature of and alleged basis for such Third Party Claim and, to the extent then feasible, the alleged amount or the estimated amount of such Third Party Claim.

(vi) The Term "**Indemnity Notice**" shall mean written notification of a claim for indemnity (which claim does not involve a Third Party Claim) by the Indemnified Party to the Indemnifying Party pursuant to **Section 10.2(c)(iv)** hereof, specifying the nature of and specific basis for such claim and, to the extent then feasible, the amount or the estimated amount of such claim.

(vii) Any estimated amount of a claim submitted in a Claim Notice or an Indemnity Notice shall not be conclusive of the final amount of such claim.

(viii) Subsequent to the Effective Time, the terms and conditions set forth in this **Article 10** shall constitute the sole rights and remedies of the Parties for money damages in respect of any inaccuracies of representations or warranties or any beaches of covenants or agreements contained in this Agreement.

10.3 Limits on Indemnification.

(a) No amount shall be payable to Parent or the Merger Sub (including, after the Closing, the Surviving Corporation) as the Indemnified Party pursuant to **Section 10.2(a)** except to the extent that the aggregate amount of Losses indemnifiable under **Section 10.2(a)** exceeds $250,000 and then Parent and the Merger Sub (including the Surviving Corporation after the Merger) as the Indemnified Party shall be indemnified to the full extent of the aggregate amount of Losses, less $250,000, up to, but not in excess of amounts in the Indemnity Fund. Any amount payable to Parent or the Merger Sub (including the Surviving Corporation) as the Indemnified Party pursuant to **Section 10.2(a)** shall be paid by withdrawing such amount from the Indemnity Fund until the amount thereof reaches zero.

(b) No amount shall be payable by Parent or the Merger Sub (including, after the Closing, the Surviving Corporation) as the Indemnifying Party pursuant to **Section 10.2(b)** except to the extent that the aggregate amount of Losses indemnifiable under **Section 10.2(b)** exceeds $250,000 and then Parent as the Indemnifying Party shall indemnify the Securityholders as the Indemnified Party to the full extent of the aggregate amount of Losses, less $250,000, up to, but not in excess of $5,500,000 (or such larger amount that may result as a consequence of additional contributions to the Indemnity Fund at Closing pursuant to the terms of this Agreement); *provided, however*, the Securityholders as the Indemnified Party shall be indemnified to the full extent of the aggregate amount of Losses from (i) a breach of the representations and warranties of Parent and the Merger Sub set forth in Sections 5.1 or 5.3 and (ii) the failure by Parent to deliver the Exchange Fund Amount to the Exchange Agent, or the negligent failure of the Exchange Agent to deliver the amounts due to the Securityholders pursuant to this Agreement and the Exchange Agreement, up to, but not in excess of the amount of the Exchange Fund Amount.

(c) Notwithstanding anything herein to the contrary, the sole recourse of Parent or the Merger Sub (including, after the Closing, the Surviving Corporation) as the Indemnified Party for indemnification under this Agreement shall be the Indemnity Fund.

(d) Notwithstanding anything herein to the contrary, if the Securityholders can prove, by clear and convincing documentary evidence, that Parent actually knew of a misrepresentation or breach of or inaccuracy in a representation or warranty under **Article 4** prior to or at the Effective Time, then Parent and the Merger Sub (including, after the Closing, the Surviving Corporation) as the Indemnified Party shall not be entitled to indemnification under **Section 10.2(a).**

10.4 Treatment of Indemnification Payments. To the greatest extent permitted by law, all indemnification payments made by any Indemnifying Party hereunder shall be treated as an adjustment to the Merger Consideration, and each Party covenants and agrees not to take any position inconsistent with the foregoing, including, without limitation, in any Tax Return, amended Tax Return, or claim for a refund.

10.5 No Contribution by the Surviving Corporation. The Surviving Corporation will not have any liability to any Indemnifying Party as a result of (i) any misrepresentation or breach of representation or warranty contained in this Agreement or any certificate, schedule, instrument, agreement or other writing delivered by or on behalf of, or in respect of, the Company pursuant to this Agreement, the Disclosure Schedule, any Supplemental Disclosure Schedule or in connection with the transactions contemplated this Agreement, or (ii) the breach of any covenant or agreement of the Company contained in this Agreement, the Disclosure Schedule or any certificate, schedule, instrument, agreement or other writing by or on behalf of, or in respect of, the Company pursuant to the terms of this Agreement, the Disclosure Schedule, any Supplemental Disclosure Schedule or in connection with the transactions contemplated by this Agreement.

ARTICLE 11

TAX MATTERS

11.1 Parent Tax Covenants.

(a) Without the consent of the Representative (which consent shall not be unreasonably withheld), Parent shall not, and shall not cause or permit the Surviving Corporation or any Subsidiary of the Surviving Corporation to amend any Tax Return in respect of any Pre-Closing Tax Period or for any Straddle Tax Period, if such amendment could have the effect of materially increasing the Tax liability of the Surviving Corporation or such Subsidiary for which Parent might seek indemnity pursuant to **Article 10** hereof. Notwithstanding the foregoing sentence, the Parent may, upon delivery of written notice thereof to the Representative, elect to cause all, but not less than all, of the following to occur: (i) the Parent shall be permitted to amend the relevant Tax Return without the consent of the Representative, and (ii) the Securityholders shall be irrevocably released from any claim for increased Taxes for any and all Tax periods arising out of or resulting from the items amended by the filing of any such amended Tax Return. Immediately upon delivery of any such notice and without further action, the conditions set forth in items (i) and (ii) of the immediately preceding sentence shall be legally effective.

(b) After the Closing Date, Parent and its Affiliates (including the Surviving Corporation) shall not, without the consent of the Representative (which consent shall not be unreasonably withheld), agree to the waiver or any extension of the statute of limitations relating to any Taxes of the Surviving Corporation or any of its Subsidiaries for any Pre-Closing Tax Period or any Straddle Tax Period.

11.2 Preparation and Filing of Tax Returns.

(a) Parent shall prepare and file, or cause to be prepared and filed, all Tax Returns required to be filed by the Surviving Corporation after the Closing Date. Parent shall prepare and file such Tax Returns in a manner consistent with past practice prior to Closing, unless such inconsistency with prior practice is required pursuant to applicable law or regulations or Parent obtains the consent of the Representative (which consent shall not be unreasonably withheld). Notwithstanding the foregoing sentence, the Parent may, upon delivery of written notice to the Representative elect to cause all, but not less than all, of the following to occur: (i) the Parent shall be permitted to prepare the relevant Tax Return in a manner inconsistent with past practice prior to Closing in respect of the items identified in the notice delivered to the Representative, and (ii) the Securityholders shall be irrevocably released from any liability for increased Taxes for any and all Tax periods arising out of or resulting from the preparation of any such Tax Return in a manner inconsistent with past practice prior to Closing. Immediately upon delivery of any such notice and without further action, the conditions set forth in items (i) and (ii) of the immediately preceding sentence shall be legally effective.

(b) Any material Return for a Pre-Closing Tax Period or for a Straddle Tax Period shall be submitted to the Representative (together with schedules, statements and, to the extent required by such other party,

supporting documentation) at least thirty (30) days prior to the due date (including extensions) of such Return. If the Representative objects to any item on any such Tax Return, it shall, within ten (10) Business Days after delivery of such Tax Return, notify Parent in writing that it so objects, specifying with particularity any such item and stating the specific factual or legal basis for any such objection.

(i) If a notice of objection shall be duly delivered, and if a change or revision requested by the Representative could have the effect of increasing the Company's Tax liability for any Tax period ending after the Closing Date, Parent and the Representative shall negotiate in good faith and use their Reasonable Efforts to resolve the treatment of such item on the Tax Return. If Parent and the Representative are unable to reach such agreement within five (5) Business Days after receipt by Parent of such notice, the treatment of such disputed item(s) shall be resolved by a final determination of the Independent Accounting Firm.

(ii) If a notice of objection shall be duly delivered, to the extent that the changes and revisions requested by the Representative would only affect the Company's Tax liability for any Pre-Closing Tax Period, prior to filing such Tax Return, Parent shall make such changes and revisions to such Tax Returns as requested by the Representative, and the procedure set forth in subsection (i) shall be inapplicable.

(c) For purposes of this Agreement, in the case of any Taxes that are payable for a Straddle Tax Period, the portion of such Tax that relates to the Pre-Closing Tax Period shall (i) in the case of any property or ad valorem Taxes, be deemed to be the amount of such Tax for the entire Tax period multiplied by a fraction the numerator of which is the number of days in the Tax period ending on the Closing Date and the denominator of which is the number of days in the entire Tax period, and (ii) in the case of any other Tax (including any income Taxes or sales and use Taxes), be deemed equal to the amount which would by payable as computed on a "closing-of-the-books" basis if the relevant Tax period ended on the Closing Date.

11.3 Cooperation on Tax Matters.

(a) Parent agrees to furnish or cause to be furnished to the Representative, upon request, in a timely manner, such information (including access to books and records) and assistance as is reasonably necessary for the filing of any Tax Return, for the preparation of any audit, and for the prosecution or defense of any claim, suit or proceeding relating to any proposed adjustment.

(b) Parent and the Representative shall co-operate with each other in the conduct of any audit or other proceedings involving the Surviving Corporation or any of its Subsidiaries for any Tax purposes and each shall execute and deliver such powers of attorney and other documents as are necessary to carry out the intent of this **Section 11.3**.

11.4 Contests Related to Taxes.

(a) Notwithstanding **Article 10** hereof, each Party entitled to an indemnity payment with respect to Taxes pursuant to**Article 10** (a "**Tax Indemnified Party**") agrees to give written notice to the indemnifying party (the "**Tax Indemnitor**") of the receipt of any written notice by the Tax Indemnified Party or an Affiliate of such Tax Indemnified Party (including, in the case where Parent is the Tax Indemnified Party, the Surviving Corporation or any of its Subsidiaries) which involves the assertion of any claim, or the commencement of any audit, suit, action or proceeding (collectively, a "**Tax Claim**") in respect of which indemnity might be sought (an "**Indemnifiable Tax**") within ten (10) days of such receipt or such earlier time as would allow the Tax Indemnitor to timely respond to such Tax Claim. The Tax Indemnified Party shall give the Tax Indemnitor such information with respect to the Tax Claim as the Tax Indemnitor may reasonably request.

(b) The Tax Indemnitor may, at its own expense, participate in and, upon notice to the Tax Indemnified Party, assume control of the defense of any such Tax Claim in respect of an Indemnifiable Tax. If the Tax Indemnitor so assumes control it shall have the exclusive power to contest or settle the Tax Claim in respect of any Indemnifiable Tax and determine the manner in which the contest or settlement occurs. Notwithstanding the foregoing sentence, the Tax Indemnified Party may, by delivering written notice thereof to the Representative, elect to cause all, but not less than all, of the following to occur: (i) any right or power of the Tax Indemnitor to contest or settle the Tax Claim shall terminate, (ii) such Tax Claim for an Indemnifiable Tax shall cease to be an Indemnifiable Tax and each of the Securityholders shall be irrevocably released by each of the Tax Indemnified Parties from any liability for such Tax Claim, and (iii) each of the Securityholders shall be irrevocably released by each of the Tax Indemnified Parties for any claims for increased Taxes in any other Tax period arising out of the final treatment of such issue in the examination, audit or other proceeding in which the right to contest or settle of the Tax Indemnitor has been terminated under clause (i), to the extent such treatment is different than that sought by the Tax Indemnitor at the time its right to settle or contest the Tax Claim has been terminated. Immediately upon delivery of such notice by the Tax Indemnified Party and without further action, the conditions set forth in items (i) through (iii) of the immediately preceding sentence shall be legally effective.

(c) In no case shall a Tax Indemnified Party settle or otherwise compromise a Tax Claim in respect of an Indemnifiable Tax without the Tax Indemnitor's prior written consent (which consent shall not be unreasonably withheld), unless the Tax Indemnified Party has previously given the notice to Tax Indemnitor pursuant to the last sentence of **Section 11.4(b)**.

11.5 Miscellaneous. All references to any of the parties in this **Section 11** shall be deemed to include successors.

ARTICLE 12

DEFINITIONS

12.1 Definitions. For purposes hereof, the following terms, when used herein with initial capital letters, shall have the respective meanings set forth herein:

"**Affiliate**" or "**Affiliates**" of any particular Person shall have the meaning given to such term in Rule 12b-2 of Regulation 12B under the Securities Exchange Act of 1934, as amended.

"**Business Day**" shall mean any day that is not a Saturday or Sunday or any other day on which banking institutions in Baton Rouge, Louisiana or New York, New York are not required to be open.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended.

"**Common Stock**" shall mean the Company's common stock, no par value per share.

"**Common Stock Portion**" shall mean the percentage amount reflected on the Escrow Allocation Schedule.

"**Company Articles of Incorporation**" shall mean the Amended and Restated Articles of Incorporation of the Company dated September 7, 2000, as amended by Articles of Amendment dated June 11, 2002 and Articles of Amendment dated [January 31], 2005.

"**Company Bylaws**" shall mean the Bylaws of the Company, as amended through September 7, 2000.

"**Company Option Portion**" shall mean the percentage amount reflected on the Escrow Allocation Schedule.

"**Continuing Indemnity Matters**" shall mean claims by Persons other than those that execute a release pursuant to this Agreement or the Option Cancellation Agreement, but only to the extent covered by the

D&O Policy and further only to the extent of any available coverage thereunder in excess of any deductible or self-insured retention (or its equivalent). "Continuing Indemnity Matters" expressly shall not include any claims excluded under the D&O Policy.

"**CUNA Consideration**" shall mean $10,113,750 payable to the Surviving Corporation subsequent to the Effective Time by CUNA Mutual Investment Corporation ("**CUNA**") upon exercise by the Surviving Corporation of the "Special Put Option" in favor of the Company, within the time periods, and upon the terms and conditions set forth in Section 10.17 of the LCCS Agreement.

"**CUNA Escrow Account**" shall mean the separate escrow account established pursuant to the Escrow Agreement in which the CUNA Escrow Deposit will be deposited pursuant to **Section 1.12(a)** hereof.

"**D&O Policy**" shall mean that certain Directors and Officers Insurance and Company Reimbursement Policy with National Union Fire Insurance Company of Louisiana, Policy Number 479-60-54 and any extension thereto or tail thereof.

"**Escrow Account**" shall mean the escrow account established pursuant to the Escrow Agreement into which the Escrow Deposit will be deposited in the manner described in **Section 1.4(a)** hereof.

"**Escrow Agent**" shall mean SunTrust Bank, a Georgia banking corporation.

"**Escrow Agreement**" shall mean the Escrow Agreement among the Company, Parent, the Representative and the Escrow Agent in the form attached as *Exhibit 1.5(a)*.

"**Exchange Fund Amount**" shall mean $92,000,000 plus or minus any Pre-Closing Operating Capital Adjustment as determined at Closing in accordance with **Section 2.2(b)**.

"**Federal Income Tax**" shall mean any Tax imposed under Subtitle A of the Code.

"**Final Financial Documents**" shall mean, collectively, the Closing Financial Statement, the Closing Statement and the Post-Closing Adjustment Calculation.

"**GAAP**" shall mean United States generally accepted accounting principles applied in a manner consistent with that used in preparing the latest Audited Financial Statements.

"**Knowledge**" shall mean, with respect to the Company, any fact, circumstance, event or other matter that (a) any of Steve Uffman, PaulMcCown, Matt Semrad, Vanessa Graham, Philip Elwyn, Charles Vasquez, Jeff Milne and Trey Warren actually knows, or (b) any of the individuals referred to in the preceding clause (a) would reasonably be expected to know in the normal discharge of his or her assigned duties and responsibilities.

"**LCCS**" shall mean Lending Call Center Services, LLC, a Delaware limited liability company.

"**LCCS Agreement**" shall mean the Operating Agreement of Lending Call Center Services, LLC, dated June 24, 2002, by and between the Company and CUNA Mutual Financial Corporation.

"**Liens**" shall mean mortgages, deeds of trust, pledges, liens, charges, encumbrances or other security interests other than purchase money Liens and Liens securing rental payments under capital lease arrangements.

"**Material Adverse Effect**" shall mean with respect to the Company or Parent, an effect that is materially adverse to the business, financial condition, or results of operations of such Party and its Subsidiaries, taken as a whole, but shall exclude any change, development or effect related to or resulting from (i) any change in law or any change in the rules or regulations by any governmental entity, (ii) events affecting the United States or global economy or capital or financial markets generally, (iii) changes in GAAP, or in the authoritative interpretations thereof, (iv) any change in interest rates, general economic conditions or changes in the general economic condition of the software, banking or information

technology industries or any segment thereof, (v) an outbreak of national or international hostilities or terrorism or escalation thereof or other similar calamity or crisis that does not affect the Company in a manner that is materially and adversely different than the effect on the industry or markets in which the Company competes generally, (vi) any change resulting from the entry into this Agreement or the performance of a party's obligations hereunder, the announcement thereof and the transactions contemplated hereby, or (vii) any action taken with the consent of the Parties.

"**Operating Capital**" shall mean the sum of the general ledger accounts of the Company set forth on *Schedule 2.3* as of the date of determination.

"**Parties**" shall mean the Company, the Merger Sub and Parent, together, and singly each shall mean a "**Party**".

"**Permitted Liens**" shall mean (i) Liens for Taxes (and assessments and other governmental charges) not yet due and payable or due but not delinquent or being contested in good faith by appropriate proceedings; (ii) mechanics', workmen's, repairmen's, warehousemen's, landlord's, carriers' or other like Liens (including Liens created by operation of law); (iii) Liens in respect of easements, permits, licenses, rights-of-way, restrictive covenants, reservations or encroachments or irregularities in, and other similar exceptions to title and any conditions with respect to real property that would be disclosed by a physical inspection of the property or a current survey or title report or other public record, or that do not materially affect the present use of the underlying asset; (iv) Liens in respect of pledges or deposits under workers' compensation laws or similar legislation, unemployment insurance or other types of social security or to secure the performance of statutory obligations, surety and appeal bonds, bids, leases, government contracts and similar obligations; (v) municipal bylaws, development restrictions or regulations, facility cost sharing and servicing contracts and zoning, building or planning restrictions or regulations; (vi) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; (vii) any Lien now existing or hereafter arising under or permitted by any credit facilities existing as of the date hereof; (viii) Liens, if any, listed on *Item 4.8(a)* of the Disclosure Schedule; (ix) any renewal of or substitution for any Lien permitted by the foregoing; and (x) Liens arising in connection with this Agreement.

"**Person**" shall mean an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"**Pre-Closing Tax Period**" shall mean any tax period (or portion thereof) ending on or before the close of business on the Closing Date.

"**Preferred Stock**" shall mean the Company's Series A Convertible Redeemable Preferred Stock, par value $0.01 per share.

"**Preferred Stock Portion**" shall mean the percentage amount reflected on the Escrow Allocation Schedule.

"**Reasonable Efforts**" shall mean reasonable efforts which are commercially reasonable under the circumstances, excluding the payment of any money or other consideration to any third party or the commencement of any litigation.

"**Representative**" shall mean the Representative, or his, her or its successor, who shall act as representative of the Securityholders under the Representative Agreements.

"**Shares**" shall mean shares of the Common Stock and the Preferred Stock.

"**Straddle Tax Period**" shall mean any complete Tax period that includes but does not end on the Closing Date.

"**Subsidiary**" shall mean any corporation or other entity with respect to which a specified Person (or a Subsidiary thereof) owns a majority of any class of equity securities of such entity or has the power to vote or direct the voting of sufficient securities to elect a majority of the directors, managers or trustees (or persons performing similar function) thereof.

"**Tax**" shall mean any federal, state, local or foreign income, gross receipts, estimated, sales, use, ad valorem, transfer, franchise, license, withholding, payroll, employment, social security, excise, severance, stamp, occupation, premium, real or personal property, windfall profits, environmental, alternative or add-on minimum, value added, capital stock, or other tax, including any interest, penalties or additions to tax.

"**Tax Authority**" shall mean any federal, state, local or foreign governmental entity or other tax authority authorized to impose or collect a Tax.

"**Tax Return**" shall mean any return, report, information return or other document filed or required to be filed with any Tax Authority in connection with the determination, assessment or collection of any Tax or the administration of any laws, regulations or administrative requirements relating to any Tax.

"**Withholding Tax**" shall mean any withholding, payroll, employment or similar Taxes required to be withheld or paid by Parent or the Company, but not including any Taxes payable by Parent or the Company in respect of any employer portion of Medicare Taxes, or any payments to current or former employees or consultants.

12.2 Other Definitional Provisions.

(a) Accounting Terms. Accounting terms which are not otherwise defined in this Agreement have the meanings given to them under GAAP. To the extent that the definition of accounting term that is defined in this Agreement is inconsistent with the meaning of such term under GAAP, the definition set forth in this Agreement will control.

