

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OR THE SECURITIES
EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER 0-14443

GARTNER, INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

04-3099750
(I.R.S. Employer
Identification Number)

P.O. BOX 10212
56 TOP GALLANT ROAD
STAMFORD, CT
(Address of principal executive offices)

06904-2212
(Zip Code)

Registrant's telephone number, including area code: (203) 316-1111

Securities Registered Pursuant to Section 12(b) of the Act:

NAME OF
EACH
EXCHANGE
TITLE OF
CLASS OR
WHICH
REGISTERED

- - - - -
- - - - -
- - - - -
- - - - -

Common
Stock,
Class A,
\$.0005 Par
Value New
York Stock
Exchange
Common
Stock,
Class B,
\$.0005 Par
Value New
York Stock
Exchange

Securities Registered Pursuant to Section 12(g) of the Act:
None.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES X NO
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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ()

The aggregate market value of the voting stock held by persons other than those who may be deemed affiliates of the Registrant, as of November 29, 2002, was approximately \$794.1 million. This calculation does not reflect a determination that persons are affiliates for any other purposes.

The number of shares outstanding of the Registrant's capital stock as of November 29, 2002 was 51,747,492 shares of Common Stock, Class A and 30,189,028 shares of Common Stock, Class B.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Definitive Proxy Statement for the 2003 Annual Meeting of Stockholders of the Registrant currently scheduled to be held on February 13, 2003 are incorporated by reference into Part III of this Report.

GARTNER, INC.
2002 ANNUAL REPORT ON FORM 10-K
TABLE OF CONTENTS

PART I		
Item 1.	Business	3
Item 2.	Properties	4
Item 3.	Legal Proceedings	5
Item 4.	Submission of Matters to a Vote of Security Holders	5
PART II		
Item 5.	Market for Registrant's Common Equity and Related Stockholder Matters	5
Item 6.	Selected Consolidated Financial Data	6
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	7
Item 7a.	Quantitative and Qualitative Disclosures about Market Risk	20
Item 8.	Consolidated Financial Statements and Supplementary Data	21
Item 9.	Changes and Disagreements with Accountants on Accounting and Financial Disclosure	21
PART III		
Item 10.	Directors and Executive Officers of the Registrant	21
Item 11.	Executive Compensation	21
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	21
Item 13.	Certain Relationships and Related Transactions	21
Item 14.	Controls and Procedures	21
PART IV		
Item 15.	Exhibits, Consolidated Financial Statement Schedule and Reports on Form 8-K	22
	Report by Management	26
	Independent Auditors' Report	27
	Consolidated Balance Sheets	28
	Consolidated Statements of Operations	29
	Consolidated Statements of Stockholders' Equity (Deficit) and Comprehensive Income (Loss)	30
	Consolidated Statements of Cash Flows	32
	Notes to Consolidated Financial Statements	33
	Certification Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934 as Adopted Pursuant to Section 302 of the Sarbanes - Oxley Act of 2002	59
	Independent Auditors' Report on Consolidated Financial Statement Schedule	61
	Schedule II - Valuation and Qualifying Accounts	63

PART I

ITEM 1. BUSINESS.

GENERAL

Gartner, Inc., founded in 1979, is a leading independent provider of research and analysis on information technology, computer hardware, software, communications and related technology industries ("the IT industry"). We provide comprehensive coverage of the IT industry to approximately 10,000 client organizations. We are organized into three business segments: research, consulting and events.

- o RESEARCH products and services highlight industry developments, review new products and technologies, provide quantitative market research, and analyze industry trends within a particular technology or market sector.
- o CONSULTING consists primarily of consulting, measurement engagements and strategic advisory services (paid one-day analyst engagements) ("SAS"), which provide assessments of cost performance, efficiency and quality focused on the IT industry.
- o EVENTS consists of various symposia, conferences and exhibitions focused on the IT industry.

MARKET OVERVIEW

In today's dynamic IT marketplace, vendors continually introduce new products with a wide variety of standards and shorter life cycles. The users of technology - almost all organizations - must keep abreast of these new developments, and make major financial commitments to new IT systems and products. To plan and purchase effectively, these users of technology need independent, objective third-party research and consultative services.

While the pace of IT investments has slowed significantly, we believe that technology accounts for a significant portion of all capital spending. The intense scrutiny on technology spending ensures our products and services remain necessary in the current economy because clients still need value-added, independent and objective research and analysis of the IT market.

