
FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period ended

Commission File Number 1-6605

EQUIFAX INC.
(Exact name of registrant as specified in its charter)

Georgia
(State or other jurisdiction of
incorporation or organization)

1550 Peachtree Street, N.W., Atlanta, Georgia
(Address of principal executive offices)

58-0401110
(I.R.S. Employer
Identification No.)

30309
(Zip Code)

404-885-8000
(Registrant's telephone number, including area code)

None
(Former name, former address and former fiscal year, if changed since last report)

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 the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at June 30, 2002
Common Stock, \$1.25 Par Value	143,790,331

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED BALANCE SHEETS

	JUNE 30, 2002	DECEMBER 31, 2001
	(Unaudited)	
(In millions, except par values)		
ASSETS:		
Cash and cash equivalents	\$ 28.2	\$ 33.2
Trade accounts receivable, net	186.2	197.0
Other receivables	50.1	69.2
Deferred income tax assets	25.6	26.4
Other current assets	42.4	32.2
	<u>332.5</u>	<u>358.0</u>
Property and equipment, net	45.3	55.2
Goodwill	555.2	516.5
Purchased data files	221.4	207.0
Other assets	297.6	285.9
	<u>\$ 1,452.0</u>	<u>\$ 1,422.6</u>
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Short-term debt and current maturities of long-term debt	\$ 256.4	\$ 62.0
Accounts payable	10.9	13.2
Accrued salaries and bonuses	19.4	26.5
Income taxes payable	—	4.0
Other current liabilities	146.2	170.2
	<u>432.9</u>	<u>275.9</u>
Long-term debt, less current maturities	547.4	693.6
Long-term deferred revenue	13.9	17.2
Deferred income tax liabilities	92.1	88.6
Other long-term liabilities	82.4	103.8
	<u>1,168.7</u>	<u>1,179.1</u>
Commitments and Contingencies (Note 6)		
Shareholders' Equity:		
Common stock, \$1.25 par value; shares authorized—300.0; issued—180.1 in 2002 and 178.4 in 2001; outstanding—136.4 in 2002 and 136.2 in 2001	225.1	223.0
Preferred stock, \$0.01 par value; shares authorized—10.0; issued and outstanding—none in 2002 or 2001	—	—
Paid-in capital	402.9	376.7
Retained earnings	842.2	758.8
Accumulated other comprehensive loss (Note 5)	(224.1)	(197.2)
Treasury stock, at cost, 37.0 shares in 2002 and 35.2 shares in 2001	(876.0)	(828.0)
Stock held by employee benefits trusts, at cost, 6.7 shares in 2002 and 7.0 shares in 2001	(86.8)	(89.8)
	<u>283.3</u>	<u>243.5</u>
	<u>\$ 1,452.0</u>	<u>\$ 1,422.6</u>

See Notes to Consolidated Financial Statements.

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CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	THREE MONTHS ENDED JUNE 30,	
	2002	2001
(In millions, except per share amounts)		
Revenue	\$ 270.3	\$ 289.5
Costs of services	107.8	117.9
Selling, general and administrative expenses	56.7	69.2
Depreciation and amortization	19.3	19.9
Goodwill amortization (Note 10)	—	6.3
Total operating expenses	183.8	213.3
Operating income	86.5	76.2
Other income, net	1.8	1.3
Minority interests in earnings, net of tax	(0.5)	(0.6)
Interest expense	(10.1)	(11.8)
Income from continuing operations before income taxes	77.7	65.1
Provision for income taxes	(30.3)	(26.8)
Income from continuing operations	47.4	38.3
Discontinued operations (Note 3):		
Income from discontinued operations, net of income taxes of \$12.6	—	19.6
Costs associated with effecting the spin-off, net of income tax benefit of \$8.1	—	(28.4)
Total discontinued operations	—	(8.8)
Net income	\$ 47.4	\$ 29.5
Per common share (basic):		
Income from continuing operations	\$ 0.35	\$ 0.28
Discontinued operations	—	(0.06)
Net income	\$ 0.35	\$ 0.22
Shares used in computing basic earnings per share	137.0	136.5
Per common share (diluted):		
Income from continuing operations	\$ 0.34	\$ 0.28
Discontinued operations	—	(0.06)
Net income	\$ 0.34	\$ 0.21
Shares used in computing diluted earnings per share	139.8	138.4
Dividends per common share	\$ 0.020	\$ 0.093

See Notes to Consolidated Financial Statements.

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CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	SIX MONTHS ENDED JUNE 30,	
	2002	2001
(In millions, except per share amounts)		
Revenue	\$ 531.7	\$ 574.8
Costs of services	214.3	231.5
Selling, general and administrative expenses	113.6	143.8
Depreciation and amortization	38.6	40.3
Goodwill amortization (Note 10)	—	12.7
Total operating expenses	366.5	428.3
Operating income	165.2	146.5
Other income, net	3.3	2.8
Minority interests in earnings, net of tax	(1.1)	(1.5)
Interest expense	(20.1)	(24.7)
Income from continuing operations before income taxes	147.3	123.1
Provision for income taxes	(58.1)	(50.7)
Income from continuing operations	89.2	72.4
Discontinued operations (Note 3):		
Income from discontinued operations, net of income taxes of \$21.4	—	33.6
Costs associated with effecting the spin-off, net of income tax benefit of \$8.1	—	(28.4)
Total discontinued operations	—	5.2
Net income	\$ 89.2	\$ 77.6
Per common share (basic):		
Income from continuing operations	\$ 0.65	\$ 0.53
Discontinued operations	—	0.04
Net income	\$ 0.65	\$ 0.57
Shares used in computing basic earnings per share	136.7	136.3
Per common share (diluted):		
Income from continuing operations	\$ 0.64	\$ 0.52
Discontinued operations	—	0.04
Net income	\$ 0.64	\$ 0.56
Shares used in computing diluted earnings per share	139.5	138.0
Dividends per common share	\$ 0.040	\$ 0.185

See Notes to Consolidated Financial Statements.

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CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (UNAUDITED)

	SIX MONTHS ENDED JUNE 30, 2002
(In millions)	
COMMON STOCK:	
Balance at beginning of period	\$ 223.0
Shares issued under stock plans	2.1
Balance at end of period	\$ 225.1
PAID-IN CAPITAL:	
Balance at beginning of period	\$ 376.7
Shares issued under stock plans	25.9
Other	0.3
Balance at end of period	\$ 402.9
RETAINED EARNINGS:	
Balance at beginning of period	\$ 758.8
Net income	89.2
Cash dividends	(5.8)
Balance at end of period	\$ 842.2
ACCUMULATED OTHER COMPREHENSIVE LOSS (Note 5):	
Balance at beginning of period	\$ (197.2)
Adjustments during period	(26.9)
Balance at end of period	\$ (224.1)
TREASURY STOCK:	
Balance at beginning of period	\$ (828.0)
Treasury stock purchased	(48.7)
Shares issued under stock plans	0.7
Balance at end of period	\$ (876.0)
STOCK HELD BY EMPLOYEE BENEFITS TRUSTS:	
Balance at beginning of period	\$ (89.8)
Shares issued under stock plans	3.0
Balance at end of period	\$ (86.8)

See Notes to Consolidated Financial Statements.

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CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	SIX MONTHS ENDED JUNE 30,	
	2002	2001
(In millions)		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 89.2	\$ 77.6
Exclude income from discontinued operations	—	(5.2)
Income from continuing operations	89.2	72.4
Adjustments to reconcile income from continuing operations to net cash provided by operating activities of continuing operations:		
Depreciation and amortization	38.6	53.0
Changes in assets and liabilities:		
Accounts receivable, net	28.0	(1.4)
Current liabilities, excluding debt	(36.9)	(21.0)
Other current assets	(1.8)	1.0
Deferred income taxes	6.5	5.2
Other long-term liabilities, excluding debt	(4.8)	(5.8)
Other assets	(27.2)	(9.1)
Cash provided by operating activities	91.6	94.3
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property and equipment	(3.3)	(5.1)
Additions to other assets, net	(13.1)	(22.2)
Acquisitions, net of cash acquired	(87.7)	(31.9)
Investments in unconsolidated affiliates	(0.1)	(5.0)
Proceeds on note receivable from sale of business	4.1	—
Deferred payments on prior year acquisitions	(4.5)	(3.1)
Cash used by investing activities	(104.6)	(67.3)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net additions (payments) on short-term debt	(7.1)	47.8
Net additions (payments) on long-term debt	44.5	(6.6)
Dividends paid	(5.8)	(26.5)
Treasury stock purchases	(52.0)	—
Proceeds from exercise of stock options	29.5	16.1
Other	0.4	1.7
Cash provided by financing activities	9.5	32.5
Effect of foreign currency exchange rates on cash	(1.5)	(1.8)
Cash used by discontinued operations	—	(82.0)
Decrease in cash and cash equivalents	(5.0)	(24.3)
Cash and cash equivalents, beginning of period	33.2	59.6
Cash and cash equivalents, end of period	\$ 28.2	\$ 35.3

See Notes to Consolidated Financial Statements.

EQUIFAX INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

June 30, 2002

1. BASIS OF PRESENTATION:

The financial statements included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. This information reflects all adjustments which are, in the opinion of management, necessary for a fair presentation of the statement of financial position of the Company as of June 30, 2002, and the results of operations for the three and six month periods ending June 30, 2002 and 2001 and the cash flows for the six month periods ending June 30, 2002 and 2001. All adjustments made have been of a normal recurring nature. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the U.S. have been condensed or omitted. The Company believes that the disclosures are adequate to make the information presented not misleading. Certain prior year amounts have been reclassified to conform to the current year presentation. These financial statements should be read in conjunction with the financial statements and the notes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2001.

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions. 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. Actual results could differ from these estimates.

2. NATURE OF OPERATIONS:

The Company principally provides information services to businesses to help them grant credit and market to their customers (see Note 7 for segment information). The primary markets include retail, banking and other financial institutions, transportation, telecommunications, utility, and manufacturing industries, as well as consumers and government. The Company's operations are predominantly located within the United States, with foreign operations principally located in Canada, the United Kingdom, and Brazil.

3. DISCONTINUED OPERATIONS:

In July 2001, the Company completed the spin-off of its Payment Services business segment (Certegey) through a tax-free dividend of all of its Certegey stock to Equifax shareholders. Shareholders received a dividend of one share of Certegey stock for each two shares of Equifax stock owned. As a result of the spin-off, the Company's historical financial statements have been restated with Certegey's 2001 results of operations and cash flows isolated and shown as "discontinued operations."