(b) "Hereof," etc. The terms "hereof," "herein" and "hereunder" and terms of similar import are references to this Agreement as a whole and not to any particular provision of this Agreement. Section, clause, Schedule and Exhibit references contained in this Agreement are references to Sections, clauses, Schedules and Exhibits in or to this Agreement, unless otherwise specified.

(c) Successor Laws. Any reference to any particular Code section or any other law or regulation will be interpreted to include any revision of or successor to that section regardless of how it is numbered or classified.

12.3 Cross-Reference of Other Definitions. Each capitalized term listed below is defined in the corresponding Section of this Agreement:

Term	Section No.
Aggregate Company Option Consideration	1.2(d)
Agreement	Preamble
APPRO 401(k) Plan	7.7(d)
Audited Financial Statements	4.6
Certificate(s)	1.4(a)

Term	Section No.
Claim Notice	10.2(c)(v)
Closing	2.2(a)
Closing Date	2.2(a)
Closing Financial Statement	2.3(b)
Closing Statement	2.3(b)
Common Stock Closing Cash Consideration	2.1(c)

Term	Section No.
Common Stock Merger Consideration	1.2(b)(vii)
Common Stock Per Share Value	1.2(b)(viii)
Company	Preface
Company Intellectual Property Rights	4.11(a)
Company Option Closing Cash Consideration	2.1(e)
Company Option Consideration	1.2(d)

Term	Section No.
Company Option(s)	1.2(d)
Compensation Agreements	4.14(a)
Confidentiality Agreement	6.2
Continued Employee	7.7(b)
Continuing Employee Benefit Plans	7.7(a)
CPR	13.12(b)

CUNA 12.1

CUNA Escrow Deposit 1.12(a)
Disclosure Schedule Article 4
Dissenting Shareholder 1.6
Dissenting Shares 1.6
Effective Time 1.1(b)
Environmental and Safety Requirements 4.18(a)
Equifax 401(k) Plan 7.7(b)(i)

Equifax Pension Plan 7.7(b)(ii)
ERISA 4.14(a)
Escrow Allocation Schedule 1.5(a)
Escrow Deposit 1.5(a)
ESOP 3.1(g)(vi)
Exchange Agent 1.4(a)

Exchange Agreement 1.4(a)
Exchange Fund 1.4(a)
Final Allocation Schedule 1.3
Financial Statements 4.6
Fully Diluted Per Share Value 1.2(b)(vi)
Fully Diluted Shares Outstanding 1.2(b)(iv)

HSR Act 3.1(d)
Indemnifiable Tax 11.4(a)
Indemnified Party 10.2(c)(i)
Indemnifying Party 10.2(c)
Indemnity Fund 1.5(a)
Indemnity Notice 10.2(c)(vi)
Independent Accounting Firm 2.3(c)

Information Statement 6.8
Insurance Policies 4.15
Intellectual Property Rights 4.11(a)
LBCL Recitals
Latest Balance Sheet 4.6
Licenses 4.17

Losses 10.2(a)
Merger Recitals
Majority in Interest 1.11(a)

Merger Consideration	2.1(a)
Merger Sub	Preamble
Most Recent Financial Statements	4.6
Notice Period	10.2(c)(i)

Optionholder(s)	1.3
Optionholder Certificates	1.4(a)
Original Disclosure Schedules	6.5(a)
Outstanding Receivables	8.11
Parent	Preamble
Parent Representatives	6.2

Parent Schedule	Article 5
Pension Plan	4.14(c)
Plans	4.14(a)
Post-Closing Operating Capital Adjustment	2.3(a)
Post-Closing Adjustment Calculation	2.3(b)
Post-Closing Adjustment Fund	1.5(a)

Pre-Closing Operating Capital Adjustment	2.2(b)
Preferred Stock Cash Compensation Per Share	1.2(b)(i)
Preferred Stock Closing Cash Consideration	2.1(b)
Preferred Stock Common Stock Equivalents	1.2(b)(iii)
Preferred Stock Conversion Ratio	1.2(b)(iii)

Preferred Stock Preference Value	1.2(b)(v)
Preliminary Allocation Schedule	1.3
Preferred Stock Preference Value Per Share	1.2(b)(ii)
Preliminary Closing Statement	2.2(b)
Principal Shareholders	Recitals

Principal Shareholders Agreement	Recitals
Projected Balance Sheet	2.2(b)
Proprietary Technology	4.11(a)
Releases	4.18(c)
Representative	Preamble
Representative Agreement	1.11(a)

Representative Amount	1.5(a)
Representative Fund	1.5(a)
Requisite Shareholder Approval	4.25
Securityholder(s)	1.3
Shareholder(s)	1.3

Shareholder Certificates	1.4(a)

Supplemental Disclosure Schedules	6.5(a)
Supplemental Losses	6.5(a)
Surviving Corporation Articles	1.8
Surviving Corporation Bylaws	1.9
Surviving Corporation	1.1(a)
Target Operating Capital	2.2(b)

Tax Claim	11.4(a)
Tax Indemnified Party	11.4(a)
Tax Indemnitor	11.4(a)
Third Party Claims	10.2(c)(i)
Transaction Bonuses	8.8
Transaction Expenses	8.2

ARTICLE 13

MISCELLANEOUS

13.1 Headings. The Section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

13.2 Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, except that neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned or delegated by Parent or the Merger Sub without the prior written consent of the Company; *provided*, that Parent may assign its rights under this Agreement (i) for collateral security purposes to any lender providing financing to Parent, and (ii) in whole or in part, to any subsequent acquiror of Parent or the Surviving Corporation, *provided* that, in any event, Parent will nonetheless remain liable for all of its obligations hereunder.

13.3 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

13.4 Notices. All notices, demands or other communications required or permitted to be given or made under this Agreement shall be in writing and (i) delivered personally, or (ii) sent by an internationally recognized express courier service to the intended recipient of the notice, demand or other communication at its address set forth below. Any notice, demand or communication will be deemed to have been duly given (x) immediately if personally delivered, or (y) on the second Business Day after delivery to an internationally recognized express courier service, if sent next day delivery, and in proving the giving of any notice, demand or other communication, it will be necessary to show that the envelope containing the notice, demand or other communication was delivered to the proper address (as evidenced by the courier receipt). Any such notice must contemporaneously be followed up with an email transmission addressed to Daniel K. Doyle at the email address noted below, for as long as Shawmut Equity Partners, L.P. serves as Representative. In proving the making of any such email transmission, it shall be sufficient to show that any such email was initiated to Daniel K. Doyle at such address. The addresses, as each may be updated from time to time by providing proper notice hereunder, of the parties for purposes of this Agreement are:

The Company:

	APPRO Systems, Inc.
Address:	7173 Florida Boulevard, Suite 100
	Baton Rouge, Louisiana 70806
Attention:	Steve Uffman, Chairman
Fax no.:	(225) 490-2722

with a mandatory copy (which shall not itself constitute notice) to:

	Latham & Watkins LLP
Address:	555 Eleventh Street, N.W.
	Suite 1000
	Washington, DC 20004
Attention:	Scott C. Herlihy, Esq.
	Paul F. Sheridan, Jr., Esq.
Fax no.:	(202) 637-2201

Parent or the Merger Sub:

Equifax Inc.

Address: 1550 Peachtree Street, N.W.
Atlanta, GA 30309
Attention: General Counsel
Fax no.: (404) 885-8988

with a mandatory copy (which shall not itself constitute notice) to:

Kilpatrick Stockton LLP
Address: 1100 Peachtree Street, N.W.
Atlanta, Georgia 30309
Attention: Gregory K. Cinnamon, Esq.
Fax no.: (404) 815-6555

The Representative:

Shawmut Equity Partners, L.P.
Address: 75 Federal Street, 18th Floor
Boston, MA 02110
Attention: Daniel K. Doyle
Fax no.: (617)-368-4910
Email: ddoyle@shawmutcapital.com

with a mandatory copy (which shall not itself constitute notice) to:

Latham & Watkins LLP
Address: 555 Eleventh Street, N.W.
Suite 1000
Washington, DC 20004
Attention: Scott C. Herlihy, Esq.
Paul F. Sheridan, Jr., Esq.
Fax no.: (202) 637-2201

Any party may change the address to which notices, requests, demands or other communications to the relevant party will be delivered or mailed by giving notice of the address change to the other parties to this Agreement in the manner provided in this Agreement.

13.5 Amendment and Waiver. Any provision of this Agreement or the schedules or exhibits hereto may be amended or waived only in writing signed by Parent, the Merger Sub and the Company. No waiver of any provision hereunder or any breach or default thereof shall extend to or affect in any way any other provision or prior or subsequent breach or default.

13.6 Complete Agreement. This Agreement and the documents referred to herein (including the Confidentiality Agreement) contain the complete agreement between the parties hereto and supersede any prior understandings, agreements or representations by or between the parties, written or oral, which may have related to the subject matter hereof in any way.

13.7 Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word “including” shall mean including without limitation.

13.8 Third-Party Beneficiaries. Certain provisions of this Agreement are intended for the benefit of, and shall be enforceable by, the Securityholders. Nothing expressed or implied or referred to in this Agreement will be construed to give any Person other than the Parties and the Securityholders any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement.

13.9 Counterparts. This Agreement may be executed in multiple counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same instrument.

13.10 Governing Law. The approval, implementation, legal consequences and effects of the Merger shall be governed by the laws of the State of Louisiana, and otherwise, the construction and performance of this Agreement will be governed by and construed in accordance with the laws of the State of New York, without regard to the conflict of laws rules thereof.

13.11 Subsequent Actions. If, at any time after the Effective Time, the Surviving Corporation shall consider or be advised that any deeds, bills of sale, assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm of record or otherwise in the Surviving Corporation its right, title or interest in, to or under any of the rights, properties or assets of either of the Company or the Merger Sub acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger or otherwise to carry out this Agreement, the officers and directors of the Surviving Corporation shall be authorized to execute and deliver, in the name and on behalf of either the Company or the Merger Sub, all such deeds, bills of sale, assignments and assurances and to take, in the name and on behalf of each of such corporations or otherwise, all such other actions and things as may be necessary or desirable to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in the Surviving Corporation or otherwise to carry out the transactions contemplated by this Agreement.

13.12 Arbitration.

(a) Except for claims for equitable or injunctive relief, any dispute arising out of or relating to this Agreement or the transactions contemplated hereby (other than the Confidentiality Agreement) or a breach thereof, shall be finally and conclusively resolved by arbitration administered in accordance with the *Center for Public Resources Rules for Non-Administered Arbitration of Business Disputes* as modified by this Agreement or the subsequent agreement of the parties. Judgment on the award rendered by

the arbitrator may be entered in and enforced by any court having jurisdiction thereof.

(b) The number of arbitrators shall be one (1) and shall be mutually agreed upon by Parent and the Representative within thirty (30) days after a written request for arbitration by one party is delivered to all other parties. In the event that the Parent and the Representative cannot agree on an arbitrator during such thirty (30) day period, the arbitrator shall be selected within ten (10) days thereafter by the Center for Public Resources ("**CPR**") from a list submitted by the Parent and the Representative, with each party having the right to propose two names. If a qualified arbitrator cannot be appointed from the initial list, the process will be repeated every five (5) days thereafter until a qualified arbitrator is selected.

(c) The place of arbitration shall be New York, New York, or such other location as the Parent and the Representative may agree to in writing.

(d) Unless otherwise agreed by the Parent and the Representative, the following procedures will be followed in any arbitration between the parties:

(i) Pre-arbitration investigations and depositions shall be conducted expeditiously and, absent a showing of clear need, shall be completed within thirty (30) days after selection of an arbitrator. Unless ordered by the arbitrator to preserve testimony for the hearing, Parent and the Representative shall have the right to take no more than three (3) depositions, each of which shall last a total of no more than two (2) days.

(ii) The arbitration hearing shall begin no more than sixty (60) days after the arbitrator is selected and shall be closed no more than ten (10) days thereafter. The arbitrator's award shall be issued within ten (10) days after the hearing is closed.

(iii) Either party may make an application to a court of competent jurisdiction for an order enforcing this arbitration agreement or for injunctive relief to maintain the status quo until such time

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as the arbitration award is rendered or the controversy is otherwise resolved. Both parties consent to the jurisdiction of CPR.

(e) All privileges under New York and federal law, including attorney-client and work-product privileges, shall be preserved and protected to the same extent that such privileges would be protected in a federal court proceeding applying New York or Louisiana law, as applicable.

(f) Notwithstanding any other provisions of this **Section 13.12**, in the event that a party against whom any claim, right or cause of action is asserted commences, or has commenced against it, bankruptcy, insolvency or similar proceedings, the party or parties asserting such claim, right or cause of action will have no obligations under this **Section 13.12** and may assert such claim, right or cause of action in the manner and forum it deems appropriate, subject to applicable laws. No determination or decision by the arbitrator pursuant to this **Section 13.12** will limit or restrict the ability of any party hereto to obtain or seek in any appropriate forum, any relief or remedy that is not a monetary award or money damages.

13.13 WAIVER OF JURY TRIAL. THE PARTIES HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THE AGREEMENT OR THE MERGER, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THE PARTIES AGREE THAT ANY OF THEM MAY FILE A COPY OF THIS SECTION 13.13 WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE TRIAL BY JURY AND THAT, TO THE EXTENT ANY ACTION OR PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT OR THIS MERGER SHALL BE TRIED IN JUDICIAL PROCEEDINGS, SUCH JUDICIAL PROCEEDINGS SHALL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement and Plan of Merger on the day and year first above written.

Company: **APPRO SYSTEMS, INC.**

By: ______________________
Name: ______________________
Title: ______________________

Parent: **EQUIFAX INC.**

By: ______________________
Name: ______________________
Title: ______________________

Merger Sub: **LAPHROAIG ACQUISITION CORPORATION**

By: ______________________
Name: ______________________
Title: ______________________

Representative: **SHAWMUT EQUITY PARTNERS, L.P.**

By: ______________________
Name: ______________________
Title: ______________________

Form of TIER 1 Change in Control Agreement

[Date]

[Name]
[Title]
[Address]

Dear :

Equifax Inc. (the "Company") considers the establishment and maintenance of a sound and vital management to be essential to protecting and enhancing the best interests of the Company and its shareholders. In this connection, the Company recognizes that, as is the case with many publicly held corporations, the possibility of a change in control exists and that possibility, and the uncertainty and questions that it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its shareholders. Accordingly, the Board of Directors of the Company has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including yourself, to their assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a change in control of the Company.

In order to induce you to remain in its employ, the Company agrees to provide you the payments and benefits described in this Letter (in lieu of any severance payments and benefits you would otherwise receive in accordance with the Company's severance pay practices) if your employment with the Company is terminated subsequent to a "Change in Control" of the Company (as defined in **paragraph 3**) under the circumstances described in **paragraph 4**.

1. No Right to Continued Employment. This Letter does not give you any right to continued employment by the Company or a Subsidiary, and it will not interfere in any way with the right the Company or a Subsidiary otherwise may have to terminate your employment at any time.

2. Term of This Letter. The terms of this Letter will be effective as of , 2001, and, except as otherwise provided in this Letter, will continue in effect until , 2006; provided that commencing on January 1, 2002 and each subsequent January 1, the terms of this Letter will be extended automatically so as to remain in effect for five (5) years from that January 1 unless at least sixty (60) days prior to January 1 of a given year, the Company notifies you that it does not wish to

continue this Letter in effect beyond its then current expiration date; and provided further that if a Change in Control occurs prior to the expiration of this Letter, this Letter will continue in effect for three (3) years from the Change in Control.

3. Change In Control. No benefits will be payable under this Letter unless there is a Change in Control and your employment by the Company is terminated under the circumstances described in **paragraph 4** entitling you to benefits. For purposes of this Letter, a Change in Control of the Company means the occurrence of any of the following events during the period in which this Letter remains in effect:

3.1 Voting Stock Accumulations. The accumulation by any Person of Beneficial Ownership of twenty percent (20%) or more of the combined voting power of the Company's Voting Stock; provided that for purposes of this **subparagraph 3.1**, a Change in Control will not be deemed to have occurred if the accumulation of twenty percent (20%) or more of the voting power of the Company's Voting Stock results from any acquisition of Voting Stock (a) directly from the Company that is approved by the Incumbent Board, (b) by the Company, (c) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, or (d) by any Person pursuant to a Business Combination that complies with all of the provisions of **clauses (a), (b) and (c)** of **subparagraph 3.2**; or

3.2 Business Combinations. Consummation of a Business Combination, unless, immediately following that Business Combination, (a) all or substantially all of the Persons who were the beneficial owners of Voting Stock of the Company immediately prior to that Business Combination beneficially own, directly or indirectly, more than sixty-six and two-thirds percent (66-000%) of the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of Directors of the entity resulting from that Business Combination (including, without limitation, an entity that as a result of that transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions relative to each other as their ownership, immediately prior to that Business Combination, of the Voting Stock of the Company, (b) no Person (other than the Company, that entity resulting from that Business Combination, or any employee benefit plan (or related trust) sponsored or maintained by the Company, any Eighty Percent (80%) Subsidiary or that entity resulting from that Business Combination) beneficially owns, directly or indirectly, twenty percent (20%) or more of the then outstanding shares of common stock of the entity resulting from that Business Combination or the combined voting power of the then outstanding voting securities entitled to vote generally in the election of

directors of that entity, and (c) at least a majority of the members of the Board of Directors of the entity resulting from that Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for that Business Combination; or

3.3 Sale of Assets. A sale or other disposition of all or substantially all of the assets of the Company; or

3.4 Liquidations or Dissolutions. Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company, except pursuant to a Business Combination that complies with all of the provisions of **clauses (a), (b) and (c)** of **subparagraph 3.2**.

For purposes of this **paragraph 3**, the following definitions will apply:

"Beneficial Ownership" means beneficial ownership as that term is used in Rule 13d-3 promulgated under the Exchange Act.

"Business Combination" means a reorganization, merger or consolidation of the Company.

"Eighty Percent (80%) Subsidiary" means an entity in which the Company directly or indirectly beneficially owns eighty percent (80%) or more of the outstanding Voting Stock.

"Exchange Act" means the Securities Exchange Act of 1934, including amendments, or successor statutes of similar intent.

"Incumbent Board" means a Board of Directors at least a majority of whom consist of individuals who either are (a) members of the Company's Board of Directors as of the date of this Letter or (b) members who become members of the Company's Board of Directors subsequent to the date of this Letter whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least two-thirds (2/3) of the directors then comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Company in which that person is named as a nominee for director, without objection to that nomination), but excluding, for that purpose, any individual whose initial assumption of office occurs as a result of an actual or threatened election contest (within the meaning of Rule 14a-11 of the Exchange Act) 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.

"Person" means any individual, entity or group (within the meaning of Section 13(d)(3) or 14 (d)(2) of the Exchange Act).

"Voting Stock" means the then outstanding securities of an entity entitled to vote generally in the election of members of that entity's Board of Directors.

4. Termination Following Change in Control. If any of the events described in **paragraph 3** constituting a Change in Control occurs, you will be entitled to the payments and benefits provided for in **paragraph 5** if your employment is terminated within six (6) months prior to the Change in Control in connection with the Change in Control or your employment is terminated within three (3) years from the date of the Change in Control, unless your termination is (a) because of your death, (b) by the Company for Cause or Disability, or (c) by you other than for Good Reason. The payments and benefits provided for in **paragraph 5** will be in lieu of any severance payments you would otherwise receive in accordance with the Company's severance pay practices, but will have no effect on any of the Company's other employee benefit plans or practices, as amended from time to time.

4.1 Cause. Termination by the Company of your employment for "Cause" means termination by the Company of your employment upon (a) your willful and continued failure to substantially perform your duties with the Company (other than any failure resulting from your incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to you by the Chief Executive Officer of the Company (or if you are the Chief Executive Officer, the Chairman of the Compensation Committee of the Board of Directors) that specifically identifies the manner in which the Chief Executive Officer believes that you have not substantially performed your duties, or (b) your willfully engaging in misconduct that is materially injurious to the Company, monetarily or otherwise. For purposes of this **subparagraph 4.1**, no act, or failure to act, on your part will be considered "willful" unless done, or omitted to be done, by you not in good faith and without reasonable belief that your action or omission was in the best interest of the Company. Notwithstanding the above, you will not be deemed to have been terminated for Cause unless and until you have been given a copy of a Notice of Termination from the Chief Executive Officer of the Company (or if you are the Chief Executive Officer, the Chairman of the Compensation Committee of the Board of Directors), after reasonable notice to you and an opportunity for you, together with your counsel, to be heard before (i) the Chief Executive Officer, or (ii) if you are an elected officer of the Company, the Board of Directors of the Company, finding that in

the good faith opinion of the Chief Executive Officer, or, in the case of an elected officer, finding that in the good faith opinion of two-thirds of the Board of Directors, you committed the conduct set forth above in **clauses (a) or (b)** of this **subparagraph 4.1**, and specifying the particulars of that finding in detail.