MARKET LEADERSHIP. We are a leading provider of independent and objective research and analysis of the IT industry, and a source of insight about technology acquisition and deployment. Our global research community provides provocative thought leadership. We employ more research analysts than any competitor. Hundreds of our experienced consultants combine our objective, independent research with a practical, sought-after business perspective focused on the IT industry. Our events are among the world's largest of their kind: gathering highly qualified audiences of senior business executives, IT professionals, purchasers and vendors of IT products and services.

PRODUCTS AND SERVICES

Our principal products and services are Research, Consulting and Events.

- o RESEARCH. We devote an experienced research team to significant IT product categories. Our staff researches, publishes reports and responds to telephone and e-mail inquiries from clients. Clients receive information through a number of electronic delivery formats - primarily gartner.com - as well as CD-ROM and print media. Most clients purchase annually renewable subscription contracts for our research products. Our research products include highlights of industry developments and trends, new product and technology evaluations, quantitative market research, and comparative analysis of an individual organization's IT operations. We also provide clients with IT trends and vendor strategies, statistical analysis, growth projections, and market share rankings of suppliers and vendors. This information is useful to IT manufacturers and the financial community; it also helps business leaders formulate, implement and execute their growth strategies. Our research products and services include our core research business, Dataquest, Gartner Executive Programs ("EXP") and GartnerG2. Dataquest helps IT and telecom vendors and investors formulate product and investment plans, evaluate competition, assess market position, and define future strategies. Gartner EXP is a program for CIO's and other senior IT executives, offering concierge-level service and a personalized research program. GartnerG2 is an advisory service that helps business leaders and strategists drive business growth and manage technology's impact on business models and processes.
- o CONSULTING. Our consulting staff provides customized project consulting on the delivery, deployment and management of high-tech products and services. We offer consulting through eight specialized practices: Enterprise Solutions, IT Strategy & Management, Architecture & Technology, Human Capital Management, Strategic Sourcing, Market & Business Strategies, Public Sector and General Advisory Services. Our measurement services provide performance management, benchmarking, continuous improvement and best practices services. SAS engagements, performed by Gartner research analysts, provide a customized assessment of the client's specific business requirements.
- o EVENTS. Gartner Events include symposia, conferences, and exhibitions that provide comprehensive coverage of IT issues and forecasts of key IT industry segments. Our flagship event is Symposia/ITxpo, which is held twice a year across the world. Fall

Symposium/ITxpo typically takes place in Orlando, Florida; Cannes, France; Tokyo, Japan; and Sydney, Australia. Spring Symposium/ITxpo typically takes place in San Diego, California; Florence, Italy; and Johannesburg, South Africa. Throughout the year, we sponsor other conferences, seminars and briefings throughout the world. Our events provide premier educational and networking opportunities for top IT decision-makers and technology providers.

COMPETITION

We believe that the principal competitive factors that differentiate us from our competitors are:

- o high quality, independence and objectivity of our research and analysis;
- o multi-faceted expertise across the IT industry and its technologies, both legacy and emerging;
- o our position as a research company with broad consulting capabilities, and a consulting firm with research analysts;
- o timely delivery of information;
- o the ability to offer products that meet changing market needs at competitive prices; and
- o superior customer service.

We believe we compete favorably with respect to each of these factors.

We face competition from a significant number of independent providers of information products and services. We compete indirectly against consulting firms and other information providers, including electronic and print media companies. These indirect competitors could choose to compete directly with us in the future. Limited barriers to entry exist in the markets in which we do business. As a result, new competitors may emerge and existing competitors may start to provide additional or complementary services. Increased competition may result in us losing market share, diminished value in our products and services, reduced pricing and increased sales and marketing expenditures.

RESEARCH AND INNOVATION

We are committed to developing leading-edge ideas. We believe that research and innovation have been major factors in our success and will help us continue to grow in the future. We use our research to help create, commercialize and disseminate innovative technology-related research and analysis. Our research, consulting and events are designed to generate early insights into how technology can be used to create business solutions for our clients and to develop business strategies with significant value.

INTELLECTUAL PROPERTY

Our success has resulted in part from proprietary methodologies, software, reusable knowledge capital and other intellectual property rights. We rely on a combination of copyright, patent, trademark, trade secret, confidentiality, non-compete and other contractual provisions to protect our intellectual property rights. We have policies related to confidentiality and ownership and to the use and protection of Gartner's intellectual property, and we also enter into agreements with our employees as appropriate.

We recognize the value of intellectual property in the new marketplace and vigorously create and protect our intellectual property. We will continue to vigorously identify, create and protect our intellectual property.