4. ACQUISITIONS AND DIVESTITURE:

During the first six months of 2002, the Company acquired five affiliated credit reporting agencies located in the United States and three agencies in Canada to continue to grow our credit data franchise. In April 2002, in conjunction with a put arrangement with the original owners, the Company completed the purchase of the remaining 20% of its information services company in Brazil, and in June completed the purchase of a small technology development company. These acquisitions were accounted for as purchases, had a total purchase price of \$88.4 million, and were acquired for cash of \$87.7 million and notes and other obligations payable of \$0.7 million. They resulted in \$56.2 million of goodwill and \$28.2 million of purchased data files. These allocations are preliminary estimates, and will be finalized upon completion of the valuation of intangibles. Results of operations of these acquisitions have been included in the consolidated statements of income from their respective dates of acquisition and were not material.

EQUIFAX INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

June 30, 2002

In October 2001, the Company sold its City Directory business, which had been acquired from R.L. Polk & Company in May 2000. For segment reporting purposes, this business is included in Divested Operations.

5. SHAREHOLDERS' EQUITY:

Treasury Stock. During the first six months of 2002, the Company repurchased 1,825,500 of its common shares through open market transactions at an aggregate cost of \$48.7 million. As of June 30, 2002, approximately \$246 million remained authorized for future share repurchases.

Comprehensive Income. Comprehensive income for the three and six-month periods ending June 30, 2002 and 2001 is as follows:

	Second Quarter		Six Months	
	2002	2001	2002	2001
(In millions)				
Net income	\$ 47.4	\$ 29.5	\$ 89.2	\$ 77.6
Change in cumulative foreign currency translation adjustment	(16.8)	(17.1)	(26.3)	(51.7)
Change in cumulative loss from cash flow hedging transactions (Note 9)	(0.9)	1.0	(0.6)	(0.4)
Comprehensive income	\$ 29.7	\$ 13.4	\$ 62.3	\$ 25.5

Accumulated other comprehensive loss at June 30, 2002 and December 31, 2001 consists of the following components:

	June 30, 2002	December 31, 2001
(In millions)		
Cumulative foreign currency translation adjustment	\$ (218.0)	\$ (191.7)
Cumulative loss from cash flow hedging transactions (Note 9)	(1.4)	(0.8)
Adjustment for minimum liability under supplemental retirement plan	(4.7)	(4.7)
Accumulated other comprehensive loss	\$ (224.1)	\$ (197.2)

6. COMMITMENTS AND CONTINGENCIES:

Agreement with Computer Sciences Corporation:

The Company has an agreement with Computer Sciences Corporation and certain of its affiliates (CSC) under which CSC-owned credit reporting agencies utilize the Company's computerized credit database services. CSC retains ownership of its credit files and the revenues generated by its credit reporting activity. The Company receives a processing fee for maintaining the database and for each report supplied. The initial term of the agreement expired in July 1998 and was renewed by CSC for the ten-year period beginning August 1, 1998. The agreement provides CSC with an option to sell its credit reporting businesses to the Company and provides the Company with an option to purchase CSC's credit reporting businesses 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. Both options expire in 2013. The option price is determined by appraisal.

Litigation:

A number of lawsuits seeking damages are brought against the Company each year, primarily as a result of reports issued by the Company. A class of plaintiffs was recently certified in a lawsuit, Franklin Clark and Latanjala Denise Miller v. Equifax Inc. and Equifax Credit Information Services, Inc., which alleges that the Company violated the Federal Credit Reporting Act by failing to follow reasonable procedures to assure maximum possible accuracy with respect to the reporting of accounts included in a

EQUIFAX INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

June 30, 2002

bankruptcy. The Company is pursuing an appeal of the class certification and at this time it is not possible to predict the outcome of the case, however, the Company does not believe that the claims have merit. The suit was filed in May 2000 and is pending in federal court in South Carolina.

The Company provides for estimated legal fees and settlements relating to pending lawsuits. In the opinion of management, the ultimate resolution of these matters will not have a materially adverse effect on the Company's financial position, liquidity, or results of operations.

7. SEGMENT INFORMATION:

The results of operations of the City Directory business divested October 2001 are classified as Divested Operations. Goodwill amortization in 2001 for all business segments has been reclassified to a separate line to provide for comparability with 2002.

Operating revenue and operating income by segment for the second quarter and first six months of 2002 and 2001 (restated for the changes discussed above) are as follows:

	Second Quarter		Six Months	
	2002	2001	2002	2001
(In millions)				
Operating Revenue:				
North America	\$ 213.1	\$ 216.5	\$ 419.2	\$ 423.7
Europe	34.4	35.4	67.5	71.2
Latin America	20.8	27.1	40.6	54.3
Other	2.0	2.4	4.4	4.8
	<u>270.3</u>	<u>281.4</u>	<u>531.7</u>	<u>554.0</u>
Divested Operations	—	8.1	—	20.8
	<u>\$ 270.3</u>	<u>\$ 289.5</u>	<u>\$ 531.7</u>	<u>\$ 574.8</u>
Operating Income:				
North America	\$ 86.4	\$ 85.2	\$ 168.9	\$ 163.2
Europe	3.7	1.6	5.8	2.2
Latin America	5.5	8.5	9.6	15.8
Other	2.0	2.2	4.4	4.4
General Corporate Expense	(11.1)	(12.2)	(23.5)	(24.9)
	<u>86.5</u>	<u>85.3</u>	<u>165.2</u>	<u>160.7</u>
Divested Operations	—	(2.8)	—	(1.5)
Goodwill Amortization	—	(6.3)	—	(12.7)
	<u>\$ 86.5</u>	<u>\$ 76.2</u>	<u>\$ 165.2</u>	<u>\$ 146.5</u>

Total assets by segment at June 30, 2002, and December 31, 2001, are as follows:

	June 30, 2002	December 31, 2001
(In millions)		
North America	\$ 844.2	\$ 825.5
Europe	192.8	192.4
Latin America	187.7	190.6
Other	3.8	3.7
Corporate	223.5	210.4
	<u>\$ 1,452.0</u>	<u>\$ 1,422.6</u>

EQUIFAX INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

June 30, 2002

8. EARNINGS PER SHARE (EPS):

The income amount used in the numerator of the Company's EPS calculations is the same for both basic and diluted EPS. A reconciliation of the average outstanding shares used in the denominator of the calculations is as follows:

(In millions)	Second Quarter		Six Months	
	2002	2001	2002	2001
Weighted average shares outstanding (basic)	137.0	136.5	136.7	136.3
Effect of dilutive securities:				
Stock options	2.8	1.8	2.8	1.6
Long-term incentive plan	—	0.1	—	0.1
Weighted average shares outstanding (diluted)	139.8	138.4	139.5	138.0

9. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES:

Effective January 1, 2001, the Company adopted FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133). SFAS 133 requires that a company recognize derivatives as assets or liabilities on its balance sheet, and also requires that the gain or loss related to the effective portion of derivatives designated as cash flow hedges be recorded as a component of other comprehensive income.

At June 30, 2002, the Company has an interest rate swap agreement in effect that fixes the interest rate for one of its variable rate obligations through its duration in 2010. This derivative has been designated as a cash flow hedge, was documented as fully effective, and at June 30, 2002, was valued as a liability totaling \$2.4 million. This liability is included with other current liabilities in the accompanying consolidated balance sheets, and the related loss was recorded, net of income tax, as a component of accumulated other comprehensive loss.

At June 30, 2002, the Company also has interest rate swap agreements in place to float the interest rate on \$250 million of its fixed rate senior 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 \$8.3 million at June 30, 2002, and was recorded as an asset with a corresponding increase in long-term debt.

10. RECENT ACCOUNTING PRONOUNCEMENTS:

In July 2001, the FASB issued Statement No. 142, "Goodwill and Other Intangible Assets" (SFAS 142). SFAS 142 eliminates the amortization of goodwill and certain other intangible assets and requires that goodwill be evaluated for impairment by applying a fair value-based test at least annually. The Company adopted the standard effective January 1, 2002, and completed its first fair value-based impairment tests in the second quarter of 2002. In doing so, the Company determined that goodwill is not impaired; therefore, no transitional impairment charge was recorded.

EQUIFAX INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)—(Continued)

June 30, 2002

A reconciliation of second quarter and first six months 2001 reported earnings with pro forma earnings excluding goodwill amortization is shown on the table below (in millions, except per share amounts):

<u>Second Quarter, 2001</u>	<u>As Reported</u>	<u>Goodwill Amortization (Net of Tax)</u>	<u>Pro Forma</u>
Income from continuing operations	\$ 38.3	\$ 4.6	\$ 42.9
Income from continuing operations per share (diluted)	\$ 0.28	\$ 0.03	\$ 0.31
Net income	\$ 29.5	\$ 6.4	\$ 35.9
Net income per share (diluted)	\$ 0.21	\$ 0.05	\$ 0.26
<u>First Six Months, 2001</u>	<u>As Reported</u>	<u>Goodwill Amortization (Net of Tax)</u>	<u>Pro Forma</u>
Income from continuing operations	\$ 72.4	\$ 9.0	\$ 81.4
Income from continuing operations per share (diluted)	\$ 0.52	\$ 0.07	\$ 0.59
Net income	\$ 77.6	\$ 12.5	\$ 90.1
Net income per share (diluted)	\$ 0.56	\$ 0.09	\$ 0.65

11. RESTRUCTURING:

In the fourth quarter of 2001, the Company recorded restructuring charges totaling \$37.2 million associated with headcount reductions and facilities to be vacated or consolidated. Charges to the reserve totaled \$8.8 million in 2001 and \$8.1 million in 2002 through June 30. The remaining reserve of \$20.3 million is included in other current liabilities in the accompanying consolidated balance sheets. An analysis of 2002 activity in the reserve through June 30 is as follows (in millions):

	<u>Severance</u>	<u>Facilities and Other</u>	<u>Total</u>
Balance, December 31, 2001	\$ 8.4	\$ 20.0	\$28.4
Less, current period charges	(5.9)	(2.2)	(8.1)
Balance, June 30, 2002	\$ 2.5	\$ 17.8	\$20.3

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ITEM 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

Results of Operations – (second quarter and first six months of 2002 compared to second quarter and first six months of 2001)

Overview

For an understanding of the significant factors that influenced the Company's results, the following discussion should be read in conjunction with the consolidated financial statements and related notes.