4.2 Disability. Termination by the Company of your employment for "Disability" means termination by the Company of your employment following and because of your failure to perform your duties as an employee for a period of at least one hundred eighty (180) consecutive calendar days as a result of total and permanent incapacity due to physical or mental illness or injury. Your incapacity must be certified by a licensed medical doctor selected by you. You will continue to receive your full base salary at the rate in effect and any bonus payments under the Plan payable during the one hundred eighty (180) day qualification period until termination of your employment for Disability. After that termination, your benefits will be determined in accordance with the Company's long-term disability plan then in effect and any of the Company's other benefit plans and practices then in effect that apply to you. The Company will have no further obligation to you under this Letter and all supplemental benefits will be terminated. If the Company disagrees with the certification of your incapacity, it may appoint another medical doctor to certify his opinion as to your incapacity, and if that doctor does not certify as to your incapacity, then the two doctors will appoint a third medical doctor to certify their opinion as to your incapacity, and the decision of a majority of the three doctors will prevail. (The Company will bear the costs of the doctors opinions.)

4.3 Good Reason. Termination by you of your employment for "Good Reason" means termination by you of your employment based on:

(a) The assignment to you of duties inconsistent with your position and status with the Company as they existed immediately prior to the Change in Control Date (as defined below), or a substantial change in your title, offices or authority, or in the nature of your responsibilities, as they existed immediately prior to the Change in Control Date (or if you receive a promotion or an increase in responsibilities or authority after the Change in Control Date, then a change with respect to your enhanced position, status, responsibilities or authority), except in connection with the termination of your employment for Cause or Disability or as a result of your death or by you other than for Good Reason;

(b) A reduction by the Company in your base salary as in effect on the date of this Letter or as your salary may be increased from time to time;

(c) A failure by the Company to continue the Company's incentive compensation plan(s) ("Incentive Plan"), as it may be modified from time to time, substantially in the form in effect immediately prior to the Change in Control Date, or a failure by the Company to continue you as a participant in the Incentive Plan on at least the basis of your participation immediately prior to the Change in Control Date or to pay you the amounts that you would be entitled to receive in accordance with the Incentive Plan;

(d) The Company's requiring you to be based more than thirty-five (35) miles from the location where you are based immediately prior to the Change in Control Date, except for required travel on the Company's business to an extent substantially consistent with your business travel obligations prior to the Change in Control Date, or if you consent to that relocation, the failure by the Company to pay (or reimburse you for) all reasonable moving expenses incurred by you or to indemnify you against any loss realized in the sale of your principal residence in connection with that relocation;

(e) The failure by the Company to continue in effect any retirement or compensation plan, supplemental retirement plan, performance share plan, stock option plan, life insurance plan, health and accident plan, disability plan or any other benefit plan in which you are participating immediately prior to the Change in Control Date (or provide plans providing you with substantially similar benefits), the taking of any action by the Company that would adversely affect your participation or materially reduce your benefits under any of those plans or deprive you of any material fringe benefit enjoyed by you

immediately prior to the Change in Control Date, or the failure by the Company to provide you with the number of paid vacation days to which you are then entitled in accordance with the Company's normal vacation practices in effect immediately prior to the Change in Control Date;

(f) The failure by the Company to obtain the assumption of the agreement to perform this Letter by any successor, as contemplated in **paragraph 6**; or

(g) Any purported termination of your employment that is not effected pursuant to a Notice of Termination satisfying the requirements of **subparagraph 4.4** (and, if applicable, **subparagraph 4.1**).

For purposes of this **subparagraph 4.3**, "Change in Control Date" means the date six months prior to the date of the Change in Control.

4.4 Notice of Termination. Any purported termination by the Company pursuant to **subparagraphs 4.1 or 4.2** or by you pursuant to **subparagraph 4.3** will be communicated by written Notice of Termination to the other party. For purposes of this Letter, a "Notice of Termination" means a notice that indicates the specific termination provision in this Letter relied upon and setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the provision so indicated. Any purported termination not effected pursuant to a Notice of Termination meeting the requirements set forth in this Letter will not be effective.

4.5 Date of Termination. For purposes of this Letter, the date of the termination of your employment ("Date of Termination") will be (a) if your employment is terminated by your death, the end of the month in which your death occurs, (b) if your employment is terminated for Disability, thirty (30) days after Notice of Termination is given, or (c) if your employment is terminated by you or the Company for any other reason, the date specified in the Notice of Termination, which will not be later than thirty (30) days after the date on which the Notice of Termination is given.

5. Benefits upon Certain Terminations following a Change in Control. If any of the events described in **paragraph 3** constituting a Change in Control occurs and your employment is terminated under the circumstances described in **paragraph 4** which entitle you to payments and benefits under this **paragraph 5**, then the following provisions will apply:

5.1 Compensation through Date of Termination. The Company will pay you (a) any unpaid amount of your base salary through the Date of Termination, (b) with respect to any year then completed, any unpaid amount accrued to you pursuant to the Incentive Plan, and (c) with respect to any year then partially completed, a pro rata portion through the Date of Termination of your target annual bonus under the Incentive Plan. For purposes of **item (c)** above, your "target annual bonus under the Incentive Plan" will be your annual base salary as of the Date of Termination multiplied by the target percentage of your bonus under the Incentive Plan.

5.2 Additional Severance. In lieu of any further salary payments to you for periods subsequent to the Date of Termination, the Company will pay as severance pay to you on the fifth (5th) business day following the Date of Termination a lump sum equal to three (3) times the sum of (a) your annual base

salary at the highest rate in effect during the twelve (12) months immediately preceding the Date of Termination plus (b) the higher of (i) the highest annual bonus paid to you or paid but deferred on your behalf under the Incentive Plan, (ii) any earned, but unpaid, bonus accrued for your benefit under the Incentive Plan, or (iii) your highest target annual bonus under the Incentive Plan, whether or not earned, in each case with respect to the three (3) calendar years immediately preceding the year in which the Date of Termination occurs and the partial calendar year ending on the Date of Termination. For purposes of **item (iii)** above and **subparagraph 5.3**, the "highest target annual bonus under the Incentive Plan" for the partial calendar year ending on the Date of Termination will be your annual base salary as of the Date of Termination multiplied by the target percentage of your bonus under the Incentive Plan.

5.3 Additional Retirement Benefit. If you are a participant in the Company's U.S. Retirement Income Plan (the "Retirement Plan"), the Company will pay you on the fifth (5th) business day following the Date of Termination a lump sum retirement benefit, in addition to the benefits to which you are or would be entitled under the Retirement Plan. That benefit will be a lump sum amount that is the actuarial equivalent of your benefits calculated pursuant to the terms of the Retirement Plan with the following adjustments: (a) regardless of your Years of Vesting Service under the Retirement Plan, you will be treated as if you were 100% vested under the Retirement Plan, (b) the number of Years of Benefit Service used will be the actual number of Years of Benefit Service accumulated as of the Date of Termination plus an additional number of Years of Benefit Service (up to a maximum of five (5) additional years) equal to the number of additional Years of Benefit Service that you would have earned if you had remained an employee of the Company until attainment of age sixty-two (62), (c) the Final Average Earnings (for purposes of applying the benefit formula under the Retirement Plan) will be determined using (I) the highest monthly rate of Base Salary in effect during the twelve (12) months immediately preceding the Date of Termination, plus (II) the higher of (A) the highest annual bonus paid to you or paid but deferred on your behalf under the Plan, (B) any earned, but unpaid, bonus accrued for your benefit under the Plan, or (C) your highest target annual bonus under the Plan, whether or not earned, in each case with respect to the three (3) calendar years immediately preceding the Date of Termination and the partial calendar year ending on the Date of Termination, divided by twelve (12) (regardless of the earnings limitations under the Retirement Plan or governmental regulations applicable to those plans), and (d) the monthly retirement benefit so calculated will be reduced by an amount equal to the monthly retirement benefit payable to you under the Retirement Plan. All capitalized terms used in this subparagraph, unless otherwise defined, will have the same meanings as those terms are defined in the Retirement Plan. The

actuarial equivalent will be calculated based on the assumptions contained in the Retirement Plan on the Date of Termination; provided that the assumptions on which the actuarial equivalent will be calculated will be no less favorable to you than those assumptions contained in the Retirement Plan on the date of the Change in Control.

5.4 Benefit Plans.

(a) Unless your employment is terminated for Cause, the Company will maintain in full force and effect, for your continued benefit for three (3) years after your Date of Termination, the group health, dental, vision, life insurance, disability and similar coverages in which you are entitled to participate immediately prior to the Date of Termination at the same level as for active employees and in the same manner as if your employment had not terminated. Any additional coverages you had at termination, including dependent coverage, will also be continued for that period on the same terms, to the extent permitted by the applicable policies or contracts. You will be responsible for paying any costs you were paying for those coverages at the time of termination

by separate check payable to the Company each month in advance. If the terms of any benefit plan referred to in this **subparagraph 5.4(a)**, or the laws applicable to that plan do not permit your continued participation, then the Company will arrange for other coverages satisfactory to you at the Company's expense that provide substantially similar benefits, or the Company will pay you a lump sum amount equal to the costs you would have to pay to obtain those coverage(s) for the three-year period.

(b) If you have satisfied the requirements for receiving the Company's retiree medical coverage on your Date of Termination or will satisfy those requirements prior to the last day of the three-year benefit continuation period provided in **item (a)** above, you (and your dependents) will be covered by, and receive benefits under, the Company's retiree medical coverage program for employees at your level. Your retiree medical coverage will commence on the date your health care coverage terminates under **item (a)** above, and will continue for your life (*i.e.*, the coverage will be vested and may not be terminated), subject only to those changes in the level of coverage that apply to employees at your level generally.

(c) You will be entitled to continue to participate in the Company's 401(k) Retirement and Savings Plan for the three-year period after your Date of Termination. For purposes of the 401(k) Plan, you will receive an

amount equal to the Company's contributions to the 401(k) Plan, assuming you had made contributions to the 401(k) Plan at the maximum permissible level. If the Company cannot contribute those additional amounts to the 401(k) Plan on your behalf because of the terms of the 401(k) Plan or applicable law, the Company will pay to you within five (5) days of the Date of Termination a lump sum amount equal to the additional amounts the Company would have been required to contribute (based upon the terms of the 401(k) Plan as in effect on the Date of Termination).

5.5 No Mitigation Required. You will not be required to mitigate the amount of any payment or benefits provided for in this **paragraph 5** by seeking other employment or otherwise, nor will the amount of any payment or benefits provided for in this **paragraph 5** be reduced by any compensation earned by you, or benefits provided to you, as the result of employment by another employer after the Date of Termination, or otherwise.

5.6 Tax Gross-Up Payment. If any payments or benefits provided pursuant to this Letter or any other payments or benefits provided to you by the Company are subject to an excise tax on an "excess parachute payment" under Section 4999 of the Internal Revenue Code of 1986 (the "Code"), or any successor provision of the Code, or are subject to an excise or penalty tax under any similar provision of any other revenue system to which you may be subject, the Company will provide a gross-up payment to you in order to place you in the same after-tax position you would have been in had no excise or penalty tax become due and payable under Code Section 4999 (or any successor provision) or any similar provision of that other revenue system. That gross-up payment will not apply to any excise or penalty tax attributable to any incentive stock option granted to you by the Company prior to April 1, 1998. Any gross-up payment to which you are entitled as a result of the applicability of an excise tax under Code Section 4999 or any successor provision of the Code, or as a result of any excise or penalty tax under any similar provision of any other revenue system to which you may be subject, will be determined in accordance with a "Policy with Respect to Tax Gross-up Payments" adopted, or which will be adopted, by the Board of Directors (or a Committee of the Board), and once that policy is adopted, no amendment of that policy that adversely affects you will be effective with respect to your rights under this Letter without your written consent.

6. Successors: Binding Agreement.

6.1 Assumption by Company's Successor. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or

otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance reasonably satisfactory to you, to expressly assume and agree to perform this Letter. Failure of the Company to obtain that agreement prior to the effectiveness of any succession will be a breach of this Letter and will entitle you to compensation from the Company in the same amount and on the same terms as you would be entitled under this Letter if you terminated your employment for Good Reason within three (3) years following a Change in Control, except that for purposes of implementing the foregoing, the date on which that succession becomes effective will be deemed the Date of Termination. As used in this Letter, "Company" means Equifax Inc. and any successor to its business and/or assets that executes and delivers the agreement provided for in this **subparagraph 6.1** or that otherwise becomes bound by all the terms and provisions of this Letter by operation of law.

6.2 Enforcement by Your Successor. This Letter will inure to the benefit of and be enforceable by your personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If you die subsequent to the termination of your employment while any amount would still be payable to you pursuant to this Letter if you had continued to live, all those amounts, unless otherwise provided in this Letter, will be paid in accordance with the terms of this Letter to your devisee, legatee or other designee or, if there be no designee, to your estate; that payment to be made in a lump sum within sixty (60) days from the date of your death.

7. Notice. For purposes of this Letter, notices and all other communications provided for in this Letter will be in writing and will be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage pre-paid, addressed to the respective addresses set forth on the first page of this Letter, provided that all notices to the Company will be directed to the attention of the Chief Executive Officer of the Company (or if the notice is from the Chief Executive Officer, to the General Counsel of the Company), or to that other address as either party may have furnished to the other in writing in accordance with this **paragraph 7**, except that notice of change of address will be effective only upon receipt.

8. Modification and Waiver. No provision of this Letter may be modified, waived or discharged unless that waiver, modification or discharge is agreed to in writing by you and that officer as may be specifically designated by the Board of Directors of the Company. No waiver by either party at any time of any breach by the other party of, or compliance with, any condition or provision of this Letter to be performed by that other party will be deemed a waiver of similar or dissimilar provisions or conditions at the time or at any prior or subsequent time.

9. Construction. This Letter supersedes any oral agreement between you and the Company and any oral representation by the Company to you with respect to the subject matter of this Letter. The validity, interpretation, construction and performance of this Letter will be governed by the laws of the State of Georgia.

10. Severability. If any one or more of the provisions of this Letter or any word, phrase, clause, sentence or other portion of a provision is deemed illegal or unenforceable for any reason, that provision or portion will be modified or deleted in such a manner as to make this Letter as modified legal and enforceable to the fullest extent permitted under applicable laws. The validity and enforceability of the remaining provisions or portions of this Letter will remain in full force and effect.

11. Counterparts. This Letter may be executed in two or more counterparts, each of which will take effect as an original and all of which will evidence one and the same agreement.

12. Legal Fees. If the Company breaches this Letter or if, within three (3) years following a Change in Control, your employment is terminated under circumstances described in **paragraph 4** that entitle you to payments and benefits under **paragraph 5**, the Company will reimburse you for all legal fees and expenses reasonably incurred by you as a result of that termination (including all those fees and expenses, if any, incurred in contesting or disputing the termination or in seeking to obtain or enforce any right or benefit provided by this Letter).
Upon presentation to the Company of the invoice for those legal fees and expenses, the Company will reimburse you monthly for those legal fees and expenses.

13. Indemnification. After your termination, the Company will indemnify you and hold you harmless from and against any claim relating to your performance as an officer, director or employee of the Company or any of its subsidiaries or other affiliates or in any other capacity, including any fiduciary capacity, in which you served at the Company's request, in each case to the maximum extent permitted by law and under the Company's Articles of Incorporation and Bylaws (the "Governing Documents"), provided that under no circumstances will the protection afforded to you under this paragraph be less than that afforded under the Governing Documents as in effect on the date of this Agreement except for changes mandated by law. You will continue to receive the benefits of, and be covered by, any policy of directors and officers liability insurance maintained by the Company for the benefit of its directors, officers and employees.

14. Employment by a Subsidiary. Either the Company or a Subsidiary may be your legal employer. For purposes of this Letter, any reference to your termination of

employment with the Company means termination of employment with the Company and all Subsidiaries, and does not include a transfer of employment between any of them. The actions referred to under the definition of "Good Reason" in **subparagraph 4.3** include the actions of the Company or your employing Subsidiary, as applicable. The obligations created under this Letter are obligations of the Company. A change in control of a Subsidiary will not constitute a Change in Control for purposes of this Letter unless there is also a contemporaneous Change in Control of the Company. For purposes of **paragraph 1** and this paragraph, a "Subsidiary" means an entity more than fifty percent (50%) of whose equity interests are owned directly or indirectly by the Company.

If you accept the above terms, please sign and return to me the enclosed copy of this Letter.

Sincerely,

Agreed to as of ,

[Name]

Exhibit 10.5

Form of TIER 2 Change in Control Agreement

[Date]

[Name]
[Title]
[Address]

Dear :

Equifax Inc. (the "Company") considers the establishment and maintenance of a sound and vital management to be essential to protecting and enhancing the best interests of the Company and its shareholders. In this connection, the Company recognizes that, as is the case with many publicly held corporations, the possibility of a change in control exists and that possibility, and the uncertainty and questions that it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its shareholders. Accordingly, the Board of Directors of the Company has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including yourself, to their assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a change in control of the Company.

In order to induce you to remain in its employ, the Company agrees to provide you the payments and benefits described in this Letter (in lieu of any severance payments and benefits you would otherwise receive in accordance with the Company's severance pay practices) if your employment with the Company is terminated subsequent to a "Change in Control" of the Company (as defined in **paragraph 3**) under the circumstances described in **paragraph 4**.

1. No Right to Continued Employment. This Letter does not give you any right to continued employment by the Company or a Subsidiary, and it will not interfere in any way with the right the Company or a Subsidiary otherwise may have to terminate your employment at any time.

2. Term of This Letter. The terms of this Letter will be effective as of , 2001, and, except as otherwise provided in this Letter, will continue in effect until , 2006; provided that commencing on January 1, 2002 and each subsequent January 1, the terms of this Letter will be extended automatically so as to remain in effect for five (5) years from that January 1 unless at least sixty (60) days prior to January 1 of a given year, the Company

notifies you that it does not wish to continue this Letter in effect beyond its then current expiration date; and provided further that if a Change in Control occurs prior to the expiration of this Letter, this Letter will continue in effect for two (2) years from the Change in Control.

3. Change In Control. No benefits will be payable under this Letter unless there is a Change in Control and your employment by the Company is terminated under the circumstances described in **paragraph 4** entitling you to benefits. For purposes of this Letter, a Change in Control of the Company means the occurrence of any of the following events during the period in which this Letter remains in effect:

3.1 Voting Stock Accumulations. The accumulation by any Person of Beneficial Ownership of twenty percent (20%) or more of the combined voting power of the Company's Voting Stock; provided that for purposes of this **subparagraph 3.1**, a Change in Control will not be deemed to have occurred if the accumulation of twenty percent (20%) or more of the voting power of the Company's Voting Stock results from any acquisition of Voting Stock (a) directly from the Company that is approved by the Incumbent Board, (b) by the Company, (c) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, or (d) by any Person pursuant to a Business Combination that complies with all of the provisions of **clauses (a), (b) and (c)** of **subparagraph 3.2**; or

3.2 Business Combinations. Consummation of a Business Combination, unless, immediately following that Business Combination, (a) all or substantially all of the Persons who were the beneficial owners of Voting Stock of the Company immediately prior to that Business Combination beneficially own, directly or indirectly, more than sixty-six and two-thirds percent (66-000%) of the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of Directors of the entity resulting from that Business Combination (including, without limitation, an entity that as a result of that transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions relative to each other as their ownership, immediately prior to that Business Combination, of the Voting Stock of the Company, (b) no Person (other than the Company, that entity resulting from that Business Combination, or any employee benefit plan (or related trust) sponsored or maintained by the Company, any Eighty Percent (80%) Subsidiary or that entity resulting from that Business Combination) beneficially owns,

directly or indirectly, twenty percent (20%) or more of the then outstanding shares of common stock of the entity resulting from that Business Combination or the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of that entity, and (c) at least a majority of the members of the Board of Directors of the entity resulting from that Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for that Business Combination; or

3.3 Sale of Assets. A sale or other disposition of all or substantially all of the assets of the Company; or

3.4 Liquidations or Dissolutions. Approval by the shareholders of the Company of a complete liquidation or dissolution of the Company, except pursuant to a Business Combination that complies with all of the provisions of **clauses (a), (b) and (c)** of **subparagraph 3.2**.

For purposes of this **paragraph 3**, the following definitions will apply:

"Beneficial Ownership" means beneficial ownership as that term is used in Rule 13d-3 promulgated under the Exchange Act.

"Business Combination" means a reorganization, merger or consolidation of the Company.

"Eighty Percent (80%) Subsidiary" means an entity in which the Company directly or indirectly beneficially owns eighty percent (80%) or more of the outstanding Voting Stock.