Equifax Inc. is a leading source of consumer and commercial credit information worldwide. The Company provides to a wide range of customers information management, consumer credit information, marketing, business information, and identity verification services to enable credit and business decisions. The Company, through its Consumer Direct business, provides credit reporting and identity theft monitoring services direct to consumers enabling them to proactively manage their credit health and safeguard against identity theft. The Company is the market leader for credit information services in North America.

In July 2001, the Company spun off its Payment Services industry segment (Certegey) (Note 3) and, in October 2001, the Company sold its City Directory business. The results of Certegey are reflected as discontinued operations in the accompanying financial statements, and the results of the City Directory business are reflected in "Divested Operations" for segment reporting.

Management believes the Equifax Core Business results for 2001, which exclude the results of Certegey and City Directory and goodwill amortization (Note 10), are more useful in analyzing the underlying business by providing a consistent comparison of the Company's 2002 operating performance versus 2001.

A financial summary for the second quarter for Equifax's Core Business was:

- Diluted earnings per share increased six percent from \$0.32 to \$0.34.
- Consolidated revenues of \$270 million declined four percent (three percent after adjusting for exchange rate fluctuations).
- Operating expenses were reduced six percent, or \$12 million, to \$184 million.
- Operating income was \$87 million compared to \$85 million in 2001.
- Consolidated operating margins were 32 percent compared to 30 percent in the prior year.
- North America revenues were \$213 million and operating margins were 41 percent. Equifax's Consumer Direct revenues were \$9 million, growing 36% over last year.
- Europe revenues were \$34 million and operating margins nearly tripled to 11 percent.
- Latin America revenues were \$21 million and operating margins were 26 percent.

The following table summarizes Equifax's As Reported results from continuing operations and Core Business results for the three and six-month periods ended June 30, 2002 and 2001 (in millions, except per share amounts):

	Second Quarter			Six Months		
	2002	2001 As Reported	2001 Core	2002	2001 As Reported	2001 Core
Revenue	\$ 270.3	\$ 289.5	\$ 281.4	\$ 531.7	\$ 574.8	\$ 554.0
Operating income	\$ 86.5	\$ 76.2	\$ 85.3	\$ 165.2	\$ 146.5	\$ 160.7
Income from continuing operations	\$ 47.4	\$ 38.3	\$ 44.5	\$ 89.2	\$ 72.4	\$ 82.4
Diluted earnings per share from continuing operations	\$ 0.34	\$ 0.28	\$ 0.32	\$ 0.64	\$ 0.52	\$ 0.60

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A reconciliation of Equifax's second quarter and first six months As Reported earnings per share to Core Business earnings per share is as follows:

Earnings Per Share (Diluted):	Second Quarter		Six Months	
	2002	2001	2002	2001
Continuing operations, As Reported	\$ 0.34	\$ 0.28	\$ 0.64	\$ 0.52
Adjustments, net of income taxes:				
2001 goodwill amortization	—	0.03	—	0.07
City Directory results	—	0.01	—	0.01
Continuing operations, Core Business	\$ 0.34	\$ 0.32	\$ 0.64	\$ 0.60

The following discussion of revenue, operating income and segment results is on a Core Business basis (as previously described). The discussion of interest expense and effective tax rates is on an As Reported basis.

Revenue

The Company generated first half revenues of \$531.7 million and \$270.3 million in the second quarter. Revenues declined four percent in both periods due to weakness in the global economy and foreign currency fluctuations, mainly in Latin America. Currency negatively impacted revenues \$9.4 million (two percent) in the first half and \$3.0 million (one percent) in the quarter.

Operating Income

Operating income increased three percent in the first half and one percent in the quarter to \$165.2 million and \$86.5 million, respectively. Continued focus on optimizing the Company's cost structure resulted in a \$27 million reduction of expenses in the first half and a \$12 million reduction in the quarter allowing sustained profit growth and improved margins in both periods. Year-to-date margins increased 200 basis points from 29 percent in the prior year to 31 percent. Margins in the quarter were 32 percent compared to 30 percent in 2001.

Segment Results (Note 7)

North America

North America generates approximately 80 percent of the Company's revenue. In the quarter, revenues declined two percent, as continued weakness in our marketing services business and lower U.S. credit reporting volumes compared to record 2001 levels more than offset revenue growth in Consumer Direct and Mortgage Services. Revenues in the first half were down one percent compared to 2001. North America revenue consists of the components shown in the table below (in millions):

Component:	Second Quarter		Six Months	
	2002	2001	2002	2001
U.S. Credit Information Services	\$ 109.6	\$ 114.9	\$ 218.7	\$ 224.9
Mortgage Services	11.8	11.0	22.9	21.8
Canadian Operations	19.8	20.0	38.9	38.8
Subtotal, Information Services	141.2	145.9	280.5	285.5
Credit Marketing	42.0	40.6	80.6	78.8
Direct Marketing	21.3	23.6	41.7	48.8
Subtotal, Marketing Services	63.3	64.2	122.3	127.6
Consumer Direct	8.6	6.4	16.4	10.5
	\$ 213.1	\$ 216.5	\$ 419.2	\$ 423.6

U.S. Credit Information Services revenue was down five percent in the quarter and three percent year-to-date with transaction volume down two percent in the quarter (primarily in financial services) and flat year-to-date. Average prices declined two percent in both periods. Mortgage Services revenue grew at seven percent in the quarter and five percent year-to-date. In local currency, Canadian second quarter and first six month revenues were flat in the quarter and up three percent in the first half.

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The Company's marketing businesses generated revenues of \$63.3 million in the quarter, a two percent decline from 2001. First-half revenues were \$122.3 million, down four percent from the prior year. Credit Marketing's second quarter revenue of \$42.0 million grew three percent improving from one percent growth in the first quarter. Direct Marketing's second quarter revenues of \$21.3 million declined ten percent, improving sequentially from a 19 percent decline in the first quarter. The Direct Marketing business continues to be negatively impacted by the slowdown in advertising, mailing, and promotions.

Consumer Direct revenues increased 36 percent in the quarter to approximately \$9 million. First half revenue was up 56 percent to \$16.4 million. All Consumer Direct products are experiencing double-digit revenue growth and the Company expects this trend to continue.

North America generates approximately 90% of the Company's operating income before corporate expense. In the quarter, North America delivered profit of \$86.4 million with margins of 41 percent, up from 39 percent in 2001. Profit in the first half was \$168.9 million with margins of 40 percent versus 39 percent in the prior year. Profit growth in both periods was driven by the revenue growth in the Consumer Direct and Mortgage Services businesses combined with overall expense reductions of \$4.7 million (4%) in the quarter and \$10.2 million (4%) in the first half.

North America includes U.S. Credit Information Services, Mortgage Services, Canadian Operations, Credit Marketing Services, Direct Marketing Services, and Consumer Direct.

Europe

Europe continued to improve its profit and margins through expense reductions and operating efficiencies. For the quarter, operating income was \$3.7 million with margins of 11 percent nearly triple last year's four percent. For the first half, profit contribution was \$5.8 million with margins at nine percent compared to \$2.2 million profit contribution and three percent margins in 2001.

Operating expenses have been reduced \$7.3 million or 11 percent year-to-date more than offsetting a five percent decline in revenue. Revenues were down in both periods due to economic and competitive conditions.

Operations are in the United Kingdom, Spain, Portugal and Italy.

Latin America

Latin America generated revenues of \$20.8 million in the quarter compared to \$27.1 million in 2001. Revenues in the first half were \$67.5 million versus \$71.2 million last year. In local currency, Brazil's revenue grew seven percent in the quarter and was up three percent year-to-date. Excluding the impact of exchange rate fluctuations, this segment's revenues were down eight percent in the quarter and nine percent year-to-date due primarily to Argentina's economic collapse.

Operating income was \$5.5 million in the quarter and \$9.6 million year-to-date, compared to \$8.5 million and \$15.8 million in the comparable prior periods. The profit declines in both periods were driven by Argentina. Despite the economic challenges, Latin America delivered operating margins of 26 percent in the quarter and 24 percent in the first half due to strong focus on expense control and operating efficiency.

Operations are principally in Brazil, Argentina and Chile.

Other

Other consists solely of a subcontract related to the Company's lottery subsidiary. All previously deferred revenue related to this subcontract has now been recognized, and no further revenue or operating income is expected to occur in this segment.

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Interest Expense

Interest expense decreased \$1.7 million in the second quarter and \$4.6 million for the first six months compared to 2001. These declines were due to lower average debt outstanding and lower effective borrowing rates.

Effective Tax Rates

The effective tax rates from continuing operations declined from 41.2 percent to 39.0 percent in the second quarter and from 41.2 percent to 39.5 percent for the first six months, as compared to the prior year. The declines in 2002 were due to the elimination of goodwill amortization beginning January 1, 2002, as required by SFAS 142, as well as the implementation of state tax planning strategies.

Financial Condition

Cash provided by operating activities for the first six months of 2002 totaled \$91.6 million compared with \$94.3 million in 2001. Free cash flow (operating cash flow less capital expenditures) increased 12 percent to \$75.2 million in the first six months of 2002 compared to \$67.0 million in 2001. Operating cash flows funded dividend payments and capital expenditures, exclusive of acquisitions.

Capital expenditures exclusive of acquisitions during the first six months of 2002 totaled \$16.4 million, and are expected to total approximately \$45 to \$50 million for the full year. During the first six months, the Company repurchased 1.8 million shares of treasury stock at a total cost of \$48.7 million (Note 5). At June 30, 2002, approximately \$246 million remained authorized for future repurchases. Other significant 2002 transactions included \$87.7 million for acquisitions (Note 4).

The acquisitions and stock repurchases during the first six months of 2002 were financed primarily with excess cash from operations, a net \$37.4 million in debt additions, and \$29.5 million in proceeds from stock option exercises. There have been no significant changes in the Company's contractual obligations since December 31, 2001. In June 2003, \$200 million of the Company's senior notes mature and have been reclassified from long-term debt to short-term debt and current maturities of long-term debt. The Company is currently considering various refinancing options for these notes, and may use its revolving credit facility.

At June 30, 2002, approximately \$327 million was available to the Company under its \$465 million revolving credit facility. Should CSC exercise its option to sell its credit reporting business to the Company, as discussed in Note 6, additional sources of financing would be required. The Company believes it can arrange alternative sources of financing to fund this potential purchase, including public debt markets and additional lines of bank credit.

Off Balance Sheet Arrangement

Under the terms of its headquarters building operating lease, which commenced in 1999, the Company has guaranteed a portion of the residual value of the building at the end of the lease in 2010. The maximum exposure under the guarantee is approximately \$23 million.

Critical Accounting Policies and Estimates

The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates and assumptions that affect: the reported amounts of assets and liabilities at the date of the financial statements; the disclosure of contingent assets and liabilities at the date of the financial statements; and the reported amounts of revenues and expenses during the reporting period. Management regularly evaluates its estimates and assumptions. These estimates and assumptions are based on historical experience and on various other factors that are believed to be reasonable under the circumstances, and form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

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The Company's significant accounting policies are described in the Note 1 of Notes to Consolidated Financial Statements in the Company's annual report on Form 10-K for the year ended December 31, 2001. Management believes that the following accounting policies involve a higher degree of complexity and warrant specific description:

Valuation of Goodwill

In July 2001, the FASB issued Statement No. 142, "Goodwill and Other Intangible Assets" (SFAS 142). SFAS 142 eliminates the amortization of goodwill and certain other intangible assets and requires that goodwill be evaluated for impairment by applying a fair value-based test at least annually. In the second quarter of 2002, the Company completed its first fair value based impairment tests and determined that goodwill was not impaired. An interim goodwill impairment test will be completed if an event occurs or circumstances change between annual tests that could result in an impairment. The significant factors that are considered that could trigger an impairment review include: underperformance relative to historical or expected future operating results for a reporting unit; and changes in business strategy, market conditions or economic trends. In evaluating goodwill for possible impairment, management determines the fair value of each reporting unit and compares that to the reporting unit's net book value. Fair value is determined using discounted cash flow models and valuation techniques based on multiples of earnings and revenues. If fair value is less than net book value, a valuation will be performed to determine the amount of the impairment charge. While the Company believes that its estimates of fair value are reasonable, different assumptions regarding these calculations could materially affect these evaluations.

Valuation of Other Long-Lived Assets

The Company regularly evaluates whether events or circumstances have occurred which indicate that the carrying amounts of other long-lived assets (principally 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 an asset 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, the Company measures the impairment based on the projected discounted cash flows of the asset over its remaining life. While the Company believes that its estimates of future cash flows are reasonable, different assumptions regarding such cash flows could materially affect these evaluations.

Deferred Tax Assets

The Company estimates levels of future taxable income and utilizes prudent and feasible tax planning strategies in establishing and maintaining deferred tax assets. If the Company is unable to realize all or part of its deferred tax assets in the future, the Company's effective tax rate could increase.

Forward-Looking Information

Statements in this Management's Discussion and Analysis and other portions of this Form 10-Q that relate to Equifax's future plans, objectives, expectations, performance, events and the like are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and the Securities Exchange Act of 1934. These statements are based on a number of assumptions that are inherently subject to significant uncertainties. Many of the uncertainties are beyond Equifax's control. Factors that could cause actual results to differ from those expressed or implied by forward-looking statements include, but are not limited to customer demand for our services, the availability and reliability of external data sources, changes in government regulation, and competition as further discussed under the heading "Certain Factors Affecting Forward Looking Statements" included in Part I in the Company's annual report on Form 10-K for the year ended December 31, 2001.

ITEM 3. *Quantitative and Qualitative Disclosures About Market Risk*

The Company is exposed to market risk, primarily from changes in foreign currency exchange rates and changes in interest rates.

In the normal course of business, the financial position and results of operations of the Company's foreign subsidiaries can be impacted by changes in foreign currency exchange rates. The Company's position is to not hedge translational foreign currency exchange risks. However, the Company does hedge material transactional foreign currency exchange risks, and at June 30, 2002, the exchange risks associated with the Company's intercompany advances to its U.K. operations, as well as the intercompany balances associated with funding its Italy acquisition were hedged by having a portion of the borrowings under its revolving credit facility denominated in those respective currencies.

The Company manages its exposure to changes in interest rates by (1) maintaining an appropriate weighted average debt maturity and (2) controlling the mix of fixed and variable rate debt, in part by using interest rate swap agreements. The Company's earnings can be affected by the impact that changes in interest rates have on its variable-rate obligations. At June 30, 2002, approximately \$456 million (57%) of the Company's short-term and long-term debt was in variable-rate facilities. At this level, if market interest rates increased 1%, interest expense would increase approximately \$4.6 million per year (pre-tax).

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

A class of plaintiffs was recently certified in a lawsuit, Franklin Clark and Latanjala Denise Miller v. Equifax Inc. and Equifax Credit Information Services, Inc., which alleges that the Company violated the Federal Credit Reporting Act by failing to follow reasonable procedures to assure maximum possible accuracy with respect to the reporting of accounts included in a bankruptcy. The Company is pursuing an appeal of the class certification and at this time it is not possible to predict the outcome of the case, however, the Company does not believe that the claims have merit. The suit was filed in May 2000 and is pending in federal court in South Carolina.

Item 4. Submission of Matters to a Vote of Security Holders

- (a) On May 1, 2002, the Company held its annual meeting of Shareholders.
- (b) Below is a brief description of the matter voted upon at the annual meeting as described more fully in the Company's definitive Proxy Statement, dated March 30, 2002:
- Election of two directors to serve terms of three years: Thomas F. Chapman and D. Raymond Riddle (as a group, 123,231,504 votes "for" and 3,253,754 votes "withheld"). The names of other directors whose term of office as a director continued after this meeting are as follows: Lee A. Ault III, John L. Clendenin, A. William Dahlberg, L. Phillip Humann, Larry L. Prince, Louis W. Sullivan, M.D. and Jacquelyn M. Ward.

Item 6. Exhibits and Reports on Form 8-K

- (a) Exhibits

The following is a complete list of Exhibits included as part of this Report. A list of those documents filed with this Report is set forth on the Index to Exhibits appearing elsewhere in this Report and is incorporated by reference:

<u>Exhibit No.</u>	<u>Description</u>
3(ii)	Equifax Inc. Amended and Restated Bylaws—Revised to incorporate the amendment to Section 4.12 adopted by the Executive Committee of the Board of Directors at its meeting held June 3, 2002, effective June 3, 2002.
99.1	Certification of Thomas F. Chapman, Chief Executive Officer of Equifax Inc., Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.2	Certification of Phillip Mazzilli, Chief Financial Officer of Equifax Inc., Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

- (b) Reports on Form 8-K

Registrant filed one report on Form 8-K and one report on Form 8-K/A during the quarter for which this report is filed.

On April 3, 2002 Registrant filed a report on Form 8-K relating to changes in Registrant's certifying accountant in which Registrant disclosed that Arthur Andersen LLP would no longer be engaged as the Company's independent public accountants and that Registrant had engaged Ernst & Young LLP to serve as the Registrant's independent public accountants for the Registrant's fiscal year 2002, effective immediately. Filed with this report on Form 8-K as Exhibit 16 was a letter from Arthur Andersen LLP to the Securities and Exchange Commission, dated March 28, 2002, regarding the change in certifying accountant.

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On April 9, 2002 Registrant filed a report on Form 8-K/A amending its Report on Form 8-K filed on April 3, 2002 to amend Item 4 and Exhibit 16 of Item 7 in their respective entirety for purposes of clarifying that the Registrant's Board of Directors "dismissed" Arthur Andersen LLP ("Arthur Andersen") as its independent accountants and to file a revised letter from Arthur Andersen to the Securities and Exchange Commission, dated March 28, 2002 (Exhibit 16 of Item 7), which reflects that Arthur Andersen is aware that it was dismissed.

SIGNATURES

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

EQUIFAX INC.
(Registrant)

Date: August 8, 2002

/s/ THOMAS F. CHAPMAN

**Thomas F. Chapman, Chairman
and Chief Executive Officer**

Date: August 8, 2002

/s/ PHILIP J. MAZZILLI

**Philip J. Mazzilli
Chief Financial Officer**

INDEX TO EXHIBITS

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EQUIFAX INC.
AMENDED AND RESTATED
BYLAWS
Effective as of August 1, 2001

Revised to incorporate the amendment of Section 4.12
adopted by the Executive Committee of the Board of Directors
at its meeting held June 3, 2002, effective June 3, 2002

EQUIFAX INC.
AMENDED AND RESTATED BYLAWS

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**AMENDED AND RESTATED
BYLAWS OF EQUIFAX INC.**

Effective as of August 1, 2001

Revised to incorporate changes adopted by the Executive Committee
of the Board of Directors, in its meeting held June 3, 2002,
effective June 3, 2002

ARTICLE ONE

MEETINGS OF THE SHAREHOLDERS

Section 1.1 *Annual Meeting.* The annual meeting of the Shareholders of the Company (the "Annual Meeting") shall be held during the first five months after the end of each fiscal year of the Company at such time and place, within or without the State of Georgia, as shall be fixed by the Board of Directors, for the purpose of electing Directors and for the transaction of such other business as may be properly brought before the meeting.

Section 1.2 *Special Meetings.* Special meetings of the Shareholders may be held at the principal office of the Company in the State of Georgia or at such other place, within or without the State of Georgia, as may be named in the call therefor. Such special meetings may be called by the Chairman of the Board of Directors, the Vice Chairman, the Chief Executive Officer, the President, the Board of Directors by vote at a meeting, a majority of the Directors in writing without a meeting, or by unanimous call of the Shareholders.

Section 1.3 *Notice of Meetings.* Unless waived in accordance with the Georgia Business Corporation Code as amended from time to time (the "Code"), a notice of each meeting of Shareholders stating the date, time and place of the meeting shall be given not less than 10 days nor more than 60 days before the date thereof to each Shareholder entitled to vote at that meeting. In the case of an Annual Meeting, the notice need not state the purpose or purposes of the meeting unless the Articles of Incorporation or the Code requires the purpose or purposes to be stated in the notice of the meeting. Any irregularity in such notice shall not affect the validity of the Annual Meeting or any action taken at such meeting. In the case of a special meeting of the Shareholders, the notice of meeting shall state the purpose or purposes for which the meeting is called, and only business within the purpose or purposes described in such notice may be conducted at the meeting.

Section 1.4 *Voting Groups.* "Voting group" as used in these Bylaws means all shares of one or more classes or series that are entitled to vote and be counted together collectively on a matter at a meeting of Shareholders. All shares entitled to vote generally on the matter are for that purpose a single voting group.