"Exchange Act" means the Securities Exchange Act of 1934, including amendments, or successor statutes of similar intent.

"Incumbent Board" means a Board of Directors at least a majority of whom consist of individuals who either are (a) members of the Company's Board of Directors as of the date of this Letter or (b) members who become members of the Company's Board of Directors subsequent to the date of this Letter whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least two-thirds (2/3) of the directors then comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Company in which that person is named as a nominee for director, without objection to that nomination), but excluding, for that purpose, any individual whose

initial assumption of office occurs as a result of an actual or threatened election contest (within the meaning of Rule 14a-11 of the Exchange Act) 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.

"Person" means any individual, entity or group (within the meaning of Section 13(d)(3) or 14 (d)(2) of the Exchange Act).

"Voting Stock" means the then outstanding securities of an entity entitled to vote generally in the election of members of that entity's Board of Directors.

4. Termination Following Change in Control. If any of the events described in **paragraph 3** constituting a Change in Control occurs, you will be entitled to the payments and benefits provided for in **paragraph 5** if your employment is terminated within six (6) months prior to the Change in Control in connection with the Change in Control or your employment is terminated within two (2) years from the date of the Change in Control, unless your termination is (a) because of your death, (b) by the Company for Cause or Disability, or (c) by you other than for Good Reason. The payments and benefits provided for in **paragraph 5** will be in lieu of any severance payments you would otherwise receive in accordance with the Company's severance pay practices, but will have no effect on any of the Company's other employee benefit plans or practices, as amended from time to time.

4.1 Cause. Termination by the Company of your employment for "Cause" means termination by the Company of your employment upon (a) your willful and continued failure to substantially perform your duties with the Company (other than any failure resulting from your incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to you by the Chief Executive Officer of the Company (or if you are the Chief Executive Officer, the Chairman of the Compensation Committee of the Board of Directors) that specifically identifies the manner in which the Chief Executive Officer believes that you have not substantially performed your duties, or (b) your willfully engaging in misconduct that is materially injurious to the Company, monetarily or otherwise. For purposes of this **subparagraph 4.1**, no act, or failure to act, on your part will be considered "willful" unless done, or omitted to be done, by you not in good faith and without reasonable belief that your action or omission was in the best interest of the Company. Notwithstanding the above, you will not be deemed to have been terminated for Cause unless and until you have been given a copy of a

Notice of Termination from the Chief Executive Officer of the Company (or if you are the Chief Executive Officer, the Chairman of the Compensation Committee of the Board of Directors), after reasonable notice to you and an opportunity for you, together with your counsel, to be heard before (i) the Chief Executive Officer, or (ii) if you are an elected officer of the Company, the Board of Directors of the Company, finding that in the good faith opinion of the Chief Executive Officer, or, in the case of an elected officer, finding that in the good faith opinion of two-thirds of the Board of Directors, you committed the conduct set forth above in **clauses (a) or (b)** of this **subparagraph 4.1**, and specifying the particulars of that finding in detail.

4.2 Disability. Termination by the Company of your employment for "Disability" means termination by the Company of your employment following and because of your failure to perform your duties as an employee for a period of at least one hundred eighty (180) consecutive calendar days as a result of total and permanent incapacity due to physical or mental illness or injury. Your incapacity must be certified by a licensed medical doctor selected by you. You will continue to receive your full base salary at the rate in effect and any bonus payments under the Plan payable during the one hundred eighty (180) day qualification period until termination of your employment for Disability. After that termination, your benefits will be determined in accordance with the Company's long-term disability plan then in effect and any of the Company's other benefit plans and practices then in effect that apply to you. The Company will have no further obligation to you under this Letter and all supplemental benefits will be terminated. If the Company disagrees with the certification of your incapacity, it may appoint another medical doctor to certify his opinion as to your incapacity, and if that doctor does not certify as to your incapacity, then the two doctors will appoint a third medical doctor to certify their opinion as to your incapacity, and the decision of a majority of the three doctors will prevail. (The Company will bear the costs of the doctors opinions.)

4.3 Good Reason. Termination by you of your employment for "Good Reason" means termination by you of your employment based on:

(a) The assignment to you of duties inconsistent with your position and status with the Company as they existed immediately prior to the Change in Control Date (as defined below), or a substantial change in your title, offices or authority, or in the nature of your responsibilities, as they existed immediately prior to the Change in Control Date (or if you receive a promotion or an

increase in responsibilities or authority after the Change in Control Date, then a change with respect to your enhanced position, status, responsibilities or authority), except in connection with the termination of your employment for Cause or Disability or as a result of your death or by you other than for Good Reason;

(b) A reduction by the Company in your base salary as in effect on the date of this Letter or as your salary may be increased from time to time;

(c) A failure by the Company to continue the Company's incentive compensation plan(s) ("Incentive Plan"), as it may be modified from time to time, substantially in the form in effect immediately prior to the Change in Control Date, or a failure by the Company to continue you as a participant in the Incentive Plan on at least the basis of your participation immediately prior to the Change in Control Date or to pay you the amounts that you would be entitled to receive in accordance with the Incentive Plan;

(d) The Company's requiring you to be based more than thirty-five (35) miles from the location where you are based immediately prior to the Change in Control Date, except for required travel on the Company's business to an extent substantially consistent with your business travel obligations prior to the Change in Control Date, or if you consent to that relocation, the failure by the Company to pay (or reimburse you for) all reasonable moving expenses incurred by you or to indemnify you against any loss realized in the sale of your principal residence in connection with that relocation;

(e) The failure by the Company to continue in effect any retirement or compensation plan, supplemental retirement plan, performance share plan, stock option plan, life insurance plan, health and accident plan, disability plan or any other benefit plan in which you are participating immediately prior to the Change in Control Date (or provide plans providing you with substantially similar benefits), the taking of any action by the Company that would adversely affect your participation or materially reduce your benefits under any of those plans or deprive you of any material fringe benefit enjoyed by you immediately prior to the Change in Control Date, or the failure by the Company to provide you with the number of paid vacation days to which you are then entitled in

accordance with the Company's normal vacation practices in effect immediately prior to the Change in Control Date;

(f) The failure by the Company to obtain the assumption of the agreement to perform this Letter by any successor, as contemplated in **paragraph 6**; or

(g) Any purported termination of your employment that is not effected pursuant to a Notice of Termination satisfying the requirements of **subparagraph 4.4** (and, if applicable, **subparagraph 4.1**).

For purposes of this **subparagraph 4.3**, "Change in Control Date" means the date six months prior to the date of the Change in Control.

4.4 Notice of Termination. Any purported termination by the Company pursuant to **subparagraphs 4.1 or 4.2** or by you pursuant to **subparagraph 4.3** will be communicated by written Notice of Termination to the other party. For purposes of this Letter, a "Notice of Termination" means a notice that indicates the specific termination provision in this Letter relied upon and setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the provision so indicated. Any purported termination not effected pursuant to a Notice of Termination meeting the requirements set forth in this Letter will not be effective.

4.5 Date of Termination. For purposes of this Letter, the date of the termination of your employment ("Date of Termination") will be (a) if your employment is terminated by your death, the end of the month in which your death occurs, (b) if your employment is terminated for Disability, thirty (30) days after Notice of Termination is given, or (c) if your employment is terminated by you or the Company for any other reason, the date specified in the Notice of Termination, which will not be later than thirty (30) days after the date on which the Notice of Termination is given.

5. Benefits upon Certain Terminations following a Change in Control. If any of the events described in **paragraph 3** constituting a Change in Control occurs and your employment is terminated under the circumstances described in **paragraph 4** which entitle you to payments and benefits under this **paragraph 5**, then the following provisions will apply.

5.1 Compensation through Date of Termination. The Company will pay you (a) any unpaid amount of your base salary through the Date of Termination, (b) with respect to any year then completed, any unpaid amount accrued to you pursuant to the Incentive Plan, and (c) with respect to any year then partially completed, a pro rata portion through the Date of Termination of your target annual bonus under the Incentive Plan. For purposes of **item (c)** above, your "target annual bonus under the Incentive Plan" will be your annual base salary as of the Date of Termination multiplied by the target percentage of your bonus under the Incentive Plan.

5.2 Additional Severance. In lieu of any further salary payments to you for periods subsequent to the Date of Termination, the Company will pay as severance pay to you on the fifth (5th) business day following the Date of Termination a lump sum equal to two (2) times the sum of (a) your annual base salary at the highest rate in effect during the twelve (12) months immediately preceding the Date of Termination plus (b) the higher of (i) the highest annual bonus paid to you or paid but deferred on your behalf under the Incentive Plan, (ii) any earned, but unpaid, bonus accrued for your benefit under the Incentive Plan, or (iii) your highest target annual bonus under the Incentive Plan, whether or not earned, in each case with respect to the three (3) calendar years immediately preceding the year in which the Date of Termination occurs and the partial calendar year ending on the Date of Termination. For purposes of **item (iii)** above and **subparagraph 5.3**, the "highest target annual bonus under the Incentive Plan" for the partial calendar year ending on the Date of Termination will be your annual base salary as of the Date of Termination multiplied by the target percentage of your bonus under the Incentive Plan.

5.3 Additional Retirement Benefit. If you are a participant in the Company's U.S. Retirement Income Plan (the "Retirement Plan"), the Company will pay you on the fifth (5th) business day following the Date of Termination a lump sum retirement benefit, in addition to the benefits to which you are or would be entitled under the Retirement Plan. That benefit will be a lump sum amount that is the actuarial equivalent of your benefits calculated pursuant to the terms of the Retirement Plan with the following adjustments: (a) regardless of your Years of Vesting Service under the Retirement Plan, you will be treated as if you were 100% vested under the Retirement Plan, (b) the number of Years of Benefit Service used will be the actual number of Years of Benefit Service accumulated as of the Date of Termination plus an additional number of Years of Benefit Service (up to a maximum of five (5) additional years) equal to the

number of additional Years of Benefit Service that you would have earned if you had remained an employee of the Company until attainment of age sixty-two (62), (c) the Final Average Earnings (for purposes of applying the benefit formula under the Retirement Plan) will be determined using (I) the highest monthly rate of Base Salary in effect during the twelve (12) months immediately preceding the Date of Termination, plus (II) the higher of (A) the highest annual bonus paid to you or paid but deferred on your behalf under the Plan, (B) any earned, but unpaid, bonus accrued for your benefit under the Plan, or (C) your highest target annual bonus under the Plan, whether or not earned, in each case with respect to the three (3) calendar years immediately preceding the Date of Termination and the partial calendar year ending on the Date of Termination, divided by twelve (12) (regardless of the earnings limitations under the Retirement Plan or governmental regulations applicable to those plans), and (d) the monthly retirement benefit so calculated will be reduced by an amount equal to the monthly retirement benefit payable to you under the Retirement Plan. All capitalized terms used in this subparagraph, unless otherwise defined, will have the same meanings as those terms are defined in the Retirement Plan. The actuarial equivalent will be calculated based on the assumptions contained in the Retirement Plan on the Date of Termination; provided that the assumptions on which the actuarial equivalent will be calculated will be no less favorable to you than those assumptions contained in the Retirement Plan on the date of the Change in Control.

5.4 Benefit Plans.

(a) Unless your employment is terminated for Cause, the Company will maintain in full force and effect, for your continued benefit for two (2) years after your Date of Termination, the group health, dental, vision, life insurance, disability and similar coverages in which you are entitled to participate immediately prior to the Date of Termination at the same level as for active employees and in the same manner as if your employment had not terminated. Any additional coverages you had at termination, including dependent coverage, will also be continued for that period on the same terms, to the extent permitted by the applicable policies or contracts. You will be responsible for paying any costs you were paying for those coverages at the time of termination by separate check payable to the Company each month in advance. If the terms of any benefit plan referred to in this **subparagraph 5.4(a)**, or the laws applicable to that plan do not permit your continued participation, then the Company will arrange for other coverages satisfactory to you at the Company's expense that

provide substantially similar benefits, or the Company will pay you a lump sum amount equal to the costs you would have to pay to obtain those coverage(s) for the two-year period.

(b) If you have satisfied the requirements for receiving the Company's retiree medical coverage on your Date of Termination or will satisfy those requirements prior to the last day of the two-year benefit continuation period provided in **item (a)** above, you (and your dependents) will be covered by, and receive benefits under, the Company's retiree medical coverage program for employees at your level. Your retiree medical coverage will commence on the date your health care coverage terminates under **item (a)** above, and will continue for your life (*i.e.*, the coverage will be vested and may not be terminated), subject only to those changes in the level of coverage that apply to employees at your level generally.

(c) You will be entitled to continue to participate in the Company's 401(k) Retirement and Savings Plan for the two-year period after your Date of Termination. For purposes of the 401(k) Plan, you will receive an amount equal to the Company's contributions to the 401(k) Plan, assuming you had made contributions to the 401(k) Plan at the maximum permissible level. If the Company cannot contribute those additional amounts to the 401(k) Plan on your behalf because of the terms of the 401(k) Plan or applicable law, the Company will pay to you within five (5) days of the Date of Termination a lump sum amount equal to the additional amounts the Company would have been required to contribute (based upon the terms of the 401(k) Plan as in effect on the Date of Termination).

5.5 No Mitigation Required. You will not be required to mitigate the amount of any payment or benefits provided for in this **paragraph 5** by seeking other employment or otherwise, nor will the amount of any payment or benefits provided for in this **paragraph 5** be reduced by any compensation earned by you, or benefits provided to you, as the result of employment by another employer after the Date of Termination, or otherwise.

5.6 Tax Gross-Up Payment. If any payments or benefits provided pursuant to this Letter or any other payments or benefits provided to you by the Company are subject to an excise tax on an "excess parachute payment" under Section 4999 of the Internal Revenue Code of 1986 (the

"Code"), or any successor provision of the Code, or are subject to an excise or penalty tax under any similar provision of any other revenue system to which you may be subject, the Company will provide a gross-up payment to you in order to place you in the same after-tax position you would have been in had no excise or penalty tax become due and payable under Code Section 4999 (or any successor provision) or any similar provision of that other revenue system. That gross-up payment will not apply to any excise or penalty tax attributable to any incentive stock option granted to you by the Company prior to April 1, 1998. Any gross-up payment to which you are entitled as a result of the applicability of an excise tax under Code Section 4999 or any successor provision of the Code, or as a result of any excise or penalty tax under any similar provision of any other revenue system to which you may be subject, will be determined in accordance with a "Policy with Respect to Tax Gross-up Payments" adopted, or which will be adopted, by the Board of Directors (or a Committee of the Board), and once that policy is adopted, no amendment of that policy that adversely affects you will be effective with respect to your rights under this Letter without your written consent.

6. Successors: Binding Agreement.

6.1 Assumption by Company's Successor. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance reasonably satisfactory to you, to expressly assume and agree to perform this Letter. Failure of the Company to obtain that agreement prior to the effectiveness of any succession will be a breach of this Letter and will entitle you to compensation from the Company in the same amount and on the same terms as you would be entitled under this Letter if you terminated your employment for Good Reason within two (2) years following a Change in Control, except that for purposes of implementing the foregoing, the date on which that succession becomes effective will be deemed the Date of Termination. As used in this Letter, "Company" means Equifax Inc. and any successor to its business and/or assets that executes and delivers the agreement provided for in this **subparagraph 6.1** or that otherwise becomes bound by all the terms and provisions of this Letter by operation of law.

6.2 Enforcement by Your Successor. This Letter will inure to the benefit of and be enforceable by your personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If you die subsequent to the termination of your employment

while any amount would still be payable to you pursuant to this Letter if you had continued to live, all those amounts, unless otherwise provided in this Letter, will be paid in accordance with the terms of this Letter to your devisee, legatee or other designee or, if there be no designee, to your estate; that payment to be made in a lump sum within sixty (60) days from the date of your death.

7. Notice. For purposes of this Letter, notices and all other communications provided for in this Letter will be in writing and will be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage pre-paid, addressed to the respective addresses set forth on the first page of this Letter, provided that all notices to the Company will be directed to the attention of the Chief Executive Officer of the Company (or if the notice is from the Chief Executive Officer, to the General Counsel of the Company), or to that other address as either party may have furnished to the other in writing in accordance with this **paragraph 7**, except that notice of change of address will be effective only upon receipt.

8. Modification and Waiver. No provision of this Letter may be modified, waived or discharged unless that waiver, modification or discharge is agreed to in writing by you and that officer as may be specifically designated by the Board of Directors of the Company. No waiver by either party at any time of any breach by the other party of, or compliance with, any condition or provision of this Letter to be performed by that other party will be deemed a waiver of similar or dissimilar provisions or conditions at the time or at any prior or subsequent time.

9. Construction. This Letter supersedes (a) any oral agreement between you and the Company and any oral representation by the Company to you with respect to the subject matter of this Letter, and (b) that letter agreement dated , between you and the Company pertaining to change in control. The validity, interpretation, construction and performance of this Letter will be governed by the laws of the State of Georgia.

10. Severability. If any one or more of the provisions of this Letter or any word, phrase, clause, sentence or other portion of a provision is deemed illegal or unenforceable for any reason, that provision or portion will be modified or deleted in such a manner as to make this Letter as modified legal and enforceable to the fullest extent permitted under applicable laws. The validity and enforceability of the remaining provisions or portions of this Letter will remain in full force and effect.

11. Counterparts. This Letter may be executed in two or more counterparts, each of which will take effect as an original and all of which will evidence one and the same agreement.

12. Legal Fees. If the Company breaches this Letter or if, within two (2) years following a Change in Control, your employment is terminated under circumstances described in **paragraph 4** that entitle you to payments and benefits under **paragraph 5**, the Company will reimburse you for all legal fees and expenses reasonably incurred by you as a result of that termination (including all those fees and expenses, if any, incurred in contesting or disputing the termination or in seeking to obtain or enforce any right or benefit provided by this Letter).

Upon presentation to the Company of the invoice for those legal fees and expenses, the Company will reimburse you monthly for those legal fees and expenses.

13. Indemnification. After your termination, the Company will indemnify you and hold you harmless from and against any claim relating to your performance as an officer, director or employee of the Company or any of its subsidiaries or other affiliates or in any other capacity, including any fiduciary capacity, in which you served at the Company's request, in each case to the maximum extent permitted by law and under the Company's Articles of Incorporation and Bylaws (the "Governing Documents"), provided that under no circumstances will the protection afforded to you under this paragraph be less than that afforded under the Governing Documents as in effect on the date of this Agreement except for changes mandated by law. You will continue to receive the benefits of, and be covered by, any policy of directors and officers liability insurance maintained by the Company for the benefit of its directors, officers and employees.

14. Employment by a Subsidiary. Either the Company or a Subsidiary may be your legal employer. For purposes of this Letter, any reference to your termination of employment with the Company means termination of employment with the Company and all Subsidiaries, and does not include a transfer of employment between any of them. The actions referred to under the definition of "Good Reason" in **subparagraph 4.3** include the actions of the Company or your employing Subsidiary, as applicable. The obligations created under this Letter are obligations of the Company. A change in control of a Subsidiary will not constitute a Change in Control for purposes of this Letter unless there is also a contemporaneous Change in Control of the Company. For purposes of **paragraph 1** and this paragraph, a "Subsidiary" means an entity more than fifty percent (50%) of whose equity interests are owned directly or indirectly by the Company.

If you accept the above terms, please sign and return to me the enclosed copy of this Letter.

Sincerely,

Agreed to as of ,

[Name]

CONFIDENTIAL

EQUIFAX INC.
1550 Peachtree Street
Atlanta, Georgia 30309

November 10, 2003

Mr. Mark E. Miller
3595 Tuxedo Court
Atlanta, Georgia 30305

Re: *Separation Agreement and General Release of Claims*

Dear Mark:

This letter (the "Separation Agreement") will confirm the arrangements we have discussed concerning your separation from Equifax Inc. (the "Company").

End of Employment. You hereby resign your employment with the Company effective as of December 31, 2003 (your "Separation Date"), which will be your last day of active employment with the Company. As of your Separation Date, your duties and responsibilities for the Company will end, and you will no longer be authorized to transact business or incur any expenses, obligations or liabilities on behalf of the Company or any of its affiliated entities.

Resignation. You also hereby resign as president and chief operating officer of the Company effective as of the Separation Date or such earlier date as may be specified by the Chief Executive Officer of the Company, and you acknowledge that the Company has accepted your resignation. If requested by the Company, you will execute additional documents evidencing your resignation from all positions you hold for the Company and all affiliated entities of the Company (collectively, "Equifax") effective as of the Separation Date.