Section 1.5 *Quorum.* With respect to shares entitled to vote as a separate voting group on a matter at a meeting of Shareholders, the presence, in person or by proxy, of a majority of the votes entitled to be cast on the matter by the voting group shall constitute a quorum of that voting

group for action on that matter unless the Articles of Incorporation or the Code provides otherwise. Once a share is represented for any purpose at a meeting, other than solely to object to holding the meeting or to transacting business at the meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of the meeting unless a new record date is or must be set for the adjourned meeting pursuant to Section 1.11 of these Bylaws.

Section 1.6 *Vote Required for Action.* If a quorum exists, action on a matter (other than the election of Directors) is approved if the votes cast favoring the action exceed the votes cast opposing the action, unless the Articles of Incorporation, provisions of these Bylaws validly adopted by the Shareholders, or the Code requires a greater number of affirmative votes. If the Articles of Incorporation or the Code provide for voting by two or more voting groups on a matter, action on that matter is taken only when voted upon by each of those voting groups counted separately.

Section 1.7 *Adjournments.* Whether or not a quorum is present to organize a meeting, any meeting of Shareholders (including an adjourned meeting) may be adjourned by the holders of a majority of the voting shares represented at the meeting to reconvene at a specific time and place, but no later than 120 days after the date fixed for the original meeting unless the requirements of the Code concerning the selection of a new record date have been met.

Section 1.8 *Presiding Officer.* The Chairman of the Board shall call the meeting of the Shareholders to order and shall act as chairman of such meeting. In the absence of the Chairman of the Board, the meeting shall be called to order by any one of the following officers then present, in the following order: any Vice Chairman of the Board, the Chief Executive Officer, the President, the senior Executive Vice President, the next senior Executive Vice President, or any one of the Vice Presidents, who shall act as chairman of the meeting. The Secretary of the Company shall act as secretary of the meeting of the Shareholders. In the absence of the Secretary, at any meeting of the Shareholders, the presiding officer may appoint any person to act as secretary of the meeting.

Section 1.9 *Voting of Shares.* Unless the Articles of Incorporation or the Code provides otherwise, each outstanding share having voting rights shall be entitled to one vote on each matter submitted to a vote at a meeting of Shareholders.

Section 1.10 *Proxies.* A Shareholder entitled to vote pursuant to Section 1.9 may vote in person or by proxy pursuant to an appointment of proxy executed by the Shareholder either in writing or pursuant to an electronic or telephonic transmission, provided that the transmission contains or is accompanied by information from which it can be determined that the Shareholder authorized the transmission. An appointment of proxy shall be valid for only one meeting to be specified therein, and any adjournments of such meeting, but shall not be valid for more than eleven months unless expressly provided therein. Appointments of proxy shall be dated and filed with the records of the meeting to which they relate. If the validity of any appointment of proxy is questioned, it must be submitted for examination to the Secretary of the Company or to a proxy officer or committee appointed by the Board of Directors. The Secretary or, if appointed, the proxy officer or committee shall determine the validity or invalidity of any appointment of proxy submitted, and reference by the Secretary in the minutes of the meeting to the regularity of an appointment of proxy shall be received

as prima facie evidence of the facts stated for the purpose of establishing the presence of a quorum at the meeting and for all other purposes.

Section 1.11 *Record Date.* For the purpose of determining Shareholders entitled to notice of a meeting of the Shareholders, to demand a special meeting, to vote, or to take any other action, the Board of Directors may fix a future date as the record date, which date shall be not more than 70 days prior to the date on which the particular action, requiring a determination of the Shareholders, is to be taken. A determination of the Shareholders entitled to notice of or to vote at a meeting of the Shareholders is effective for any adjournment of the meeting unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting. If no record date is fixed by the Board of Directors, the 70th day preceding the date on which the particular action, requiring a determination of the Shareholders, is to be taken shall be the record date for that purpose.

Section 1.12 *Shareholder Proposals and Nominations.*

- (a) No proposal for a Shareholder vote shall be submitted by a Shareholder (a "Shareholder Proposal") to the Company's Shareholders unless the Shareholder submitting such proposal (the "Proponent") shall have filed a written notice setting forth with particularity (i) the names and business addresses of the Proponent and all natural persons, corporations, partnerships, trusts or any other type of legal entity or recognized ownership vehicle (collectively, a "Person") acting in concert with the Proponent; (ii) the name and address of the Proponent and the Persons identified in clause (i), as they appear on the Company's books (if they so appear); (iii) the class and number of shares of the Company beneficially owned by the Proponent and by each Person identified in clause (i); (iv) a description of the Shareholder Proposal containing all material information relating thereto; (v) for proposals sought to be included in the Company's proxy statement, any other information required by Securities and Exchange Commission Rule 14a-8; and (vi) such other information as the Board of Directors reasonably determines is necessary or appropriate to enable the Board of Directors and Shareholders of the Company to consider the Shareholder Proposal. The presiding officer at any meeting of the Shareholders may determine that any Shareholder Proposal was not made in accordance with the procedures prescribed in these Bylaws or is otherwise not in accordance with law, and if it is so determined, such officer shall so declare at the meeting and the Shareholder Proposal shall be disregarded.
- (b) Only persons who are selected and recommended by the Board of Directors or the committee of the Board of Directors designated to make nominations, or who are nominated by Shareholders in accordance with the procedures set forth in this Section 1.12, shall be eligible for election, or qualified to serve, as Directors. Nominations of individuals for election to the Board of Directors of the Company at any Annual Meeting or any special meeting of Shareholders at which Directors are to be elected may be made by any Shareholder of the Company entitled to vote for the election of Directors at that

meeting by compliance with the procedures set forth in this Section 1.12. Nominations by Shareholders shall be made by written notice (a "Nomination Notice"), which shall set forth (i) as to each individual nominated, (A) the name, date of birth, business address and residence address of such individual; (B) the business experience during the past five years of such nominee, including his or her principal occupations and employment during such period, the name and principal business of any corporation or other organization in which such occupations and employment were carried on, and such other information as to the nature of his or her responsibilities and level of professional competence as may be sufficient to permit assessment of such prior business experience; (C) whether the nominee is or has ever been at any time a director, officer or owner of five percent or more of any class of capital stock, partnership interests or other equity interest of any corporation, partnership or other entity; (D) any directorships held by such nominee in any company with a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, or subject to the requirements of Section 15(d) of such Act or any company registered as an investment company under the Investment Company Act of 1940, as amended; (E) whether such nominee has ever been convicted in a criminal proceeding or has ever been subject to a judgment, order, finding or decree of any federal, state or other governmental entity, concerning any violation of federal, state or other law, or any proceeding in bankruptcy, which conviction, order, finding, decree or proceeding may be material to an evaluation of the ability or integrity of the nominee; and (F) all other information relating to such individual that is required to be disclosed in solicitations of proxies for election of Directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934 as amended; and (ii) as to the Person submitting the Nomination Notice and any Person acting in concert with such Person, (X) the name and business address of such Person, (Y) the name and address of such Person as they appear on the Company's books (if they so appear), and (Z) the class and number of shares of the Company that are beneficially owned by such Person. A written consent to being named in a proxy statement as a nominee, and to serve as a Director if elected, signed by the nominee, shall be filed with any Nomination Notice, together with evidence satisfactory to the Company that such nominee has no interests that would limit his or her ability to fulfill his or her duties of office. If the presiding officer at any meeting of the Shareholders determines that a nomination was not made in accordance with the procedures prescribed by these Bylaws, such officer shall so declare to the meeting and the defective nomination shall be disregarded.

- (c) If a Shareholder Proposal or Nomination Notice is to be submitted at an Annual Meeting of the Shareholders, it shall be delivered to and received by the Secretary of the Company at the principal executive office of the Company at least 120 days before the first anniversary of the date that the Company's proxy statement was released to Shareholders in connection with the previous year's Annual Meeting of Shareholders. However, if no Annual Meeting of the

Shareholders was held in the previous year or if the date of the Annual Meeting of the Shareholders has been changed by more than 30 days from the date contemplated at the time of the previous year's proxy statement, the notice shall be delivered to and received by the Secretary at the principal executive offices of the Company not later than the last to occur of (i) the date that is 150 days prior to the date of the contemplated Annual Meeting or (ii) the date that is 10 days after the date of the first public announcement or other notification to the Shareholders of the date of the contemplated Annual Meeting. Subject to Section 1.3 as to matters that may be acted upon at a special meeting of the Shareholders, if a Shareholder Proposal or Nomination Notice is to be submitted at a special meeting of the Shareholders, it shall be delivered to the Secretary of the Company at the principal executive office of the Company no later than the close of business on the earlier of (i) the 30th day following the public announcement that a matter will be submitted to a vote of the Shareholders at a special meeting, or (ii) the 10th day following the day on which notice of the special meeting was given. In addition, if a Shareholder intends to solicit proxies from the Shareholders of the Company for any meeting of the Shareholders, such Shareholder shall notify the Company of this intent in accordance with Securities and Exchange Commission Rule 14a-4.

ARTICLE TWO BOARD OF DIRECTORS

Section 2.1 *General.* Subject to the Articles of Incorporation, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, the Board of Directors. In addition to the powers and authority expressly conferred upon it by these Bylaws and the Articles of Incorporation, the Board of Directors may exercise all such lawful acts and things as are not by law, by the Articles of Incorporation or by these Bylaws directed or required to be exercised or done by the Shareholders.

Section 2.2 *Number of Directors and Term of Office.* The number of Directors shall be not less than five, nor more than fifteen and shall be fixed within such range by the Board of Directors. The Directors shall be divided into three classes, designated as Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of Directors constituting the entire Board of Directors. Each initial Director in Class I shall hold office for a term that expires at the first Annual Meeting of the Shareholders after his election; each initial Director in Class II shall hold office for a term that expires at the second Annual Meeting of the Shareholders after his election; and each initial Director in Class III shall hold office for a term that expires at the third Annual Meeting of the Shareholders after his election. At each Annual Meeting of the Shareholders, successors to the class of Directors whose term expires at that Annual Meeting of the Shareholders shall be elected for a three-year term. If the number of Directors has changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of Directors in each class as nearly equal as possible. Any additional Director of any class elected by the Shareholders to the Board of Directors to fill a vacancy resulting from an increase in such a class shall hold office for a term that shall coincide with the remaining term of that

class. Any additional Director of any class elected by the Board of Directors to fill a vacancy resulting from an increase in such a class shall hold office for a term that shall expire at the next Annual Meeting of the Shareholders, and, if such newly-created directorship is to be continued, a nominee therefor shall be submitted to the Shareholders for their vote. In no case shall a decrease in the number of Directors for a class shorten the term of an incumbent Director. A Director shall hold office until the Annual Meeting of the Shareholders for the year in which such Director's term expires and until his or her successor shall be elected and qualified, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

Section 2.3 *Election of Directors.* Unless otherwise provided in the Articles of Incorporation or the Code, Directors shall be elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting of Shareholders at which a quorum is present.

Section 2.4 *Vacancies.* Any vacancy on the Board of Directors that results from an increase in the number of Directors or from prior death, resignation, retirement, disqualification or removal from office of a Director shall be filled by a majority of the Board of Directors then in office, though less than a quorum, or by the sole remaining Director. Any Director elected to fill a vacancy resulting from prior death, resignation, retirement, disqualification or removal from office of a director, shall have the same remaining term as that of his or her predecessor.

Section 2.5 *Term Limits.* A Director reaching 70 years of age (or 65 years of age for Directors who are also employees of the Company) or ceasing to continue a regular business relationship (as defined below) shall automatically retire from the Board, except that a non-employee Director who ceases to continue a regular business relationship may continue serving as a Director until the next Annual Meeting of the Shareholders or 70 years of age, whichever first occurs. Notwithstanding the preceding, a non-employee Director, or a retiring Chairman of the Board and Chief Executive Officer (or either) may, at the request of the Executive Committee and if ratified by the Board, continue to serve as a Director until age 70 if he or she continues in a position or business activity that the Board determines would be of substantial benefit to the Company. For purposes of this Section 2.5, the expression "regular business relationship" means a relationship as an employee, consultant or officer of a substantial business, professional or educational organization, which requires exercise of business judgment on a regular basis, and which is not lower in seniority than the position with such organization occupied by the Director at the time of the Director's first election to the Board of Directors of the Company.

Section 2.6 *Stock Ownership Requirement.* Every Director shall be a Shareholder of the Company. Directors shall serve for the terms for which they are elected and until their successors shall have been duly chosen, unless any such term is sooner ended as herein permitted; provided, however, that if a Director ceases to be a Shareholder, the disposition of the stock shall constitute a resignation of the Director's office as a Director.

Section 2.7 *Regular Meetings.* Regular meetings of the Board of Directors shall be held at such times as the Board of Directors may determine from time to time.

Section 2.8 *Special Meetings.* Special meetings of the Board of Directors shall be held whenever called by the direction of the Chairman of the Board or in his or her absence, any Vice Chairman, or by the Chief Executive Officer. Special meetings of the Board may also be called by one-third of the Directors then in office. Unless otherwise indicated in the notice thereof, any and all business of the Company may be transacted at any special meeting of the Board of Directors.

Section 2.9 *Notice of Meetings.* Unless waived in accordance with the Code, notice of each regular or special meeting of the Board of Directors, stating the date, time and place of the meeting, shall be given not less than two days before the date thereof to each Director.

Section 2.10 *Quorum; Adjournments.* Unless the Code, the Articles of Incorporation or these Bylaws provide for a different number, a majority of the Board of Directors shall constitute a quorum for the transaction of business. Whether or not a quorum is present to organize a meeting, any meeting of Directors (including a reconvened meeting) may be adjourned by a majority of the Directors present, to reconvene at a specific time and place. At any adjourned meeting, any business may be transacted that could have been transacted at the meeting prior to adjournment. If notice of the original meeting was properly given, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted if the date, time and place of the adjourned meeting are announced at the meeting prior to adjournment.

Section 2.11 *Vote Required for Action.* If a quorum is present when a vote is taken, the affirmative vote of a majority of Directors present is the act of the Board of Directors unless the Code, the Articles of Incorporation, or these Bylaws provide for the vote of a different number of Directors or of specific Directors.

Section 2.12 *Action by Directors Without a Meeting.* Any action required or permitted to be taken at any meeting of the Board of Directors or any action that may be taken at a meeting of a committee of the Board of Directors may be taken without a meeting if the action is taken by all the members of the Board of Directors or of the committee, as the case may be. The action must be evidenced by one or more written consents describing the action taken, signed by each Director or each Director serving on the committee, as the case may be, and delivered to the Company for inclusion in the minutes or filing with the corporate records.

Section 2.13 *Compensation of Directors.* Directors who are salaried officers or employees of the Company shall receive no additional compensation for service as a Director or as a member of a committee of the Board of Directors. Each Director who is not a salaried officer or employee of the Company shall be compensated as set forth below. A Director may also serve the Company in a capacity other than that of Director or employee and receive compensation, as determined by the Board of Directors, for services rendered in any other capacity.

Subject to the above, (i) the Chairman of the Board shall receive a fee of \$7,500 per quarter, and each other Director shall receive a fee of \$5,000 per quarter, for services as a Director, (ii) the Chairman of the Executive Committee shall receive an additional fee of \$4,000 per quarter and any other member of the Executive Committee shall receive an additional fee of

\$1,000 per quarter, (iii) any Director who is chairman of any other committee elected or appointed by the Board shall receive an additional fee of \$1,000 per quarter, and (iv) each Director shall also receive a fee of \$1,000 for attendance at any meeting of the Board or of a committee thereof. In addition, each Director who is not a salaried officer or employee of the Company shall be entitled to receive stock option awards as provided for under the Equifax Inc. Non-Employee Director Stock Option Plan, or any successor plan or plans.

ARTICLE THREE
ELECTIONS OF OFFICERS AND COMMITTEES

Section 3.1 *Election of Officers.* At the April meeting of the Board of Directors in each year, or, if not done at that time, then at any subsequent meeting, the Board of Directors shall proceed to the election of executive officers of the Company, and of the Executive Committee, as hereinafter provided for.

Section 3.2 *Executive Committee.* The Board of Directors may elect from their members an Executive Committee which shall include the Chairman of the Board, the Chief Executive Officer, and the President. The Executive Committee, if any, shall consist of not less than three nor more than five members, the precise number to be fixed by resolution of the Board of Directors from time to time.

- (a) Each member shall serve for one year and until his or her successor shall have been elected, unless that term is sooner terminated by the Board of Directors. The Board of Directors shall fill the vacancies in the Executive Committee by election. The Chairman of the Board, if there is one, or, if not, the Chief Executive Officer, shall be the Chairman of the Executive Committee.
- (b) All action by the Executive Committee shall be reported to the Board of Directors at its meeting next succeeding such action, and shall be subject to revision or alteration by the Board of Directors, provided that no rights or interests of third parties shall be affected by any such revision or alteration. The Executive Committee shall fix its own rules and proceedings, and shall meet where and as provided by such rules or by resolution of the Board of Directors. In every case, the affirmative vote of a majority of all the members of the Committee shall be necessary to its adoption of any resolution.
- (c) Except as prohibited by the Code, during the interval between the meetings of the Board of Directors, the Executive Committee shall possess and may exercise all the powers of the Board in the management of all the affairs of the Company, including the making of contracts, the purchase and sale of property, the execution of legal instruments and all other matters in which specific direction shall not have been given by the Board of Directors.

Section 3.3 *Other Committees.* The Board of Directors is authorized and empowered to appoint from its own body or from the officers of the Company, or both, such other committees as it may think best, and may delegate to or confer upon such committees all or such part of its powers except as prohibited by the Code, and may prescribe the exercise thereof as it may deem proper.

ARTICLE FOUR
OFFICERS

Section 4.1 *Officers; Term Limits.* The officers of the Company, unless otherwise provided by the Board of Directors from time to time, shall consist of the following: a Chairman of the Board, a Chief Executive Officer, a President, a Chief Operating Officer, one or more Vice Presidents (one or more of whom may be designated Executive Vice President, one or more of whom may be designated Corporate Vice President and one or more of whom may be designated Senior Vice President), a Treasurer, and a Secretary, who shall be elected by the Board of Directors. The Board of Directors may from time to time elect a Vice Chairman of the Board. The Board of Directors, or any officer to whom the Board may delegate such authority, may also appoint such other officers as it or they may see fit, and may prescribe their respective duties. All officers, however elected or appointed, may be removed with or without cause by the Board of Directors, and any officer appointed by another officer may also be removed, with or without cause, by the appointing officer or any officer senior to the appointing officer. Any two or more of the offices may be filled by the same person. No person shall serve as Chairman of the Board and Chief Executive Officer (or either), beyond his or her 65th birthday.

Section 4.2 *Compensation of Officers.* The Board of Directors or Executive Committee shall approve the salaries of all elected officers and such other employees as may be designated by the Board of Directors or Executive Committee, except that salaries of members of the Executive Committee shall be fixed by the Compensation and Human Resources Committee of the Board of Directors or by the Board of Directors.

Section 4.3 *Chairman of the Board.* The Chairman of the Board shall preside at all meetings of the Shareholders, the Board of Directors, and the Executive Committee. Except where by law the signature of the Chief Executive Officer or President is required, the Chairman of the Board shall have the same power as the Chief Executive Officer or President to sign all authorized certificates, contracts, bonds, deeds, mortgages, and other instruments. The Chairman of the Board shall have such other powers and duties as from time to time may be assigned by the Board of Directors.

Section 4.4 *Vice Chairman of the Board.* It shall be the duty of the Vice Chairman of the Board, in the absence of the Chairman of the Board, to preside at meetings of the Shareholders, at meetings of the Directors, and at meetings of the Executive Committee. The Vice Chairman shall do and perform all acts incident to the office of Vice Chairman, subject to the approval and direction of the Board of Directors.

Section 4.5 *Chief Executive Officer.* The Chief Executive Officer shall direct the business and policies of the Company and shall have such other powers and duties as from time to time may be assigned by the Board of Directors. In the event of a vacancy in the offices of Chairman and Vice Chairman of the Board or during the absence or disability of the Chairman and any Vice Chairman, the Chief Executive Officer shall have all of the rights, powers and authority given hereunder to the Chairman of the Board. The

Chief Executive Officer, in the absence of the Chairman and any Vice Chairman of the Board, shall preside at meetings of the Shareholders, at meetings of the Directors and at meetings of the Executive Committee. The Chief Executive Officer may sign all authorized certificates, contracts, bonds, deeds, mortgages and other instruments, except in cases in which the signing thereof shall have been expressly and exclusively delegated to some other officer or agent of the Company. In general, the Chief Executive Officer shall have the usual powers and duties incident to the office of a Chief Executive Officer of a corporation and such other powers and duties as from time to time may be assigned by the Board of Directors or a committee thereof.