Employment Agreement. You acknowledge that you have been employed at the Company pursuant to an employment agreement dated June 13, 2002 (the "Employment Agreement"). On the Effective Date of this Separation Agreement, the Employment Agreement shall terminate and be of no further force or effect. Between the Effective Date of this Separation Agreement and the Separation Date, the Company shall provide you with the salary and benefits set forth in the Employment Agreement. After the Separation Date, you shall only be entitled to the consideration provided under this Separation Agreement. You acknowledge and agree that you will continue to be bound by the terms and conditions of the Employee Confidentiality, Non-Solicitation and Assignment Agreement executed by you on June 19, 2002 (the "Confidentiality Agreement"), pursuant to the terms of the Employment Agreement, except that the provisions of the "Non-Solicitation of Employees" paragraph below supersede Section 2 of the Confidentiality Agreement.

Post-Separation Benefits. Regardless of any provision of the Employment Agreement to the contrary, commencing after the Separation Date, the Company will pay and provide you with the following benefits:

(i) *Salary Continuation*. You will receive an amount equal to your current salary for a period of one year beginning on the Separation Date payable in the same manner and at the same time as it was being paid as of your Separation Date. For purposes of this Separation Agreement, your "current salary" shall be $600,000 per annum.

(ii) *Annual Incentive Payment*. You shall be paid any annual incentive payment you have earned for 2003. The Company shall pay such amount to you when and as annual incentive payments under our Executive Incentive Plan for the year 2003 are made to our executives. You will receive a statement reflecting the computation of your incentive payment.

(iii) *Health and Life Insurance.* The health and life insurance benefits provided to you at your Separation Date shall be terminated as of the Separation Date. Nonetheless, you may elect to continue health insurance coverage at your expense under the Company's group health plans in accordance with the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), provided that you make a timely election of COBRA coverage and complete the necessary forms for such coverage. In addition, you may elect to continue the $5 million of life insurance coverage provided to you by the Company under its Executive Life & Supplemental Retirement Benefit Plan by assuming payment of and bearing all premium amounts for such life insurance coverage as of the Separation Date.

(iv) *Financial Planning and Tax Counseling Services.* The Company will continue to provide you with financial planning and tax counseling services through December 31, 2004, if and to the extent the Company continues to provide these services to its executive officers. The maximum amount the Company shall be obligated to spend to provide services to you under this paragraph shall be $15,000 in 2003 (including any amounts spent in 2003 prior to the Separation Date) and $15,000 in 2004. The cost of such services shall be billed to, and paid directly by, the Company.

(v) *Stock Awards*. Your rights and obligations with respect to all stock option grants and restricted stock awards you have received from the Company shall be governed by the terms of the plans, agreements and instruments pursuant to which such grants were made; provided that you and we agree that, notwithstanding your resignation, for purposes of each of your stock option agreements (both incentive and non-qualified), your separation shall be treated as a termination of employment resulting from an elimination of your position governed by Section 2(e)(i) of each such agreement. Without limiting the generality of the foregoing, you acknowledge and agree that only 276,458 shares of your stock options will have vested as of the Separation Date and that all of your other stock options shall terminate and be of no further force or effect after the Separation Date. You also acknowledge and agree that none of your restricted stock awards will be vested as of the Separation Date and that all of those awards will terminate and be of no further force or effect after the Separation Date.

(vi) *Laptop*. After appropriate sanitation by the Company, you will be allowed to keep the laptop computer provided for your use by the Company.

In addition, the Company agrees that you will not be required to reimburse the Company for relocation expenses in the amount of $381,200 paid by the Company in connection with your initial employment with the Company.

You acknowledge that the payments and benefits described in subparagraphs (i) through (vi) above are additional consideration given to you in exchange for your executing this Separation Agreement and abiding by its terms. You further acknowledge that the payments and benefits described above are not required by the Employment Agreement or by Company's policies and procedures following your resignation and constitute value to which you would not be entitled unless you executed a release such as that contained in this Separation Agreement.

You will not be eligible to participate in any Company (or affiliated company) benefit plan, including, without limitation, any 401(k) plan or other retirement plan, stock option or stock grant plan or severance policy or plan, or to receive any other employment benefits, compensation or severance, after your Separation Date, other than as specifically set forth above. It is understood and agreed, however, that you

remain entitled to any amounts in your 401(k) account that vested before your Separation Date and to any health plan benefits payable with respect to events occurring prior to your Separation Date. No further amounts shall be due or owed to you from or on behalf of Equifax for or in any way relating to or connected with your employment with the Company.

Post-Separation Indemnity. The Company agrees to defend and indemnify you to the same extent and in the same manner it accords such defense and/or indemnification to other officers of the Company, in accordance with applicable law, by-laws or insurance policies, for acts or omissions taken by you in the course and scope of your employment, that were done in good faith on the Company's behalf, and that were within your actual authority or authorized by the Company. Unless required by law or by-laws and/or within the provided coverage of any applicable insurance policy, this paragraph does not include defense or indemnity for any act or omission on your part outside the course and scope of your employment, or in excess of your actual authority without Company authorization, or involving any fraud or misrepresentation, or any intentional or grossly negligent violation of local, state or federal statutory or common law or of any rights of others.

Departure Announcement. The Company retains the right to determine the content of any press release concerning your separation that it may issue following your execution of this Agreement. The Company shall permit you to review the content of any press release concerning your separation before it is published, but you acknowledge that you do not have any right to make changes to any such press release and that the Company may publish any such press release without obtaining your approval of the content of the press release. You agree that, except with the prior written consent of the Company, you will not make any public announcement or communicate, directly or indirectly, with the public or any press or media representative regarding the circumstances of your separation from the Company.

Nondisparagement. You understand that your entitlement to the benefits agreed to above are conditioned on your continued support of Equifax.You agree not to make any oral or written statement or take any other action which disparages or criticizes Equifax's management or practices (including its business plans and strategies), damages Equifax's good reputation or impairs its normal operations. The Company agrees that it shall cause its directors and the officers elected by the Board of Directors not to make any oral or written statement or take any other action which disparages or criticizes your work performance, professional competence or your good reputation. Truthful testimony compelled by legal process or in the context of enforcing the terms of this Agreement or other rights, powers, privileges or claims not released by this Agreement shall not be considered a violation of this provision by either party.

Noncompetition. You agree that you will not, commencing on the Effective Date of this Separation Agreement and continuing through the date that is eighteen (18) months after the Separation Date, within the Territory (as defined in the attached Exhibit A), directly or indirectly, provide any Services to or for the benefit of any individual, business, corporation or other entity or organization that provides any of the following products or services to or for customers: consumer credit reporting services and products; commercial credit reporting services and products; direct to consumer credit reporting services and products; credit and direct marketing services and products (defined as information products and databases which enable customers to identify and target an audience for marketing or customer relationship management purposes); customer data integration products and services; data based fraud protection services, employment screening services, airport passenger security services, and identity authentication services (collectively, the "Company's Products and Services"). As used herein, "Services" means (a) acting as an executive officer with general responsibility for operations, and (b) without limiting the forgoing, participating in, and managing and supervising others in, marketing, sales, customer service, supplier relations, administration, personnel, formulation and implementation of budgets and strategic, financial and operational plans, and the delivery of products and services to customers.

Non-Solicitation of Customers. You agree that, commencing on the Effective Date of this Agreement and continuing for a period of eighteen (18) months following the Separation Date, you will not, directly or indirectly, solicit, or assist others in soliciting, any business from any of Equifax's customers with which you had material contact (*i.e.*, dealt with, supervised dealings with or obtained confidential information concerning) on Equifax's behalf during the two year period preceding the Separation Date, for purposes of providing products or services that are identical to or reasonably substitutable for the Company's Products and Services.

Non-Solicitation of Employees. You agree that you will not at any time during the period commencing on the Effective Date of this Separation Agreement and continuing for a period of eighteen months (18) after the Separation Date, directly or indirectly, whether alone or with any other person or entity as a partner, officer, director, employee, agent, shareholder, consultant, sales representative or otherwise, solicit for employment or assist in the solicitation for employment of any Equifax employee with whom you had regular contact in the course of your employment or any Equifax employee at any facility where you performed services for Equifax.

Acknowledgements regarding Restrictive Covenants. You acknowledge that you have been in a senior position of trust and responsibility for Equifax and have been provided access to a substantial amount of confidential and proprietary information of Equifax, as well as to important customers and valuable employees of Equifax, that the covenants in the "Nondisparagement", "Noncompetition", "Non-Solicitation of Customers" and "Non-Solicitation of Employees" paragraphs of this Separation Agreement are reasonable in light of the substantial rights and benefits you will receive under this Separation Agreement and the serious harm to Equifax that could result if you engaged in the conduct prohibited by such paragraphs, that you are capable of obtaining gainful, lucrative and desirable employment following the Separation Date that does not violate the restrictions of this Separation Agreement, that the covenants in the "Noncompetition" and "Non-Solicitation" paragraphs of this Separation Agreement are similar to the covenants to which you agreed in Sections 5.2 and 5.3 of the Employment Agreement in connection with your initial employment with the Company and that such covenants are being amended and restated in this Separation Agreement in part to reduce the period of restriction applicable under such covenants for your benefit and to permit the parties to supersede the Employment Agreement in its entirety.

Confidentiality. You warrant that you have not communicated with or disclosed, and agree that you will not communicate with or disclose to anyone, including, but not limited to, any communications media or financial analyst, or any officer, employee, supplier, customer or competitor of Equifax, or any other person the fact of your separation from Equifax, or the circumstances surrounding that separation, other than to confirm that you have resigned to pursue other interests. The foregoing does not apply to, and will not prevent you from having discussions, on a confidential basis, regarding your separation with your spouse or legal, tax or financial advisers, provided that they agree to be bound by the confidentiality obligations of this paragraph. Furthermore, you agree that, except for the restrictive covenants of this Agreement which you are free to disclose to prospective employers, you will keep the terms, amount and fact of this Separation Agreement completely confidential, and that, except as required by law or authorized in writing by the Company, you will not hereafter disclose any information concerning the fact of or provisions of this Separation Agreement to anyone other than your immediate family and legal, tax or financial advisors, all of whom will be informed by you of, and be bound by, this confidentiality provision. As used in this Separation Agreement, "authorized by the Company" or words of similar effect shall mean the written authorization of the Chief Executive Officer or General Counsel of the Company.

Post-Separation Cooperation. As a condition to receiving any benefits hereunder, you agree to cooperate fully with and devote your reasonable best efforts to providing assistance requested by the Equifax. Such assistance shall not require you to be active after the Separation Date in Equifax's day-to-day activities and you shall be reimbursed, upon providing appropriate documentation, for all reasonable

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and necessary out-of-pocket business expenses incurred in providing such assistance. Without limiting the generality of the foregoing, you agree to provide reasonable assistance to the management of Equifax in connection with the transition of your previous duties and responsibilities and to assist Equifax, including after the completion of all salary continuation payments payable hereunder, in the defense of any pending or subsequently filed lawsuit, arbitration or administrative proceeding (collectively, "Suits") against Equifax and/or any of its officers, directors, employees or agents; in the analysis, preparation and prosecution by Equifax of any Suit against any individual, company or other person, including by providing testimony in connection with any such Suit; and in connection with any other dispute or claim arising out of any matter for which you were responsible during your employment or about which you have knowledge. The Company agrees that its requests for assistance will not unreasonably interfere with the requirements of your subsequent employment.

Access to Property. On and after your Separation Date, you will not have access to Equifax's executive offices or any of its other facilities or systems except as requested or authorized by Equifax.

Return of Property. Except for items (if any) you are permitted to retain by an express provision of this Separation Agreement, you agree that you will return to Equifax on or before the Separation Date any and all Equifax property in your possession or control, including, but not limited to, all keys, credit cards, security passes, computers and other tangible items or equipment provided to you by Equifax for use during your employment, together with all written or recorded materials, documents, computer discs, plans, records, notes, files, drawings or papers, and all copies thereof, relating to the business or affairs of Equifax.

Covenant Not to Sue and Release. You represent that you have not, and agree, to the maximum extent permitted by applicable law, that you will not, file any claims, complaints, charges or lawsuits against the Company (including any of the Company's present and former divisions, subsidiaries and other affiliated entities, predecessors, successors and assigns), its benefit plans and programs, or any of their respective present or former agents, directors, officers, trustees, employees, consultants, owners, representatives or attorneys (hereinafter collectively referred to as the "Releasees"), about anything which has occurred up to and including the date you execute this Separation Agreement. In addition, except for any benefits you have accrued under the Company's pension plan(s) that are vested under the terms thereof and any rights or benefits expressly created or preserved by this Separation Agreement (which are not released or modified by this Agreement), and in further consideration of the benefits we have agreed to provide you, you do hereby release and discharge each and all of the Releasees from any and all claims, liabilities, agreements, damages, losses or expenses (including attorneys' fees and costs actually incurred), of any nature whatsoever, known or unknown (hereinafter "Claim" or "Claims"), which you have, may have had, or may later claim to have had against any of them for personal injuries, losses or damage to personal property, breach of contract (express or implied), breach of any covenant of good faith (express or implied), or any other losses or expenses of any kind (whether arising in tort, contract or by statute) resulting or arising from anything that has occurred prior to the date you execute this Separation Agreement. You understand and agree that you will not hereafter be entitled to pursue any Claims arising out of any violation of your rights while employed by the Company against any of the Releasees in any state or federal court or before any state or federal agency for back pay, severance pay, liquidated damages, compensatory damages, or any other losses or other damages to you or your property resulting or arising from any claimed violation of state or federal law, including, for example, Claims arising under Title VII of the Civil Rights Act of 1964, the Age Discrimination In Employment Act of 1967, the Americans With Disabilities Act, the Employee Retirement Income Security Act, and Claims under any other federal or state statute or common law. This Separation Agreement does not, however, waive rights or claims that may arise after the date you sign it below.

For the purpose of implementing a full and complete release and discharge of the Releasees, you expressly acknowledge that this Separation Agreement is intended to include in its effect, without limitation, all Claims which you do not know or suspect to exist in your favor at the time of execution hereof, and that this Separation Agreement contemplates the extinguishment of any such Claim or Claims. You expressly waive and relinquish all rights and benefits which you may have under any state or federal statute or common law principle that would otherwise limit the effect of this Separation Agreement to claims known or suspected prior to the date you execute this Separation Agreement, and do so understanding and acknowledging the significance and consequences of such specific waiver. The undertakings and benefits of this covenant not to sue and release shall survive and not be extinguished by either party's breach of the other provisions of this Separation Agreement.

This Separation Agreement does not prohibit you from enforcing the terms of this Separation Agreement. Furthermore, this Separation Agreement does not prohibit you from attempting to challenge the legal sufficiency of your release of Age Discrimination in Employment Act claims or filing an administrative charge of age discrimination with the Equal Employment Opportunity Commission. However, this Separation Agreement does release any Claim that you have or might have for monetary relief or any other remedy to you personally, that arises out of any proceeding before a government agency or court that relates to any Claim released herein. If any agency or court takes jurisdiction over any matter in which you have or may have any personal interest, you agree to inform that agency or court that this Separation Agreement is a full and final settlement by you of all Claims released under this Separation Agreement.

Withholding Taxes. All payments and deliveries to you hereunder will be subject to withholding of taxes and other amounts as required by law.

Consequences of Breach. You agree that you will indemnify and hold the Releasees harmless from any loss, cost, damage or expense (including attorneys' fees) incurred by them arising out of your breach of any portion of this Separation Agreement. You also understand that your entitlement to and retention of the salary continuation payments, the incentive payment, and any amounts paid for planning and tax services we have agreed to provide you herein are expressly conditioned upon your fulfillment of your promises herein, and you agree, to the extent permitted or required by law, immediately to return or repay the amounts of these benefits you have received from us upon your filing or asserting any Claim against the Releasees (other than claims for breach of this Separation Agreement) or upon your breach of any other provision of this Separation Agreement, provided that if you breach the "Noncompetition" paragraph of this Separation Agreement, you will not be required to return or repay any such amounts unless you fail to cure the breach within ten days after receiving notice of the breach from the Company. For purposes of this paragraph only, the filing of an Age Discrimination in Employment Act charge or lawsuit will not be considered a breach of this Agreement; provided, however, that the severance benefits paid to you under this Agreement may serve as restitution, recoupment and/or set-off in the event you prevail on the merits of such claim. Notwithstanding any provision of this paragraph to the contrary, the Company's agreement not to require you to reimburse relocation expenses in the amount of $381,200 set forth above is not contingent upon your compliance with this Agreement, and you will not be required to reimburse the Company for such expenses even if you breach the provisions of this Separation Agreement.

Waiver/Remedies. Except as expressly limited herein, both parties reserve all rights and remedies available to them in the event of a breach of any provision of this Separation Agreement by the other party. You acknowledge that if you breach or threaten to breach your covenants and agreements in this Separation Agreement, then your actions may cause irreparable harm and damage to the Company which could not be adequately compensated in monetary damages. Accordingly, if you breach or threaten to breach this Separation Agreement, then the Company will be entitled to injunctive or other equitable relief, in addition to any other rights or remedies of the Company under this Agreement or otherwise. No

failure on the part of either party hereto to exercise, and no delay by either party in exercising any right, power, or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or remedy by either party preclude any other or further exercise thereof or the exercise by such party of any other right, power or remedy. No express waiver or assent by either party of any breach of or default in any term or condition of this Agreement shall constitute a waiver of or an assent to any succeeding breach of or default in the same or any other term of condition hereof.

Governing Law. This Separation Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Georgia and the federal laws of the United States of America, without regard to rules relating to the conflict of laws. You hereby consent to the exclusive jurisdiction of the Superior Court of Fulton County, Georgia and the U.S. District Court in Atlanta, Georgia, and hereby waive any objection you might otherwise have to jurisdiction and venue in such courts in the event either court is requested to resolve a dispute between the parties.

Notices. All notices, consents and other communications required or authorized to be given by either party to the other under this Separation Agreement shall be in writing and shall be deemed to have been given or submitted (i) upon actual receipt if delivered in person or by facsimile transmission, (ii) upon the earlier of actual receipt or the expiration of two business days after sending by express courier (such as UPS or Federal Express), and (iii) upon the earlier of actual receipt or the expiration of seven days after mailing if sent by registered or certified express mail, postage prepaid, to the parties at the following addresses:

To the Company: Equifax Inc.
1550 Peachtree Street

Atlanta, Georgia 30309
Fax No.: (404) 885-8766
Attn: Chief Executive Officer

With a copy to:	Equifax Inc. 1550 Peachtree Street Atlanta, Georgia 30309 Fax No. (404) 885-8988 Attn: General Counsel
To you:	Mark E. Miller 3595 Tuxedo Court Atlanta, Georgia 30305

You shall be responsible for providing the Company with your current address from time to time. Either party may change its address (and facsimile number) for purposes of notices under this Agreement by providing notice to the other party in the manner set forth above.

Counterparts. This Separation Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

Non-Admission. This Separation Agreement shall not in any way be construed as an admission by the Company or by any person that it or he has acted wrongfully with respect to you or any other person, or that you have any claim or cause of action whatsoever against the Company or any person.

Severability. The provisions of this Separation Agreement are severable, and if any term of this Separation Agreement not essential to its purpose is held to be illegal, invalid or unenforceable by a court of competent jurisdiction, the remaining terms shall continue in full force and effect. If any covenant in this Separation Agreement, including, without limitation, the covenants in the "Nondisparagement", "Noncompetition", "Non-Solicitation of Customers" and "Non-Solicitation of Employees" paragraphs, is held to be unreasonable, arbitrary or against public policy, such covenant will be considered to be divisible with respect to scope, time and geographic area, and such lesser scope, time or geographic area, or all of them, as a court of competent jurisdiction may determine to be reasonable, not arbitrary and not against public policy will be effective, binding and enforceable against you.

Consideration Period. Because the arrangements discussed in this Separation Agreement affect important rights and obligations, the Company advised you to consult with an attorney before you agreed to the terms set forth herein, and you acknowledge that you have been represented by an attorney in the negotiation of this Separation Agreement. You have twenty-one (21) days from the date you receive this Separation Agreement within which to consider it, and you may take as much of that time as you wish before signing. If you decide to accept the benefits offered herein, you must sign this Separation Agreement on or before the expiration of the 21-day period and return it promptly to the Company. If you do not wish to accept the terms of this Separation Agreement, you do not have to do anything.

Revocation Rights. For a period of up to and including seven (7) days after the date you sign this Separation Agreement, you may revoke it entirely. No rights or obligations contained in this Separation Agreement shall become enforceable before the end of the 7-day revocation period. If you decide to revoke this Separation Agreement, you must deliver to the Company's General Counsel a signed notice of revocation on or before the last day of this 7-day period. Upon delivery of a timely notice of revocation by you, this Separation Agreement shall be canceled and void, and neither you nor the Company shall have any rights or obligations arising under it.

Effective Date. This Separation Agreement shall become effective at midnight on the seventh day (the "Effective Date") after you execute it below, unless it is earlier revoked by you pursuant to the provisions set forth in the "Revocation Rights" paragraph of this Separation Agreement.

Entire Agreement. This Separation Agreement supersedes the Employment Agreement and all other prior discussions and agreements with respect to the matters covered hereby and contains the sole and entire agreement between the parties relating to the subject matter hereof. In the event of any inconsistency between this Separation Agreement and the terms and conditions of the Confidentiality Agreement that are not superseded by this Separation Agreement, this Separation Agreement shall be deemed to amend such terms and conditions and shall control. On the Effective Date of this Separation Agreement, your Change-in-Control agreement with the Company shall terminate.

Acknowledgments. If the terms of this Separation Agreement correctly set forth our agreement, please so indicate by signing in the appropriate space below and initialing each page. Your signature will be an acknowledgment that no other promise or agreement of any kind has been made to you by the Company to cause you to execute this Separation Agreement, that you were afforded a reasonable period of at least twenty-one (21) days to review this Separation Agreement and to consult with an attorney or other person of your choosing about its terms before signing it, that the only consideration for your signature is as indicated above, that you fully understand and accept this Separation Agreement, that you are not coerced into signing it, and that you signed it knowingly and voluntarily because it is satisfactory to you.

Sincerely,

EQUIFAX INC.

By: ______________________________
Kent Mast
Corporate Vice President and General Counsel

I have carefully read the above Separation Agreement and General Release of Claims, understand the meaning and intent thereof, and voluntarily agree to its terms this day of November, 2003.

____
Mark E. Miller

I acknowledge that I first received this Separation Agreement on , 2003.

Mark E. Miller

EXHIBIT A

You acknowledge that you provided Services for or on behalf of the Company in the following countries (the "Territory"):

United States of America
Canada
Brazil
Chile
Argentina
Uruguay
Peru
United Kingdom
Spain
Portugal
Italy

TRANSITION AGREEMENT

This Transition Agreement ("the Agreement") is made and entered into as of the 17th day of December, 2004, by and between Equifax, Inc., a Delaware corporation ("the Company"), and Thomas F. Chapman ("Executive").

RECITALS:

A. Executive is currently employed by the Company as its Chief Executive Officer and Chairman of the Board.

B. Executive is currently eligible for retirement from the Company, and the Company and Executive have announced his retirement as the Chief Executive Officer of the Company.

C. Executive has offered to continue to serve as the Company's Chief Executive Officer and Chairman of the Board as a service to the Company in the transition of responsibilities to a new chief executive officer, subject to the terms hereof.

D. The Company and Executive desire to enter into this Agreement to provide certain compensation and benefits to Executive under the circumstances described herein to encourage Executive to continue his service to the Company.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the Company and Executive hereby agree as follows:

1. *Transition Period.* Executive shall continue to be employed by the Company as Chief Executive Officer and Chairman of the Board from the date of this Agreement until December 31, 2005, unless earlier terminated as provided herein (the "Transition Period"). The Transition Period shall automatically terminate upon the election of a new person to serve as the Chief Executive Officer and Chairman of the Board of the Company, unless the Board of Directors requests that the Executive remain an employee of the Company and available in an advisory capacity to the Board of Directors. The Transition Period shall automatically terminate upon the death or disability of Executive, or the termination by the Company of Executive's employment with the Company. In the event a new person is elected as the Chief Executive Officer of the Company and no new person is elected as the Chairman of the Board of the Company, Executive shall continue as the Chairman of the Board through the Transition Termination Date. The date the Transition Period ends shall be referred to as the "Transition Period Termination Date." For purposes of this Agreement, the term "disability" shall have the same definition as that which is provided in the Company's long-term disability plan as in effect on the date hereof.

2. *Payments and Benefits to Executive.*

(a) *Base Salary*. The Company shall continue to pay Executive his annual base salary (which may be increased to reward 2004 performance) through December 31, 2005. Except as provided herein, all salary payments shall be made at a time and in accord with the past payroll practices of the Company with respect to Executive. All such amounts shall be subject to and reduced by any applicable federal and state withholding taxes or other deductions authorized by Executive. In the event the Transition Period ends prior to December 31, 2005, all amounts payable to Executive as Base Salary through December 31, 2005 shall be accelerated and the Company agrees to immediately pay such amounts to Executive.

(b) *Annual Incentive*. Executive is eligible for an annual incentive for the Company's 2005 fiscal year. The Company shall pay to Executive a minimum of one hundred percent (100%) of his 2005 base salary as his 2005 annual incentive. This minimum amount shall be paid to Executive on the Transition

Period Termination Date. Annual Incentive earned in excess of this minimum amount shall be paid at the same time 2005 Annual Incentives are paid to other management employees of the Company.

(c) *Long Term Incentives*. For the Company's 2005 fiscal year, the Company agrees that the long term incentive grant to Executive shall be divided fifty (50%) in restricted stock units and fifty percent (50%) in cash. The 2005 long term incentive grant shall be made at the first 2005 Compensation Committee meeting and shall vest on the Transition Period Termination Date.

(d) *Supplemental Executive Retirement Plan.* On the Transition Period Termination Date the Company shall credit such additional years of service to Executive under the Company's Supplemental Executive Retirement Plan dated as of October 1, 1989, as amended so that Executive's Credited Service under such Plan is equal to twenty (20) years for purposes of determining benefits thereunder.

(e) *Other Benefits*. Through the Transition Period Termination Date, Executive shall continue as a full-time employee of the Company and shall be entitled to participate in all employee benefit plans sponsored or provided by the Company to the same extent as he is now participating including without limitation the Company's Supplemental Executive Retirement Plan ("SERP"), participate in any health and life insurance and short-term and long-term disability plan sponsored or maintained by the Company, be reimbursed for dues or assessments relating to any private club, country club or professional organization, or receive reimbursement for any business, entertainment or similar expenses incurred by Executive according to the Company's policies. Nothing herein shall be interpreted to cause the forfeiture by Executive of any other commitments previously made by the Company to Executive to be effective upon his retirement from the Company or any other benefits to which Executive is entitled under any Company plans.

(f) *Irrevocable*. The rights and benefits conferred on Executive under this Agreement are irrevocable upon execution of this Agreement.

3. *Stock Options and Restricted Stock Units.* Executive and the Company agree that the stock options and restricted stock units held by Executive as of the date of this Agreement are hereby amended, effective as of the date of this Agreement to provide that all of the unvested shares under such stock options and restricted stock units shall be accelerated and shall vest on the Transition Period Termination Date, and that all shares under any stock options and restricted stock units granted to Executive between the date hereof and the Transition Period Termination Date shall vest on the Transition Period Termination Date. All stock options and restricted stock units shall be exercisable according to the terms and conditions set forth in the stock option agreements.

4. *Change In Control.* If a Change In Control, as defined in that certain Change In Control Agreement dated June 14, 2002 by and between the Company and Executive (the "Change In Control Agreement"), occurs during the Transition Period, Executive shall be entitled to the payments and benefits provided in the Change In Control Agreement, such payments to be made within five (5) business days after the occurrence of the Change In Control, provided that for purposes of calculating such payments and benefits, the term "Date of Termination" used in the Change In Control Agreement shall be the date of the occurrence of the Change in Control.

5. *Benefits Upon Retirement*. No provision of this Agreement shall cause the forfeiture of any other commitments previously made by the Company to Executive, including without limitation, Executive's rights and entitlements upon his retirement as an employee of the Company, or, except as expressly provided herein, affect Executive's rights and entitlements upon his retirement under the Company's retirement, medical and deferred compensation plans, including without limitation Executive's 401(k) plan, the Company's Supplemental Executive Retirement Plan, Retiree Medical Plan, Executive Life Insurance Plan and all bonus and restricted stock deferrals.

6. *Financial Planning, Office Space and Administrative Support.* From and after the Transition Period Termination Date and continuing during his lifetime, the Company, at its cost, shall provide Executive with office space, telephone and administrative support at 3060 Peachtree Road, Suite 240, Atlanta, Georgia 30305, or such other location as contracted by the Company, which is substantially similar to the existing office space. From and after the Transition Period Termination Date and continuing through the preparation of the applicable tax returns for the tax year in which Executive attains age 70, Executive shall be entitled to continue receiving the financial planning and tax advisory services being provided to Executive on the date of this Agreement, and the cost of such services shall be paid directly by the Company or the Company shall reimburse Executive for the costs of such services.

7. *Tax Gross-Up Payment.* If any payments or benefits provided to Executive pursuant to this Agreement are subject to an excise or penalty tax under any provisions of the Internal Revenue Code of 1986, as amended (the "Code") or any other revenue system to which Executive may be subject, the Company shall provide a gross-up payment to Executive in order to place him in the same after-tax position he would have been had no excise or penalty tax become due and payable under the Code or any other revenue system. Any gross-up payment to which Executive is entitled as a result of the applicability of an excise or penalty tax under the Code or any other revenue system to which Executive may be subject, will be determined in accordance with such applicable policies adopted by the Board of Directors of the Company, as in effect on the date of this Agreement.

8. *Confidentiality*. Until such time as the Company publicly discloses the terms of this Agreement, Executive agrees to keep confidential and not to make any statement, written or oral (including but not limited to any media source or to any other party) regarding the terms of this Agreement. It shall not constitute a breach of this paragraph for Executive to disclose the terms of this Agreement to Executive's legal counsel, tax accountant, medical provider or licensed counselor, provided Executive obtains the agreement of such person to keep the terms hereof confidential, or if the terms of this Agreement must be disclosed as required by law, regulation or stock exchange rules, or upon order of any court of competent jurisdiction, or if the terms of this Agreement must be disclosed in order to remedy a breach of any term or condition herein.

9. *Additional Documents.* The parties hereto shall execute such additional instruments as may be reasonably required by their counsel in order to carry out the purpose and intent of this Agreement and to fulfill the obligations of the parties hereunder.

10. *Government Law.* This Agreement shall be governed by the substantive laws of the State of Georgia.

11. *Successors*. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would have been required to perform it if no such succession had taken place. As used in this Agreement, the "Company" shall mean Equifax, Inc. and any successors.

12. *Severability*. If any of the provisions set forth in this Agreement be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

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13. *Waiver, Dependent Conditions and Fees*. Any waiver or consent from either party hereto with respect to any term or provision of this Agreement shall be effective only in the specific instance and for the specific purpose for which given and shall not be deemed, regardless of frequency given, to be a further or continuing waiver or consent. The failure or delay of either party hereto at any time or times to require performance of, or to exercise any of its or his powers, rights or remedies with respect to, any term or provision of this Agreement shall not affect such party's right at a later time to enforce any such term or provision.

14. *Indemnification and Insurance*. The Company hereby agrees to maintain and continue in place all indemnification obligations, directors and officers insurance and any agreements entered into by the Company for the provision therefor, provided for Executive in the Company's Certificate of Incorporation and By-Laws, each as amended, any and all indemnification agreements executed by and between the Company and Executive, or otherwise.

15. *Notices*. All notices and other communications under this Agreement shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Executive:	Thomas F. Chapman 78 Lindbergh Drive #60 Atlanta, Georgia 30305
If to the Company:	Equifax, Inc. 1550 Peachtree Street, N.W. Atlanta, Georgia 30309 Attention: D. Raymond Riddle, Lead Director

or to such other address as either party furnished to the other in writing in accordance with this Section 15. Notices and communications shall be effective when actually received by the addressee.

16. *Entire Agreement.* This Agreement contains the entire agreement between the Company and Executive and supersedes all prior agreements relating to the subject matter hereof, except as expressly referred to herein, and may be changed only by a writing signed by the parties hereto. Any and all prior representations, statements and discussions regarding the subject matter of this Agreement have been merged into and/or replaced by the terms of this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, or caused this Agreement to be duly executed by their authorized representatives as of the day and year first above written.

EQUIFAX, INC.

By: /s/ D. RAYMOND RIDDLE

D. Raymond Riddle,
Lead Director

By: /s/ LARRY L. PRINCE
Larry L. Prince,
Chairman of the Compensation,
Human Resources And Management
Succession Committee of the Board of Directors

/s/ THOMAS F. CHAPMAN
Thomas F. Chapman

Exhibit 10.27

EQUIFAX INC.
2000 STOCK INCENTIVE PLAN
FORM OF EXECUTIVE OFFICER
DEFERRED SHARE AWARD AGREEMENT

This Deferred Share Award Agreement (the "Agreement") is dated as of the 20th day of December, 2004 and is entered into between Equifax Inc., a Georgia corporation (the "Company"), and **«Employee_Name»** (the "Employee").

In consideration of the mutual promises set forth below, the parties hereto agree as follows.

1. **Grant of Deferred Shares.** Subject to the terms and conditions of this Agreement and the Equifax Inc. 2000 Stock Incentive Plan (the "Plan"), the terms of which are hereby incorporated herein by reference, effective as of the date set forth above ("Grant Date"), the Company hereby grants to the Employee **«Shares»** restricted stock units in the form of Deferred Shares under the Plan. Capitalized terms used but not defined in this Agreement shall have the meaning specified in the Plan.

2. **Vesting.** Subject to Section 3 below, the Deferred Shares shall vest on or after the date(s) (the "Vesting Date(s)") set forth below. Prior to the Vesting Date, the Deferred Shares shall be nontransferable and, except as otherwise provided herein, shall be forfeited upon the Employee's termination of employment with the Company and its Subsidiaries.

Vesting Date	Percentage of Deferred Shares Vested
December 20, 2005	0%
December 20, 2006	0%
December 20, 2007	33 1/3%
December 20, 2008	66 2/3%
December 20, 2009	100%

The Committee which administers the Plan reserves the right, in its sole discretion, to waive or reduce the vesting requirements.

3. **Termination of Employment.**

(a) Termination by Death or for Disability. In the event the Employee dies or becomes Disabled while actively employed by the Company, all outstanding unvested Deferred Shares shall immediately become nonforfeitable and transferable as of the date of Employee's death or termination as a result of becoming Disabled. For purposes of this Agreement, "Disabled" shall mean the Employee has been determined to be disabled (i) under the Equifax Pension Plan, (ii) under the Company's long-term disability plan covering the Employee, or (iii) in accordance with standards established by the Committee relating to the Employee's inability to perform his duties as a result of injury or sickness.

(b) Termination for Cause or Voluntary Termination. If the Employee's employment with the Company is terminated by the Company for Cause or Employee voluntarily terminates employment without Good Reason, all outstanding unvested Deferred Shares granted to Employee shall expire immediately, and the Employee's right to any such Deferred Shares shall terminate immediately upon the date that the Committee determines is the Employee's date of termination of employment.

For purposes of this Agreement, termination for "Cause" means termination by the Company of Employee's employment upon (i) Employee's willful and continued failure to substantially perform Employee's duties with the Company (other than any failure resulting from Employee's incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to Employee by the Chief Executive Officer of the Company that specifically identifies the manner in which the Chief Executive Officer believes that the Employee has not substantially performed his duties, or (b) Employee's willfully engaging in misconduct that is materially injurious to the Company, monetarily or otherwise. For purposes of this Section 3(b), no act, or failure to act, on the Employee's part will be considered "willful" unless done, or omitted to be done, by Employee not in good faith and without reasonable belief that his action or omission was in the best interest of the Company.

For purposes of this Agreement, termination of employment for "Good Reason" shall mean termination by Employee of his employment based on:

(i) A material diminution in Employee's duties or responsibilities from those in effect on the date hereof provided that it shall not constitute Good Reason under this subsection (i) if Employee's job is changed or Employee is reassigned to another position if the status and responsibilities of Employee's job remain comparable; or

(ii) A reduction by the Company in Employee's base salary as in effect on the date hereof or as the Employee's salary may be increased from time to time; or

(iii) A failure by the Company to continue the Company's incentive compensation plan(s) ("Incentive Plan"), as it may be modified from time to time, substantially in the form in effect as of the date hereof, or a failure by the Company to continue the Employee as a participant in the Incentive Plan on at least the basis of Employee's participation as of the date hereof or to pay Employee the amounts that Employee would be entitled to receive in accordance with the Incentive Plan; or

(iv) The Company's requiring Employee to be based more than thirty-five (35) miles from the location where Employee is based as of the date hereof, except for required travel on the Company's business to an extent substantially consistent with Employee's business travel obligations as of the date hereof, or if Employee consents to that relocation, the failure by the Company to pay (or reimburse Employee for) all reasonable moving expenses incurred by Employee or to indemnify Employee against any loss realized in the sale of Employee's principal residence in connection with that relocation;

(v) The failure by the Company to continue in effect any retirement or compensation plan, supplemental retirement plan, performance share plan, stock option plan, life insurance plan, health and accident plan, disability plan or any other benefit plan in which Employee is participating as of the date hereof (or provide substitute plans providing Employee with substantially similar benefits), the taking of any action by the Company that would adversely affect Employee's participation or materially reduce Employee's benefits under any of those plans or deprive Employee of any material fringe benefit enjoyed by Employee as of the date hereof, or the failure by the Company to provide Employee with the number of paid vacation days to which Employee is then entitled in accordance with the Company's normal vacation practices in effect as of the date hereof; or

(vi) The failure by the Company to obtain the assumption of the agreement to perform this Agreement by any successor to the assets or business of the

Company.

(c) Termination Without Cause or With Good Reason. If the Employee's employment with the Company is terminated by the Company without Cause or the Employee terminates his employment with Good Reason, all outstanding unvested Deferred Shares shall immediately become nonforfeitable and transferable as of the date of Employee's termination.

(d) Termination by Retirement. If the Employee's employment with the Company is terminated by his Retirement, outstanding unvested Deferred Shares shall vest in accordance with the schedule set forth below based upon Employee's date of Retirement, with any additional vesting under such schedule becoming effective on the date of

Retirement. The unvested Deferred Shares that do not become vested in accordance with such schedule shall be forfeited and expire immediately on the date of the Employee's Retirement.

Date of Retirement	Percentage of Deferred Shares Vested
Prior to December 20, 2005	33 1/3%
On or After December 20, 2005,	66 2/3%
but prior to December 20, 2006	
On or After December 20, 2006	100%

For purposes of this Agreement, "Retirement" means Employee's termination of employment with the Company or a Subsidiary (other than by the Company or a Subsidiary for Cause) at a time when Employee is eligible for immediate benefits under the Equifax Pension Plan, or in the absence of coverage under such plan or another applicable retirement plan, as determined by the Committee.

(e) Change in Control. In the event a Change in Control occurs while the Employee is employed by the Company, all of the Deferred Shares awarded pursuant to this Agreement shall become nonforfeitable and transferable as of the date on which the Change in Control occurs.

(f) Employment with a Subsidiary. For purposes of this Section and **Section 13**, employment with the Company includes employment with any Subsidiary of the Company.

4. **Cancellation and Rescission of Deferred Shares.**

(a) If, at any time, (i) during the Employee's employment with the Company or (ii) during the one-year period after the Employee's termination of employment with the Company for any reason, an Employee engages in any "Detrimental Activity" (as defined in subsection (b) below), the Committee may, notwithstanding any other provision in this Agreement to the contrary, cancel, rescind, or otherwise forfeit the Employee's rights to the Deferred Shares as of the first date the Employee engaged in the Detrimental Activity, as determined by the Committee. Without limiting the generality of the foregoing, the Committee may also require the Employee to pay to the Company any gain realized by the Employee due to the vesting or delivery of the Deferred Shares during the period beginning six (6) months prior to the date on which Participant engaged or began engaging in Detrimental Activity.

(b) For purposes of this Agreement, "Detrimental Activity" shall mean and include any of the following:

(i) the breach or violation of any other agreement between Employee and the Company relating to the protection of Confidential Information or Trade Secrets, the solicitation of employees, customers or suppliers, or the refraining from competition with the Company;

(ii) the disclosure, reproduction or use of Confidential Information or Trade Secrets (each as defined below) for the benefit of the Employee or third parties except in connection with the performance of the Employee's duties for the Company or, after advance notice to the Company, as required by a valid order or subpoena issued by a court or administrative agency of competent jurisdiction;

(iii) the use, reproduction, disclosure or distribution of any information which the Company is required to hold confidential under applicable federal and state laws and regulations, including the federal Fair Credit Reporting Act (15 U.S.C. § 1681 et. Seq.) and any state credit reporting statutes;

(iv) the making, or causing or attempting to cause any other person to make, any statement, either written or oral, or conveying any information about the Company which is disparaging or which in any way reflects negatively upon the Company;

(v) the solicitation or attempt to solicit any customer or actively targeted potential customer of the Company with whom the Employee had material contact on the Company's behalf during the 12 months immediately preceding the Employee's termination of employment;

(vi) the solicitation or recruitment, attempt to solicit or recruit, or the assistance of others in soliciting or recruiting, any individual who is or was, within 6 months of the date in question, an employee of the Company unless such former employee was terminated by the Company without Cause, or the inducement of (or attempt to induce) any such employee of the Company to terminate his employment with the Company; or

(vii) the refusal or failure of an Employee to provide, upon the request of the Company, a certification, in a form satisfactory to the Company, that he or she is in full compliance with the terms and conditions of the Plan and this Agreement, including, without limitation, a certification that the Employee is not engaging in Detrimental Activity.