Section 4.6 *President.* The President shall have general charge of the business of the Company subject to the specific direction and approval of the Board of Directors. If the Chairman or Vice Chairman of the Board is not designated Chief Executive Officer by the Board of Directors, the President shall also serve as Chief Executive Officer of the Company if so designated by the Board of Directors. In the event of a vacancy in the office of Chief Executive Officer or during the absence or disability of the Chief Executive Officer, the President shall serve as Chief Executive Officer and shall have all of the rights, powers and authority given hereunder to the Chief Executive Officer. The President may sign all authorized certificates, contracts, bonds, deeds, mortgages and other instruments, except in cases in which the signing thereof shall have been expressly and exclusively delegated to some other officer or agent of the Company. In general, the President shall have the usual powers and duties incident to the office of a president of a corporation and such other powers and duties as from time to time may be assigned by the Board of Directors, a committee thereof, or the Chief Executive Officer.

Section 4.7 *Chief Operating Officer.* The Chief Operating Officer shall have responsibility for the day-to-day operations of the Company. The Chief Operating Officer may sign all authorized certificates, contracts, bonds, deeds, mortgages and other instruments, except in cases in which the signing thereof shall have been expressly and exclusively delegated to some other officer or agent of the Company. In general, the Chief Operating Officer shall have the usual powers and duties incident to the office of a Chief Operating Officer of a corporation and such other powers and duties as from time to time may be assigned by the Board of Directors, a committee thereof, the Chief Executive Officer or the President.

Section 4.8 *Executive Vice Presidents.* Each shall have authority, on behalf of the Company, to execute, approve, or accept agreements for service, bids, or other contracts, and shall sign such other instruments as each is authorized or directed to sign by the Board of Directors or a committee thereof or by the Chief Executive Officer or the President. Each shall do and perform all acts incident to the office of the Executive Vice President of the Company or as may be directed by its Board of Directors or its committees or the Chief Executive Officer or the President.

Section 4.9 *Vice Presidents.* There shall be one or more Vice Presidents of the Company, as the Board of Directors may from time to time elect. Each Vice President shall have such power and perform such duties as may be assigned by or under the authority of the Board of Directors.

Section 4.10 *Treasurer*. The Treasurer shall be responsible for the custody of all funds and securities belonging to the Company and for the receipt, deposit or disbursement of funds and securities under the direction of the Board of Directors. The Treasurer shall cause to be maintained full and true accounts of all receipts and disbursements and shall make reports of the same to the Board of Directors, its committees, the Chief Executive Officer, and the President upon request. The Treasurer shall perform all duties as may be assigned from time to time by or under the authority of the Board of Directors.

Section 4.11 *Secretary*. The Secretary shall be responsible for preparing minutes of the acts and proceedings of all meetings of the Shareholders and of the Board of Directors and any committees thereof. The Secretary shall have authority to give all notices required by law or these Bylaws, and shall be responsible for the custody of the corporate books, records, contracts and other documents. The Secretary may affix the corporate seal to any lawfully executed documents and shall sign any instruments as may require the Secretary's signature. The Secretary shall authenticate records of the Company and shall perform whatever additional duties and have whatever additional powers as may be assigned by or under the authority of the Board of Directors from time to time. In the absence or disability of the Secretary or at the direction of the Chief Executive Officer, the President or the Secretary, any Assistant Secretary may perform the duties and exercise the powers of the Secretary.

Section 4.12 *Voting of Stock*. Unless otherwise ordered by the Board of Directors or Executive Committee, the Chairman of the Board, any Vice Chairman, the Chief Executive Officer, the President or, when so designated by the Chairman, any Executive Vice President or Corporate Vice President of the Company shall have full power and authority in behalf of the Company to attend and to act and to vote at any meetings of shareholders of any corporation in which the Company may hold stock, and at such meetings may possess and shall exercise any and all rights and powers incident to the ownership of such stock exercisable at such meetings. The Board of Directors or Executive Committee, by resolution from time to time, may confer like powers upon any other person or persons. (*amended 6/3/02*)

ARTICLE FIVE INDEMNIFICATION

Section 5.1 *Definitions*. As used in this Article, the term:

- (a) "Company" includes any domestic or foreign predecessor entity of the Company in a merger or other transaction in which the predecessor's existence ceased upon consummation of the transaction.
- (b) "Director" or "Officer" means an individual who is or was a member of the Board of Directors or an officer elected by the Board of Directors, respectively, or who, while a member of the Board of Directors or an officer of the Company, is or was serving at the Company's request as a director, officer, partner, trustee, employee, or agent of another domestic or foreign corporation, partnership, joint venture, trust, employee benefit plan, or other entity. An individual is considered to be serving an employee benefit plan at the Company's request if his or her duties to the Company also impose duties on, or

otherwise involve services by, the individual to the plan or to participants in or beneficiaries of the plan. "Director" or "Officer" includes, unless the context otherwise requires, the estate or personal representative of a Director or Officer.

- (c) "Disinterested Director" or "Disinterested Officer" means a Director or Officer, respectively, who at the time of an evaluation referred to in subsection 5.5(b) is not:
 - (1) A Party to the Proceeding; or
 - (2) An individual having a familial, financial, professional, or employment relationship with the person whose advance for Expenses is the subject of the decision being made with respect to the Proceeding, which relationship would, in the circumstances, reasonably be expected to exert an influence on the Director's or Officer's judgment when voting on the decision being made.
- (d) "Expenses" includes counsel fees.
- (e) "Liability" means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), and reasonable Expenses incurred with respect to a Proceeding.
- (f) "Party" includes an individual who was, is, or is threatened to be made a named defendant or respondent in a Proceeding.
- (g) "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitrate or investigative and whether formal or informal.
- (h) "Reviewing Party" shall mean the person or persons making the determination as to reasonableness of Expenses pursuant to Section 5.5 of this Article, and shall not include a court making any determination under this Article or otherwise.

Section 5.2 *Basic Indemnification Arrangement.*

- (a) The Company shall indemnify an individual who is a Party to a Proceeding because he or she is or was a Director or Officer against Liability incurred in the Proceeding; provided, however, that the Company shall not indemnify a Director or Officer under this Article for any Liability incurred in a Proceeding in which the Director or Officer is adjudged liable to the Company or is subjected to injunctive relief in favor of the Company:
 - (1) For any appropriation, in violation of his or her duties, of any business opportunity of the Company;

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- (2) For acts or omissions which involve intentional misconduct or a knowing violation of law;
 - (3) For the types of liability set forth in Section 14-2-832 of the Code; or
 - (4) For any transaction from which he or she received an improper personal benefit.
- (b) If any person is entitled under any provision of this Article to indemnification by the Company for some portion of Liability incurred, but not the total amount thereof, the Company shall indemnify such person for the portion of such Liability to which such person is entitled.

Section 5.3 *Advances for Expenses.*

- (a) The Company shall, before final disposition of a Proceeding, advance funds to pay for or reimburse the reasonable Expenses incurred by a Director or Officer who is a Party to a Proceeding because he or she is a Director or Officer if he or she delivers to the Company:
- (1) A written affirmation of his or her good faith belief that his or her conduct does not constitute behavior of the kind described in subsection 5.2(a) above; and
 - (2) His or her written undertaking (meeting the qualifications set forth below in subsection 5.3(b)) to repay any funds advanced if it is ultimately determined that he or she is not entitled to indemnification under this Article or the Code.
- (b) The undertaking required by subsection 5.3(a)(2) above must be an unlimited general obligation of the proposed indemnitee but need not be secured and shall be accepted without reference to the financial ability of the proposed indemnitee to make repayment. If a Director or Officer seeks to enforce his or her rights to indemnification in a court pursuant to Section 5.4 below, such undertaking to repay shall not be applicable or enforceable unless and until there is a final court determination that he or she is not entitled to indemnification, as to which all rights of appeal have been exhausted or have expired.

Section 5.4 *Court-Ordered Indemnification and Advances for Expenses.* A Director or Officer who is a Party to a Proceeding shall have the rights to court-ordered indemnification and advances for expenses as provided in the Code.

Section 5.5 *Determination of Reasonableness of Expenses.*

- (a) The Company acknowledges that indemnification of, and advance expenses to, a Director or Officer under Section 5.2 has been pre-authorized by the Company as permitted by Section 14-2-859(a) of the Code, and that pursuant to the authority

exercised under Section 14-2-856 of the Code, no determination need be made for a specific Proceeding that such indemnification of or advances of expenses to the Director or Officer is permissible in the circumstances because he or she has met a particular standard of conduct. Nevertheless, except as set forth in subsection 5.5(b) below, evaluation as to reasonableness of Expenses of a Director or Officer for a specific Proceeding shall be made as follows:

- (1) If there are two or more Disinterested Directors, by the Board of Directors of the Company by a majority vote of all Disinterested Directors (a majority of whom shall for such purpose constitute a quorum) or by a majority of the members of a committee of two or more Disinterested Directors appointed by such a vote; or
 - (2) If there are fewer than two Disinterested Directors, by the Board of Directors (in which determination Directors who do not qualify as Disinterested Directors may participate); or
 - (3) By the Shareholders, but shares owned by or voted under the control of a Director or Officer who at the time does not qualify as a Disinterested Director or Disinterested Officer may not be voted on the determination.
- (b) Notwithstanding the requirement under subsection 5.5(a) that the Reviewing Party evaluate the reasonableness of Expenses claimed by the proposed indemnitee, any Expenses claimed by the proposed indemnitee shall be deemed reasonable if the Reviewing Party fails to make the evaluation required by subsection 5.5(a) within sixty (60) days following the later of:
- (1) The Company's receipt of the affirmative undertaking required by Section 5.3(a); or
 - (2) The Company's receipt of invoices for specific Expenses to be reimbursed or advanced.

Section 5.6 *Indemnification of Employees and Agents.* The Company may indemnify and advance Expenses under this Article to an employee or agent of the Company who is not a Director or Officer to the same extent and subject to the same conditions that a Georgia corporation could, without shareholder approval under Section 14-2-856 of the Code, indemnify and advance Expenses to a Director, or to any lesser extent (or greater extent if permitted by law) determined by the Board of Directors or Chief Executive Officer, in each case consistent with public policy.