(c) "Trade Secret" means information, including, but not limited to, technical or non-technical data, a formula, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans, or a list of

actual or potential Company customers or suppliers which (i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and (ii) is the subject of the Company's efforts that are

reasonable under the circumstances to maintain secrecy; or as otherwise defined by applicable state law.

(d) "Confidential Information" means any and all knowledge, information, data, methods or plans (other than Trade Secrets) which are now or at any time in the future developed, used or employed by the Company which are treated as confidential by the Company and not generally disclosed by the Company to the public, and which relate to the business or financial affairs of the Company, including, but not limited to, financial statements and information, marketing strategies, business development plans, acquisition or divestiture plans, and product or process enhancement plans.

(e) Should any provision of this Paragraph 4 be held to be invalid or illegal, such illegality shall not invalidate the whole of this Paragraph 4, but, rather, the Plan shall be construed as if it did not contain the illegal part or be narrowed to permit its enforcement, and the rights and obligations of the parties shall be construed and enforced accordingly.

5. **Stock Certificates**. Stock certificates evidencing the Deferred Shares shall be issued as of the Vesting Date and registered in the Employee's name (or evidenced by a book entry or similar account). Subject to Section 8 of this Agreement, certificates (or appropriate evidence of ownership) representing the unrestricted Common Shares will be delivered to the Employee (or to a party designated by the Employee) as soon as practicable after the Vesting Date.

6. **Release.** To be entitled to the accelerated vesting of the Deferred Shares under Section 3(c), Employee shall sign a release of claims in the form attached hereto as Exhibit A and the accelerated vesting of such Deferred Shares shall not become effective until such release has been properly executed and delivered, and until any revocation period has expired.

7. **Dividends.** Employees granted Deferred Shares shall not be entitled to receive any cash dividends, stock dividends or other distributions paid with respect to the Common Shares, except in circumstances where the distribution is covered by Section 18 below.

8. **Tax Withholding Obligations**. The Employee shall be required to deposit with the Company an amount of cash equal to the amount determined by the Company to be required with respect to any withholding taxes, FICA contributions, or the like under any federal, state, or local statute, ordinance, rule, or regulation in connection with the award, deferral, or settlement of the Deferred Shares. Alternatively, the Company may, at its sole

election, withhold the required amounts from the Employee's pay during the pay periods next following the date on which any such applicable tax liability otherwise arises. The Committee, in its discretion, may permit the Employee, subject to such conditions as the Committee shall require, to elect to have the Company withhold a number of Common Shares otherwise deliverable having a Fair Market Value sufficient to satisfy the statutory minimum of all or part of the Employee's estimated total federal, state, and local tax obligations associated with vesting or settlement of the Deferred Shares. The Company shall not deliver any of the Common Shares until and unless the Employee has made the deposit required herein or proper provision for required withholding has been made.

9. **Restrictions on Transferability.** Until the Deferred Shares are vested as provided above, they may not be sold, transferred, pledged, assigned, or otherwise alienated at any time. Any attempt to do so contrary to the provisions hereof shall be null and void.

10. **Rights as Shareholder.** Except as provided in Section 7, the Employee shall not have voting or any other rights as a shareholder of the Company with respect to the Deferred Shares. Upon settlement of the Deferred Share units into Common Shares, the Employee will obtain full voting and other rights as a shareholder of the Company.

11. **Administration.** The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation, and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Employee, the Company, and all other interested persons. No member of the Committee shall be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or this Agreement.

12. **Effect on Other Employee Benefit Plans.** The value of the Deferred Shares granted pursuant to this Agreement shall not be included as compensation, earnings, salaries, or other similar terms used when calculating the Employee's benefits under any employee benefit plan sponsored by the Company or any Subsidiary except as such plan otherwise expressly provides.

13. **No Employment Rights.** The award of the Deferred Shares pursuant to this Agreement shall not give the Employee any right to remain employed by the Company or a Subsidiary, nor shall it interfere with or restrict the Company's right to terminate the Employee's employment at any time.

14. **Amendment.** This Agreement may be amended only by a writing executed by the Company and the Employee which specifically states that it is amending this Agreement. Notwithstanding the foregoing, this Agreement may be amended solely by the Committee by a writing which specifically states that it is amending this Agreement, so long

as a copy of such amendment is delivered to the Employee, and provided that no such amendment adversely affecting the rights of the Employee, hereunder may be made without the Employee's written consent. Without limiting the foregoing, the Committee reserves the right to change, by written notice to the Employee, the provisions of the Deferred Shares or this Agreement in any way it may deem necessary or advisable to carry out the purpose of the grant as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change shall be applicable only to Deferred Shares which are then subject to restrictions as provided herein.

15. **Notices.** Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its Secretary. Any notice to be given to Employee shall be addressed to Employee at the address listed in the Company's records. By a notice given pursuant to this Section, either party may designate a different address for notices. Any notice shall have been deemed given when actually delivered.

16. **Severability.** If all or any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

17. **Construction.** The restricted stock units are being issued in the form of Deferred Shares pursuant to Section 8 (Deferred Shares) of the Plan and are subject to the terms of the Plan. To the extent that any provision of this Agreement violates or is inconsistent with an express provision of the Plan, the Plan provision shall govern and any inconsistent provision in this Agreement shall be of no force or effect.

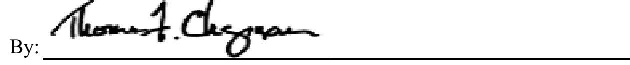
18. **Adjustments to Deferred Shares.** The terms of this Deferred Share Award Agreement will be adjusted in such manner as the Committee determines in accordance with Section 10 of the Plan and any such adjustment shall be effective and final, binding and conclusive for all purposes of this Agreement

19. **Governing Law.** This Agreement will be governed by and enforced in accordance with the laws of the State of Georgia.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement effective as of the day and year first above written.

Employee

EQUIFAX INC



By: ____________________________

Date:

Exhibit 10.28

EQUIFAX INC.
2000 STOCK INCENTIVE PLAN
FORM OF DIRECTOR DEFERRED SHARE AWARD AGREEMENT

This Director Deferred Share Award Agreement (the "Agreement") is dated as ofthe 7th day of February, 2005 and is entered into between Equifax Inc., a Georgia corporation (the "Company"), and **Director's Name** (the "Director").

In consideration of the mutual promises set forth below, the parties hereto agree as follows.

1. **Grant of Deferred Shares.** Subject to the terms and conditions of this Agreement and the Equifax Inc. 2000 Stock Incentive Plan (the "Plan"), the terms of which are hereby incorporated herein by reference, effective as of the date set forth above ("Grant Date"), the Company hereby grants to the Director 4,000 restricted stock units in the form of Deferred Shares under the Plan. Capitalized terms used but not defined in this Agreement shall have the meaning specified in the Plan.

2. **Vesting.** Subject to Section 3 below, the Deferred Shares shall vest on February 7, 2008 (the "Vesting Date"). Prior to the Vesting Date, the Deferred Shares shall be nontransferable and, except as otherwise provided herein, shall be forfeited upon the Director's termination of service as a director of the Company. The Committee which administers the Plan reserves the right, in its sole discretion, to waive or reduce the vesting requirements.

3. **Termination of Service as a Director.**

(a) Termination by Death or for Disability. In the event the Director dies or becomes Disabled while actively serving as a director of the Company, all outstanding unvested Deferred Shares shall immediately become nonforfeitable and transferable as of the date of Director's death or termination as a result of becoming Disabled. For purposes of this Agreement, "Disabled" shall mean the Director has been determined to be disabled in accordance with standards established by the Committee relating to the Director's inability to perform his duties as a result of injury or sickness.

(b) Termination by Retirement. If the Director's service as a director with the Company is terminated by his Retirement, all outstanding unvested Deferred Shares shall immediately vest and become transferable. For purposes of this Agreement, "Retirement"

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means Director's termination of service as a director with the Company after the Director has attained age 55 and completed at least five years of service as a director on the Board.

(c) Other Termination. If the Director ceases to serve as director other than due to death, Disability or Retirement, all outstanding unvested Deferred Shares shall immediately expire, and the Director's right to any such Deferred Shares shall terminate immediately upon the date the Director ceases to serve as a director.

(d) Change in Control. In the event a Change in Control occurs while the Director is serving as a director of the Company, all of the Deferred Shares awarded pursuant to this Agreement shall become nonforfeitable and transferable as of the date on which the Change in Control occurs.

4. **Stock Certificates**. Stock certificates (or appropriate evidence of ownership) representing the unrestricted Common Shares will be delivered to the Director (or to a party designated by the Director) as soon as practicable after the Vesting Date; provided, however, if the Director has properly elected to defer delivery of the Common Shares, the Common Shares shall be issued and delivered as set forth in any applicable deferral election agreement entered into between the Company and the Director.

5. **Dividends.** Directors granted Deferred Shares shall not be entitled to receive any cash dividends, stock dividends or other distributions paid with respect to the Common Shares, except in circumstances where the distribution is covered by Section 12 below.

6. **Restrictions on Transferability.** Subject to any valid deferral election, until the Deferred Shares are vested as provided above, they may not be sold, transferred, pledged, assigned, or otherwise alienated at any time. Any attempt to do so contrary to the provisions hereof shall be null and void.

7. **Rights as Shareholder.** Except as provided in Section 5, the Director shall not have voting or any other rights as a shareholder of the Company with respect to the Deferred Shares. Upon settlement of the Deferred Share units into Common Shares, the Director will obtain full voting and other rights as a shareholder of the Company.

8. **Administration.** The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation, and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Director, the Company, and all other interested persons. No member of the Committee shall be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or this Agreement.

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9. **Amendment.** This Agreement may be amended only by a writing executed by the Company and the Director which specifically states that it is amending this Agreement. Notwithstanding the foregoing, this Agreement may be amended solely by the Committee by a writing which specifically states that it is amending this Agreement, so long as a copy of such amendment is delivered to the Director, and provided that no such amendment adversely affecting the rights of the Director, hereunder may be made without the Director's written consent. Without limiting the foregoing, the Committee reserves the right to change, by written notice to the Director, the provisions of the Deferred Shares or this Agreement in any way it may deem necessary or advisable to carry out the purpose of the grant as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change shall be applicable only to Deferred Shares which are then subject to restrictions as provided herein.

10. **Severability.** If all or any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

11. **Construction.** The restricted stock units are being issued in the form of Deferred Shares pursuant to Section 8 (Deferred Shares) of the Plan and are subject to the terms of the Plan. To the extent that any provision of this Agreement violates or is inconsistent with an express provision of the Plan, the Plan provision shall govern and any inconsistent provision in this Agreement shall be of no force or effect.

12. **Adjustments to Deferred Shares.** The terms of this Deferred Share Award Agreement will be adjusted in such manner as the Committee determines in accordance with Section 10 of the Plan and any such adjustment shall be effective and final, binding and conclusive for all purposes of this Agreement

13. **Governing Law.** This Agreement will be governed by and enforced in accordance with the laws of the State of Georgia.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement effective as of the day and year first above written.

Director . EQUIFAX INC

By: ______________________________

Date:

Exhibit 10.29

Compensation Arrangements for Non-Employee Directors

Revised Compensation Structure. On November 1, 2004, the Governance Committee of the Board approved a revised compensation structure for non-employee directors effective January 1, 2005. The principal changes in directors' compensation are to move the equity component of their annual compensation from stock options to restricted stock units and increasing meeting fees for Board and Committee meetings. The major provisions of directors' compensation structure include the following:

- The annual cash retainer will remain at $35,000 per year.
- Beginning in 2005, directors will also be granted annually at the conclusion of the annual shareholders meeting 3,000 deferred shares of Company common stock with restrictions that lapse upon the earlier of the first anniversary of grant, the director's death, disability, retirement or a change in control of the Company. Directors were previously granted 7,000 stock options per year. The new structure will make the Company's overall Board fees more competitive, reflect the expected future market practice when stock option expensing is required and more closely link the directors' equity compensation with shareholder interests.
- The annual committee chair fee will remain at $5,000 per year.
- The meeting fees for board and committee meetings will increase from $1,000 to $1,500 per meeting, to compensate directors for increased demands on their time and increased frequency of meetings, and to make the fees more competitive.
- Beginning in 2005, new directors will receive a one-time grant of 4,000 deferred shares of Company common stock upon their election to the Board, to assist in attracting and retaining qualified new directors. As a matter of equitable treatment for existing members of the Board, all directors serving at the conclusion of the first Board meeting in 2005 will receive a one-time grant of 4,000 deferred shares of Company common stock. The restrictions will lapse upon the earlier of the third anniversary of grant, the director's death, disability, retirement or a change in control of the Company, as such terms are defined in the 2000 Stock Incentive Plan.

Amendments to 2000 Stock Incentive Plan. On October 28, 2004 and November 1, 2004, respectively, the Compensation Committee and the Governance Committee of the Board approved amendments to the Equifax Inc. 2000 Stock Incentive Plan (the "2000 Plan") to permit the issuance of deferred shares of Company common stock to non-employee directors of the Company as part of its overall stock compensation plan for directors.

Expense Reimbursement. Directors are also entitled to reimbursement of reasonable travel expenses associated with Board and Committee meetings as well as costs and expenses incurred in attending director education programs and other Company-related seminars and conferences.

Stock Ownership Guidelines for Directors. On November 1, 2004, the Governance Committee of the Board approved guidelines that require non-employee directors to own Company stock having a value of at least four times the annual cash retainer (currently $140,000). These guidelines are to be achieved by the fourth anniversary of the director's initial election to the Board, and by the date of the 2008 annual shareholders meeting for current directors.

Exhibit 10.30

SUMMARY OF EXECUTIVE OFFICER COMPENSATION
(As reported in Equifax Inc.'s
Current Report on Form 8-K, filed
February 9, 2005)

On February 3, 2005, the Compensation, Human Resources and Management Succession Committee ("Committee") of the Board of Directors of Equifax Inc. ("Equifax") reviewed and approved the payment of cash awards to named executive officers pursuant to the 2004 Annual Incentive Plan ("AIP"), adopted under the shareholder-approved Key Management Long-Term Incentive Plan. The Committee also reviewed and approved 2005 financial and individual management objectives and their relative weightings. Under both the 2004 and 2005 AIP, each executive has a bonus target expressed as a percentage of base salary. Bonus targets range from 40% to 80% of base salary and are based upon a review of competitive practices for each job level. Actual awards can range from 0% to 200% of target, depending on performance against pre-determined goals (earnings per share, revenue and individual management objectives are weighted at 65%, 15% and 20%, respectively, of the targeted incentive). For 2004, the named executive officers received the following awards: Thomas F. Chapman, $1,125,668; Donald T. Heroman, $371,643; Kent E. Mast, $349,164; Karen H. Gaston, $344,384; Paul J. Springman, $269,966; and David J. Gunter, $130,098. Mr. Springman was named an executive officer by the Board of Directors on February 7, 2005.

The Committee approved the following long-term incentive awards to named executive officers pursuant to Equifax's shareholder-approved 2000 Stock Incentive Plan: Mr. Chapman, 50,000 deferred share units; Mr. Heroman, 35,000 stock options; Mr. Mast, 35,000 stock options; Ms. Gaston, 35,000 stock options; Mr. Springman, 20,000 stock options; and Mr. Gunter, 7,500 stock options and 2,500 deferred share units. Mr. Chapman's award is pursuant to the terms of his previously disclosed Transition Agreement with Equifax dated December 20, 2004, pursuant to which he will receive one-half of the value of his 2005 long-term incentive award in cash ($1,350,000) and the remainder in the form of deferred share units valued at $1,350,000, which vest upon satisfaction of his obligations under that agreement. The stock options are non-qualified, have a ten-year term and vest 25% on the grant date and 25% on each of the next three grant date anniversaries if the holder remains employed by Equifax on those dates, subject to acceleration in certain circumstances. The deferred share units granted to Mr. Gunter have a three-year vesting period, subject to acceleration in certain circumstances.

The Committee established the following annual base salaries of the named executive officers after a review of performance and competitive market data: Mr. Chapman, $915,975; Mr. Heroman, $404,040; Mr. Mast, $356,475; Ms. Gaston, $357,166; Mr. Springman, $330,000; and Mr. Gunter, $216,320.

The Committee also took certain actions with respect to the Executive Life and Supplemental Retirement Plan ("Plan"). The Plan was adopted effective January 1, 2000, to provide executive life insurance benefits as well as supplemental retirement benefits. The retirement benefit amounts are designed to approximate the value of tax-qualified retirement

benefits which are lost for some executives as a result of the limitations on compensation that can be considered under current tax law (commonly referred to as "restoration benefits"). The Plan is funded with collateral assignment "split dollar" life insurance. The Committee amended the Plan to provide that (1) executive officers will receive only life insurance benefits and no retirement benefits under the Supplemental Plan, in order to make permanent Equifax's suspension of premium payments after July 30, 2002 in compliance with Sarbanes-Oxley Act prohibitions against loans to executive officers; (2) participants will receive a federal and state income tax gross-up for the imputed interest charges on cumulative premiums paid pursuant to new tax regulations (instead of providing a gross-up for the economic value of the life insurance provided to each participant under the plan, as originally adopted, and subject to company discretion to charge interest and not provide a gross up); and (3) all future executives who are terminated because their job is eliminated (through a consolidation of jobs, an office closing or other similar event) will become fully vested and will have a "rollout" of their policies, meaning that all company premiums must be repaid to the company to the extent of policy cash values in exchange for the release of all company restrictions on the policy.

Exhibit 10.31

EQUIFAX INC.
2000 STOCK INCENTIVE PLAN
DEFERRED SHARE AWARD AGREEMENT

This Deferred Share Award Agreement (the "Agreement") is dated as of the 3rd day of February, 2005 and is entered into between Equifax Inc., a Georgia corporation (the "Company"), and **Thomas F. Chapman** (the "Employee").

In consideration of the mutual promises set forth below, the parties hereto agree as follows.

1. **Grant of Deferred Shares.** Subject to the terms and conditions of this Agreement and the Equifax Inc. 2000 Stock Incentive Plan (the "Plan"), the terms of which are hereby incorporated herein by reference, effective as of the date set forth above ("Grant Date"), the Company hereby grants to the Employee **50,000** restricted stock units in the form of Deferred Shares under the Plan. Capitalized terms used but not defined in this Agreement shall have the meaning specified in the Plan.

2. **Vesting.** Subject to Section 3 below, the Deferred Shares shall vest on December 31, 2005 (the "Vesting Date"); provided, however, if Employee successfully completes and satisfies the terms of the Transition Agreement dated December 17, 2004, between the Employee and the Company (the "Transition Agreement") such that his Transition Period Termination Date (as defined in the Transition Agreement) is prior to December 31, 2005, the Vesting Date shall be such Transition Period Termination Date. Prior to the Vesting Date, the Deferred Shares shall be nontransferable and, except as otherwise provided herein, shall be forfeited upon the Employee's termination of employment with the Company and its Subsidiaries. The Committee reserves the right, in its sole discretion, to waive or reduce the vesting requirements.

3. **Change in Control.**

(a) Change in Control. In the event a Change in Control occurs while the Employee is employed by the Company, all of the Deferred Shares awarded pursuant to this Agreement shall become nonforfeitable and transferable as of the date on which the Change in Control occurs.

(b) Employment with a Subsidiary. For purposes of this Section and Section 11, employment with the Company includes employment with any Subsidiary of the Company.

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4. **Stock Certificates**. Stock certificates evidencing the Deferred Shares shall be issued as of the Vesting Date and registered in the Employee's name (or evidenced by a book entry or similar account). Subject to Section 8 of this Agreement, certificates (or appropriate evidence of ownership) representing the unrestricted Common Shares will be delivered to the Employee (or to a party designated by the Employee) as soon as practicable after the Vesting Date.

5. **Dividends.** Employees granted Deferred Shares shall not be entitled to receive any cash dividends, stock dividends or other distributions paid with respect to the Common Shares, except in circumstances where the distribution is covered by Section 16 below.

6. **Tax Withholding Obligations**. The Employee shall be required to deposit with the Company an amount of cash equal to the amount determined by the Company to be required with respect to any withholding taxes, FICA contributions, or the like under any federal, state, or local statute, ordinance, rule, or regulation in connection with the award, deferral, or settlement of the Deferred Shares. Alternatively, the Company may, at its sole election, withhold the required amounts from the Employee's pay during the pay periods next following the date on which any such applicable tax liability otherwise arises. The Committee, in its discretion, may permit the Employee, subject to such conditions as the Committee shall require, to elect to have the Company withhold a number of Common Shares otherwise deliverable having a Fair Market Value sufficient to satisfy the statutory minimum of all or part of the Employee's estimated total federal, state, and local tax obligations associated with vesting or settlement of the Deferred Shares. The Company shall not deliver any of the Common Shares until and unless the Employee has made the deposit required herein or proper provision for required withholding has been made.