Section 5.7 *Liability Insurance.* The Company may purchase and maintain insurance on behalf of an individual who is a Director, Officer, employee or agent of the Company or who, while a Director, Officer, employee or agent of the Company, serves at the Company's request as a director, officer, partner, trustee, employee or agent of another domestic or foreign corporation,

partnership, joint venture, trust, employee benefit plan, or other entity against Liability asserted against or incurred by him or her in that capacity or arising from his or her status as a Director, Officer, employee, or agent, whether or not the corporation would have power to indemnify or advance Expenses to him or her against the same Liability under this Article or the Code.

Section 5.8 *Witness Fees.* Nothing in this Article shall limit the Company's power to pay or reimburse Expenses incurred by a person in connection with his or her appearance as a witness in a Proceeding at a time when he or she is not a Party.

Section 5.9 *Report to Shareholders.* To the extent and in the manner required by the Code from time to time, if the Company indemnifies or advances Expenses to a Director or Officer in connection with a Proceeding by or in the right of the Company, the Company shall report the indemnification or advance to the Shareholders.

Section 5.10 *No Duplication of Payments; Nonexclusive.* The Company shall not be liable under this Article to make any payment to a person hereunder to the extent such person has otherwise actually received payment (under any insurance policy, agreement or otherwise) of the amounts otherwise payable hereunder. The rights of a Director or Officer hereunder shall be in addition to any other rights with respect to indemnification, advancement of expenses or otherwise that he or she may have under contract or the Code or otherwise.

Section 5.11 *Subrogation.* In the event of payment under this Article, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

Section 5.12 *Contract Rights.* The right to indemnification and advancement of Expenses conferred hereunder to Directors and Officers shall be a contract right and shall not be affected adversely to any Director or Officer by any amendment of these Bylaws with respect to any action or inaction occurring prior to such amendment; provided, however, that this provision shall not confer upon any indemnitee or potential indemnitee (in his or her capacity as such) the right to consent or object to any subsequent amendment of these Bylaws.

Section 5.13 *Amendments.* It is the intent of the Company to indemnify and advance Expenses to its Directors and Officers to the full extent permitted by the Code, as amended from time to time. To the extent that the Code is hereafter amended to permit a Georgia business corporation to provide to its directors or officers greater rights to indemnification or advancement of Expenses than those specifically set forth hereinabove, this Article shall be deemed amended to require such greater indemnification or more liberal advancement of Expenses to the Company's Directors and Officers, in each case consistent with the Code as so amended from time to time. No amendment, modification or rescission of this Article, or any provision hereof, the effect of which would diminish the rights to indemnification or advancement of Expenses as set forth herein shall be effective as to any person with respect to any action taken or omitted by such person prior to such amendment, modification or rescission.

**ARTICLE SIX
CAPITAL STOCK**

Section 6.1 *Direct Registration of Shares.* The Company may, with the Board of Directors' approval, participate in a direct registration system approved by the Securities and Exchange Commission and by the New York Stock Exchange or any securities exchange on which the stock of the Company may from time to time be traded, whereby shares of capital stock of the Company may be registered in the holder's name in uncertificated, book-entry form on the books of the Company.

Section 6.2 *Certificates for Shares.* Except for shares represented in book-entry form under a direct registration system contemplated in Section 6.1, the interest of each Shareholder in the Company shall be evidenced by a certificate or certificates representing shares of the Company which shall be in such form as the Board of Directors from time to time may adopt. Share certificates shall be numbered consecutively, shall be in registered form, shall indicate the date of issuance, the name of the Company and that it is organized under the laws of the State of Georgia, the name of the Shareholder, and the number and class of shares and the designation of the series, if any, represented by the certificate. Each certificate shall be signed by the Chairman of the Board, the President or other Chief Executive Officer or a Vice President and also by the Secretary or may be signed with the facsimile signatures of the Chairman of the Board, the President or other Chief Executive Officer or a Vice President and of the Secretary, and in all cases a stock certificate signed in facsimile must also be countersigned by the transfer agent for the stock. The corporate seal need not be affixed.

Section 6.3 *Transfer of Shares.* The Board of Directors shall have authority to appoint a transfer agent and/or a registrar for the shares of its capital stock, and to empower them or either of them in such manner and to such extent as it may deem best, and to remove such agent or agents from time to time, and to appoint another agent or other agents. Transfers of shares shall be made upon the transfer books of the Company, kept at the office of the transfer agent designated to transfer the shares, only upon direction of the registered owner, or by an attorney lawfully constituted in writing. With respect to certificated shares, before a new certificate is issued, the old certificate shall be surrendered for cancellation or, in the case of a certificate alleged to have been lost, stolen, or destroyed, the requirements of Section 6.5 of these Bylaws shall have been met. Transfer of shares shall be in accordance with such reasonable rules and regulations as may be made from time to time by the Board of Directors.

Section 6.4 *Duty of Company to Register Transfer.* Notwithstanding any of the provisions of Section 6.3 of these Bylaws, the Company is under a duty to register the transfer of its shares only if:

- (a) the certificate or transfer instruction is endorsed by the appropriate person or persons; and
- (b) reasonable assurance is given that the endorsement or affidavit is genuine and effective; and

- (c) the Company either has no duty to inquire into adverse claims or has discharged that duty; and
- (d) the requirements of any applicable law relating to the collection of taxes have been met; and
- (e) the transfer in fact is rightful or is to a bona fide purchaser.

Section 6.5 *Lost, Stolen or Destroyed Certificates.* Any person claiming a share certificate to be lost, stolen or destroyed shall make an affidavit or affirmation of the fact in the manner required by the Company and, if the Company requires, shall give the Company a bond of indemnity in form and amount, and with one or more sureties satisfactory to the Company, as the Company may require, whereupon an appropriate new certificate may be issued in lieu of the one alleged to have been lost, stolen or destroyed.

Section 6.6 *Authorization to Issue Shares and Regulations Regarding Transfer and Registration.* The Board of Directors, the Executive Committee and any other committee of the Board of Directors so authorized by it shall have power and authority to issue shares of capital stock of the Company and to make all such rules and regulations as, respectively, they may deem expedient concerning the transfer and registration of shares of the capital stock of the Company.

ARTICLE SEVEN DISTRIBUTIONS AND DIVIDENDS

Section 7.1 *Authorization or Declaration.* Unless the Articles of Incorporation provide otherwise, the Board of Directors from time to time in its discretion may authorize or declare distributions or share dividends in accordance with the Code.

Section 7.2 *Record Date with Regard to Distributions and Share Dividends.* For the purpose of determining Shareholders entitled to a distribution (other than one involving a purchase, redemption, or other reacquisition of the Company's shares) or a share dividend, the Board of Directors may fix a date as the record date. If no record date is fixed by the Board of Directors, the record date shall be determined in accordance with the provisions of the Code.

ARTICLE EIGHT MISCELLANEOUS

Section 8.1 *Corporate Seal.* The corporate seal of the Company shall be in such form as the Board of Directors may from time to time determine. If at any time it is inconvenient to use the corporate seal of the Company, the signature or name of the Company followed by or used in conjunction with the words "Corporate Seal" or "Seal" or words of similar import shall be deemed the seal of the Company.

Section 8.2 *Inspection of Books and Records.* The Board of Directors shall have power to determine which accounts, books and records of the Company shall be opened to the inspection of Shareholders, except those as may by law specifically be made open to inspection, and shall have power to fix reasonable rules and regulations not in conflict with the applicable

law for the inspection of accounts, books and records which by law or by determination of the Board of Directors shall be open to inspection. Without the prior approval of the Board of Directors in its discretion, the right of inspection set forth in Section 14-2-1602(c) of the Code shall not be available to any Shareholder owning two percent or less of the shares outstanding.

Section 8.3 *Conflict with Articles of Incorporation or Code.* To the extent that any provision of these Bylaws conflicts with any provision of the Articles of Incorporation, such provision of the Articles of Incorporation shall govern. To the extent that any provision of these Bylaws conflicts with any non-discretionary provision of the Code, such provision of the Code shall govern.

Section 8.4 *Severability.* In the event that any of the provisions of these Bylaws (including any provision within a single section, subsection, division or sentence) is held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, the remaining provisions of these Bylaws shall remain enforceable to the fullest extent permitted by law.

ARTICLE NINE AMENDMENTS

Section 9.1 *Amendments.* Subject, in each case, to the Articles of Incorporation:

- (a) the Board of Directors shall have power to alter, amend or repeal these Bylaws or adopt new Bylaws; and
- (b) any Bylaws adopted by the Board of Directors may be altered, amended or repealed, and new Bylaws may be adopted, by the Shareholders, as provided by the Code; and
- (c) Articles Ten and Eleven of these Bylaws shall be amended only in the manner provided by relevant provisions of the Code.

ARTICLE TEN FAIR PRICE REQUIREMENTS

Section 10.1 *Fair Price Requirements.* All of the requirements of Article 11, Part 2, of the Code, included in Sections 14-2-1110 through 1113 (and any successor provisions thereto), shall be applicable to the Company in connection with any business combination, as defined therein, with any interested shareholder, as defined therein.

ARTICLE ELEVEN BUSINESS COMBINATIONS

Section 11.1 *Business Combinations.* All of the requirements of Article 11, Part 3, of the Code, included in Sections 14-2-1131 through 1133 (and any successor provisions thereto), shall be applicable to the Company in connection with any business combination, as defined therein, with any interested shareholder, as defined therein.

**CERTIFICATION PURSUANT TO
18 U. S. C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Thomas F. Chapman, Chief Executive Officer of Equifax Inc. (the "Company"), do hereby certify in connection with the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2002 (the "Report"), (i) that the Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and (ii) that the information contained in the Report fairly represents, in all material respects, the financial condition and results of operation of the Company.

/s/ THOMAS F. CHAPMAN

Thomas F. Chapman
Chief Executive Officer
Dated: August 8, 2002

**CERTIFICATION PURSUANT TO
18 U. S. C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Phillip Mazzilli, Chief Financial Officer of Equifax Inc. (the "Company"), do hereby certify in connection with the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2002 (the "Report"), (i) that the Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and (ii) that the information contained in the Report fairly represents, in all material respects, the financial condition and results of operation of the Company.

/s/ PHILLIP MAZZILLI

Phillip Mazzilli
Chief Financial Officer
Dated: August 8, 2002