7. **Restrictions on Transferability.** Until the Deferred Shares are vested as provided above, they may not be sold, transferred, pledged, assigned, or otherwise alienated at any time. Any attempt to do so contrary to the provisions hereof shall be null and void.

8. **Rights as Shareholder.** Except as provided in Section 5, the Employee shall not have voting or any other rights as a shareholder of the Company with respect to the Deferred Shares. Upon settlement of the Deferred Share units into Common Shares, the Employee will obtain full voting and other rights as a shareholder of the Company.

9. **Administration.** The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation, and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Employee, the Company, and all other interested persons. No

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member of the Committee shall be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or this Agreement.

10. **Effect on Other Employee Benefit Plans.** The value of the Deferred Shares granted pursuant to this Agreement shall not be included as compensation, earnings, salaries, or other similar terms used when calculating the Employee's benefits under any employee benefit plan sponsored by the Company or any Subsidiary except as such plan otherwise expressly provides.

11. **No Employment Rights.** The award of the Deferred Shares pursuant to this Agreement shall not give the Employee any right to remain employed by the Company or a Subsidiary, nor shall it interfere with or restrict the Company's right to terminate the Employee's employment at any time.

12. **Amendment.** This Agreement may be amended only by a writing executed by the Company and the Employee which specifically states that it is amending this Agreement. Notwithstanding the foregoing, this Agreement may be amended solely by the Committee by a writing which specifically states that it is amending this Agreement, so long as a copy of such amendment is delivered to the Employee, and provided that no such amendment adversely affecting the rights of the Employee, hereunder may be made without the Employee's written consent. Without limiting the foregoing, the Committee reserves the right to change, by written notice to the Employee, the provisions of the Deferred Shares or this Agreement in any way it may deem necessary or advisable to carry out the purpose of the grant as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change shall be applicable only to Deferred Shares which are then subject to restrictions as provided herein.

13. **Notices.** Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its Secretary. Any notice to be given to Employee shall be addressed to Employee at the address listed in the Company's records. By a notice given pursuant to this Section, either party may designate a different address for notices. Any notice shall have been deemed given when actually delivered.

14. **Severability.** If all or any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

15. **Construction.** The restricted stock units are being issued in the form of Deferred Shares pursuant to Section 8 (Deferred Shares) of the Plan and are subject to the terms of the Plan. To the extent that any provision of this Agreement violates or is inconsistent with an express provision of the Plan, the Plan provision shall govern and any inconsistent provision in this Agreement shall be of no force or effect.

16. **Adjustments to Deferred Shares.** The terms of this Deferred Share Award Agreement will be adjusted in such manner as the Committee determines in accordance with Section 10 of the Plan and any such adjustment shall be effective and final, binding and conclusive for all purposes of this Agreement

17. **Governing Law.** This Agreement will be governed by and enforced in accordance with the laws of the State of Georgia.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement effective as of the day and year first above written.

Employee	EQUIFAX INC.
______________________________	By: ______________________________
Date: ______________________________	

Exhibit 10.32

Summary of Equifax Inc.
Annual Incentive Plan Summary
(As of March 9, 2005)

Equifax's Annual Incentive Plan, adopted under the shareholder-approved Key Management Long-Term Incentive Plan, is a management incentive program (covering approximately 30% of Equifax's global workforce) that provides cash compensation to participants based upon the achievement of certain financial and individual objectives appropriate for the business for which they perform services. Bonus amounts for achievement of target levels of performance are established based on each participant's position. Performance is measured at either the business unit or corporate level, in alignment with the entity for which the participant performs services. Target opportunities are expressed as a percentage of base salary.

Annual bonuses are earned based on company and individual performance against the specific criteria established which are allocated as follows: corporate earnings per share or business unit profit (which represents 65% of target bonus), corporate or business unit revenue (which represents 15% of target bonus) and performance against individual objectives (which represents 20% of target bonus). The financial measures to be used for target bonuses require the achievement of outstanding company performance relative to expectations. A threshold level of performance is set (typically representing no less than the prior year's actual performance) at which level the Annual Incentive would be 25% of the targeted bonus. No incentive is paid if performance falls below this threshold. The maximum opportunity for all Annual Incentive participants is two times the targeted percentage. The maximum is payable only if significant and challenging financial performance goals are achieved.

Corporate, business unit and personal goals are established at the beginning of each annual measurement period. The Compensation, Human Resources and Management Succession Committee approves goals for all plans covering Executive Officers within the first 90 days of the measurement period and determines their degree of achievement following the end of the performance period.

EXHIBIT 21.1

SUBSIDIARIES

Registrant-Equifax Inc. (a Georgia corporation)

The Registrant owns, directly or indirectly, 100% of the stock of the following subsidiaries as of July 2004 (all of which are included in the consolidated financial statements):

Name of Subsidiary	State or Country of Incorporation
3032423 Nova Scotia Company(8)(15)	Nova Scotia
3651754 Canada Inc.(9)	Canada
Acrofax Inc.	Quebec
Alphafax Properties Limited Partnership	Georgia
CD Holdings, Inc.(14)	Georgia
Clearing de Informes S.A.(6)	Uruguay
Compliance Data Center, Inc.	Georgia
Computer Ventures, Inc.(1)	Delaware
Credit Bureau Services, Inc.(1)	Washington
Dicom S.A.(7)	Chile
Equifax Canada Inc.(2)	Canada
Equifax Capital Management, Inc.(1)	Georgia
Equifax City Directory, Inc.	Georgia
Equifax Commercial Services Ltd.(4)	Ireland
Equifax Consumer Services, Inc.	Georgia
Equifax de Chile, S.A.(6)	Chile
Equifax Decision Solutions, Inc.	Arizona
Equifax Decision Systems, B.V.	The Netherlands
Equifax Direct Marketing Solutions LLC	Georgia
Equifax do Brasil Holdings Ltda.(6)	Brazil
Equifax do Brasil Ltda.(6)(17)	Brazil
Equifax eMarketing Solutions, Inc.	Florida
Equifax Europe LLC	Georgia
Equifax Finance (1), Inc.(1)	Georgia
Equifax Finance (2), Inc.(1)	Georgia
Equifax Financial Services(9)(13)	Ontario
Equifax Information Services LLC	Georgia
Equifax Information Services Puerto Rico, Inc.	Georgia
Equifax Information Technology, Inc.	Georgia
Equifax Investments (South America) LLC(6)	Georgia
Equifax (Isle of Man) Ltd.(4)	Isle of Man
Equifax Italy Holdings, Srl(10)	Italy
Equifax Luxembourg (No. 2) S.À.R.L.	Luxembourg
Equifax Luxembourg S.A.	Luxembourg
Equifx Plc(4)(12)	England
Equifax Real Estate Mortgage Solutions, LLC(1)	Georgia
Equifax Receivables Finance LLC(16)	Delaware
Equifax Secure Ltd.(1)	United Kingdom
Equifax South America LLC	Georgia
Equifax Technology Solutions LLC	Georgia
Equifax Ventures, Inc.	Georgia
High Integrity Systems LLC	California
Imperitek Corporation	Georgia
Light Signatures, Inc.	California
NAV Acquisition Inc.(15)	Georgia
Privista Inc.	Georgia
Propago S.A.(7)	Chile
The Infocheck Group Ltd.(5)	England
Verdad Informatica de Costa Rica, S.A.(3)	Costa Rica

Registrant's subsidiary Equifax Information Services LLC owns 49% of the Class B stock and 100% of the Class C stock of RMA Holdings LLC (Delaware).

Registrant's subsidiary Equifax Europe LLC owns 85% of the stock of Equifax Iberica, S.L. (Spain), which owns 95% of the stock of ASNEF/Equifax Servicios de Informacion Sobre Solvencia y Credito S.L. (Spain); 100% of the stock of Dicodi, S.A. (Spain); 100% of the stock of Informacion Tecnica Del Credito S.L. (Spain); and 50%

of the stock of Credinformacoes, Informacoes de Credito, LDA (Portugal), along with Equifax Decision Systems, B.V., wholly-owned subsidiary of Equifax Inc., which owns 25%.

Registrant's subsidiary Equifax South America LLC owns 79% of the stock of Organizacion Veraz, S.A. (Argentina).

Registrant's subsidiary Equifax South America LLC owns 100% of the stock of Equifax de Chile S.A. which owns 100% of the stock of Propago S.A. and 100% of the stock of Dicom S.A., which owns 49% of the stock of Dicom of CentroAmerica (El Salvador), along with Equifax South America LLC, wholly-owned subsidiary of Equifax Inc., which owns 2%, and 16% of the stock of InfoCorp S.A. (Peru), along with Dicom S.A. which owns 35%.

Registrant's subsidiary Equifax Information Services LLC owns 40% of FT/E Mortgage Soltuions, LLC (Delaware) and 100% of Equifax Real Estate Mortgage Solutions, LLC (Georgia) which owns 39.6%, along with FT/E Mortgage Solutions, LLC, which owns 1% of Total Credit Services, L.P. (Delaware).

Registrant's subsidiary Equifax South America LLC owns 15% of the stock of Infocom Honduras S.A. de C.B. (Honduras).

Registrant's subsidiary Equifax de Chile, S.A. owns 100% of the stock of Dicom S.A. which owns 25% of the stock of Credit Bureau C.A. Buro de Informacion Crediticia (Ecuador).

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(1) Subsidiary of Equifax Information Services LLC

(2) Subsidiary of Acrofax Inc.

(3) Subsidiary of Equifax Direct Marketing Solutions LLC

(4) Subsidiary of Equifax Europe LLC

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(5) Subsidiary of Equifax Plc

(6) Subsidiary of Equifax South America LLC

(7) Subsidiary of Equifax de Chile, S.A.

(8) Subsidiary of Equifax Finance (1), Inc.

(9) Subsidiary of 3032423 Nova Scotia Company

(10) Subsidiary of Equifax Luxembourg S.A.

(11) Subsidiary of Equifax Finance (2), Inc.

(12) Subsidiary of Equifax (Isle of Man) Ltd.

(13) Subsidiary of 3651754 Canada Inc.

(14) Subsidiary of Equifax Consumer Services, Inc.

(15) Subsidiary of Equifax eMarketing Solutions, Inc.

(16) Subsidiary of Equifax Capital Management, Inc.

(17) Subsidiary of Equifax do Brazil Holdings Ltd.

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements of Equifax Inc. and in the related Prospectuses of our reports dated March 15, 2005, with respect to the consolidated financial statements of Equifax Inc. Equifax Inc. management's assessment of the effectiveness of internal control over financial reporting, and the effectiveness of internal control over financial reporting of Equifax Inc., included in this Annual Report (Form 10-K) for the year ended December 31, 2004.

1. Registration Statement on Form S-8 pertaining to the Equifax Inc. Omnibus Stock Incentive Plan (File No. 33-34640);
2. Registration Statement on Form S-8 pertaining to the Equifax Inc. Employee Stock Incentive Plan (File No. 33-58734);
3. Registration Statement on Form S-8 pertaining to the Equifax Inc. 1995 Employees Stock Incentive Plan (File No. 33-58627);
4. Registration Statement on Form S-8 pertaining to the Equifax Inc. Omnibus Incentive Plan and Employee Stock Incentive Plan: to be funded in part through the Equifax Inc. Employees Stock Benefits Trust (File No. 33-86978);
5. Registration Statement on Form S-8 pertaining to the Equifax Inc. Omnibus Incentive Plan and Employee Stock Incentive Plan to be funded in part through the Equifax Inc. Employees Stock Benefits Trust (File No. 33-71200);
6. Registration Statement on Form S-8 pertaining to the Equifax Inc. Global Stock Sale Program: to be funded in part through the Equifax Inc. Employees Stock Benefits Trust (File No. 333-52203);
7. Registration Statement on Form S-8 pertaining to the Equifax Inc. Employee Special Recognition Bonus Award Plan: to be funded in part through the Equifax Inc. Employees Stock Benefits Trust (File No. 333-52201);
8. Registration Statement on Form S-8 pertaining to the Equifax Inc. Non-Employee Director Stock Option Plan (File No. 333-68421);
9. Registration Statement on Form S-8 pertaining to the Equifax Inc. 1995 Employees Stock Incentive Plan (File No. 333-68477);
10. Registration Statement on Form S-8 pertaining to the Equifax Inc. 2000 Stock Incentive Plan (File No. 333-48702);
11. Registration Statement on Form S-8 pertaining to the Equifax Inc. 401(k) Plan (File No. 333-97875);
12. Registration Statement on Form S-3 pertaining to the acquisition of Commercial Data Center (File No. 333-54764);
13. Registration Statement on Form S-4 pertaining to the 4.95% Notes Due 2007 with an aggregate principal of $250,000,000 (File No. 333-101701);
14. Registration Statement on Form S-8 pertaining to the Equifax Inc. Director and Executive Stock Deferral Plan (File No. 333-110411);
15. Registration Statement on Form S-8 pertaining to the Equifax Inc. Non-Employee Director Stock Option Plan (File No. 333-116185); and
16. Registration Statement on Form S-8 pertaining to the Equifax Inc. 2001 Nonqualified Stock Incentive Plan (File No. 333-116186).

Atlanta, Georgia
March 15, 2005

/s/ Ernst & Young LLP

EXHIBIT 31.1

CERTIFICATIONS

I, Thomas F. Chapman, certify that:

1. I have reviewed this annual report on Form 10-K of Equifax Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 16, 2005

/s/ THOMAS F. CHAPMAN

Thomas F. Chapman

Chairman and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, Donald T. Heroman, certify that:

1. I have reviewed this annual report on Form 10-K of Equifax Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 16, 2005

/s/ DONALD T. HEROMAN
Donald T. Heroman
Chief Financial Officer

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO
18 U. S. C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Equifax Inc. (the “Company”) on Form 10-K for the year ended December 31, 2004, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Thomas F. Chapman, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 16, 2005

/s/ THOMAS F. CHAPMAN
Thomas F. Chapman
Chairman and Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U. S. C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Equifax Inc. (the "Company") on Form 10-K for the year ended December 31, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Donald T. Heroman, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 16, 2005

/s/ DONALD T. HEROMAN
Donald T. Heroman
Chief Financial Officer

Common Questions & Answers (Unaudited) - December 31, 2004
(Dollars in millions, except per share amounts)

Non-GAAP Financial Measures (Unaudited) - December 31, 2004

A. Revenue excluding Mortgage-related and eMarketing revenue

RECONCILIATION OF REVENUE TO REVENUE EXCLUDING MORTGAGE-RELATED AND eMARKETING REVENUE

Quarter

	Q4 2004	Q4 2003	Increase
Revenue	$ 327.6	$ 293.7	**12 %**
Less: mortgage-related and eMarketing revenue	52.3	45.6	
Revenue excluding Mortgage-related and eMarketing revenue	$ 275.3	$ 248.1	**11 %**

YTD

	2004	2003	Increase
Revenue	$ 1,272.8	$ 1,210.7	**5 %**
Less: mortgage-related and eMarketing revenue	220.0	249.4	
Revenue excluding Mortgage-related and eMarketing revenue	$ 1,052.8	$ 961.3	**10 %**

B. Free Cash Flow

Quarter

RECONCILIATION OF CASH PROVIDED BY OPERATING ACTIVITIES FOR THE THREE MONTHS ENDED DECEMBER 31, 2004 AND 2003, TO FREE CASH FLOW FOR THE THREE MONTHS ENDED DECEMBER 31, 2004 AND 2003

	2004	2003	Increase
Cash provided by operating activities for the three months ended December 31, 2004 and 2003	$ 101.8	$ 97.6	**4 %**
Adjustments to reconcile cash provided by operating activities for the three months ended December 31, 2004 and 2003, to free cash flow for the three months ended December 31, 2004 and 2003:			
Additions to property and equipment for the three months ended December 31, 2004 and 2003	(6.0)	(3.2)	
Additions to other assets, net, for the three months ended December 31, 2004 and 2003	(8.5)	(13.6)	
Free cash flow for the three months ended December 31, 2004 and 2003	$ 87.3	$ 80.8	**8 %**

YTD

RECONCILIATION OF CASH PROVIDED BY OPERATING ACTIVITIES FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2004 AND 2003, TO FREE CASH FLOW FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2004 AND 2003

	2004	2003	Increase
Cash provided by operating activities for the twelve months ended December 31, 2004 and 2003	$ 309.0	$ 293.7	**5 %**
Adjustments to reconcile cash provided by operating activities for the twelve months ended December 31, 2004 and 2003, to free cash flow for the twelve months ended December 31, 2004 and 2003:			
Additions to property and equipment for the twelve months ended December 31, 2004 and 2003	(16.5)	(14.2)	
Additions to other assets, net, for the twelve months ended December 31, 2004 and 2003	(31.0)	(38.5)	
Free cash flow for the twelve months ended December 31, 2004 and 2003	$ 261.5	$ 241.0	**9 %**

C. Income from continuing operations excluding the effect of the sale of investment, asset impairment and related charges

RECONCILIATION OF INCOME FROM CONTINUING OPERATIONS TO INCOME FROM CONTINUING OPERATIONS EXCLUDING THE EFFECT OF THE SALE OF INVESTMENT, ASSET IMPAIRMENT AND RELATED CHARGES

	YTD 2004			YTD 2003		
	Pre-tax	After-tax	EPS	Pre-tax	After-tax	EPS
Income from continuing operations	$ 385.2	$ 237.3	**$ 1.78**	$ 285.3	$ 180.7	**$ 1.32**
Sale of investment in Intersections	(36.8)	(23.0)	$ (0.17)	—	—	$ —
Asset impairment and related charges	2.4	1.5	$ 0.01	30.6	22.6	$ 0.17
Income from continuing operations - excluding sale of investment, asset impairment and related charges	$ 350.8	$ 215.8	**$ 1.62**	$ 315.9	$ 203.3	**$ 1.49**

	4th Quarter 2004			4th Quarter 2003		
	Pre-tax	After-tax	EPS	Pre-tax	After-tax	EPS
Income from continuing operations	$ 91.8	$ 55.2	**$ 0.42**	$ 50.8	$ 32.4	**$ 0.24**
Asset impairment and related charges	—	—	$ —	30.6	22.6	$ 0.17
Income from continuing operations - excluding asset impairment and related charges	$ 91.8	$ 55.2	**$ 0.42**	$ 81.4	$ 55.0	**$ 0.41**

D. Projected Free Cash Flow for the Twelve Months ending December 31, 2005

RECONCILIATION OF ESTIMATED CASH PROVIDED BY OPERATING ACTIVITIES FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2005 TO ESTIMATED FREE CASH FLOW FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2005

Estimated cash provided by operating activities for the twelve months ending December 31, 2005	$ 315 - 345
Adjustments to reconcile estimated cash provided by operating activities for the twelve months ending December 31, 2005, to free cash flow for the twelve months ending December 31, 2005:	
Estimated additions to property and equipment and other assets, net for the year ending December 31, 2005	60 - 70
Estimated free cash flow for the twelve months ending December 31, 2005	$ 255 - 275

Notes to our Non-GAAP Financial Measures

Revenue excluding Mortgage-related and eMarketing revenue is a Non-GAAP financial measure and is intended to supplement investors' understanding of our core business activities, unaffected by the fluctuations of the mortgage industry and the performance of our eMarketing business. Revenue excluding Mortgage-related and eMarketing revenue is useful to management and investors for comparative purposes.

We calculate free cash flow by subtracting capital-related expenditures from cash provided by operations. Free cash flow is useful to management and the Company's investors in measuring the cash generated by the Company that is available to be used for business and strategic initiatives. Free cash flow is not a measurement of liquidity under GAAP and should not be considered as an alternative to cash flows from operating activities as a measure of liquidity. In addition, our calculation of free cash flow may be different from the calculation used by other companies and therefore, comparability may be limited.

Equifax believes that income from continuing operations excluding the effect of the sale of investment, asset impairment and related charges is a measure that should be presented in addition to income from continuing operations determined in accordance with generally accepted accounting principles (GAAP) and is useful to investors. The following matters should be considered when evaluating this non-GAAP financial measure:

- Equifax reviews the operating results of its businesses excluding the impact of the sale of investment, asset impairment and related charges because it provides an additional basis of comparison. We believe that these items are unusual in nature, and would not be indicative of ongoing operating results. As a result, management believes such charges should be excluded in order to compare past, current, and future periods.

- Asset impairments principally represent adjustments to the carrying value of certain assets and do not typically require a cash payment.

- Asset impairment and related charges are typically material and are considered to be outside the normal operations of a business. Corporate management is responsible for making decisions about asset impairment and related charges.