EMPLOYEES

As of September 30, 2002, we had 4,039 employees, of which 769 employees were located at our headquarters in Stamford, Connecticut; 1,867 were located at our other facilities in the United States; and 1,403 were located outside of the United States. None of our employees is represented by a private non-governmental collective bargaining arrangement. We have experienced no work stoppages and consider our relations with employees to be favorable. On October 30, 2002, we announced that we expect to make moderate reductions to our workforce as we continue to align our business resources with revenue expectations.

ITEM 2. PROPERTIES.

Our headquarters is located in approximately 224,000 square feet of leased office space in four buildings located in Stamford, CT. These facilities accommodate research and analysis, marketing, sales, client support, production and corporate administration. The leases on these facilities expire in 2010. We have a significant presence in the United Kingdom with approximately 82,000 square feet of leased office space in two buildings located in Egham, UK. We have 36 domestic and 45 international locations that support our research and analysis, domestic and international sales efforts and other functions. We believe that our existing facilities and leases are adequate for our current needs.

2002
FISCAL
YEAR
2001 ---

--- HIGH
LOW HIGH
LOW ----

First
Quarter
ended
December
31 \$
11.70 \$
8.07 \$
10.94 \$
4.95
Second
Quarter
ended
March 31
\$ 13.20
\$ 10.86
\$ 8.45 \$
5.81
Third
Quarter
ended
June 30
\$ 13.05
\$ 9.00 \$
9.81 \$
5.50
Fourth
Quarter
ended
September
30 \$
9.84 \$
7.67 \$
10.60 \$
8.05

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA.

FISCAL YEAR ENDED SEPTEMBER 30, (IN THOUSANDS, EXCEPT PER SHARE DATA) 2002 2001 2000 1999 1998 -----					
----- CONSOLIDATED					
STATEMENTS OF OPERATIONS DATA: Revenues: Research					
					\$
496,403	\$ 535,114	\$ 509,781	\$ 479,045	\$ 433,141	
					Consulting
					273,692
276,292	216,667	156,444	116,929		Events
121,991	132,684	108,589	75,581	49,121	Other
15,088	18,794	27,414	29,768	48,740	
					Total revenues
					907,174 962,884
862,451	740,838	647,931			Total costs and expenses
					810,799 920,370
778,320	607,470	502,201			
					Operating income
					96,375
42,514	84,131	133,368	145,730		Net gain (loss) on sale of investments
					787 (640) 29,630 --
(1,973)					Net loss from minority-owned investments
					(2,365) (26,817) (775) (846)
					(511) Interest income
					1,845
1,616	3,936	9,518	9,650		Interest expense
					(22,869)
(22,391)	(24,900)	(1,272)	(94)		Other expense, net
					(170)
(3,674)	(722)	(1,521)	(1,681)		
					Income (loss) from continuing operations before income taxes ...
					73,603 (9,392) 91,300
139,247	151,121				Provision (benefit) for income taxes
					25,025 (9,172) 36,447 50,976
62,774					
					Income (loss) from continuing operations
					48,578 (220) 54,853 88,271 88,347
					Loss from discontinued operation, net of taxes
					-- (65,983) (27,578) -- --
					Extraordinary loss on debt extinguishment, net of taxes
					(1,729) -- --
					Net income (loss)
					\$ 48,578 \$
(66,203)	\$ 25,546	\$ 88,271	\$ 88,347		=====
					===== Weighted average shares
					outstanding: Basic
83,586	85,862	86,564	101,881	100,194	Diluted
130,882	85,862	89,108	104,603	105,699	NET INCOME (LOSS)
					PER SHARE: Basic: Income (loss) from continuing operations
					\$ 0.58 \$ (0.00) \$ 0.63 \$
0.87	\$ 0.88				Loss from discontinued operation
					-- (0.77) (0.31) -- --
					Extraordinary loss
					-- -- (0.02) --
					Net income (loss)
					\$ 0.58 \$ (0.77)
\$ 0.30	\$ 0.87	\$ 0.88			=====
					===== Diluted: Income (loss) from continuing operations
					\$ 0.47 \$ (0.00)
\$ 0.62	\$ 0.84	\$ 0.84			Loss from discontinued operation
					-- (0.77) (0.31) -- --
					Extraordinary loss
					-- -- (0.02) --
					Net income (loss)
					\$ 0.47 \$ (0.77)
\$ 0.29	\$ 0.84	\$ 0.84			=====
					===== CONSOLIDATED BALANCE SHEET DATA:
					Cash and cash equivalents and marketable equity securities
					\$ 124,793 \$ 40,378 \$ 97,102 \$ 88,894 \$
					218,684 Fees receivable, net
					264,843
300,306	323,849	282,047	239,243		Other current assets
					65,397
105,690	157,823	61,243	53,152		Total current assets
					455,033 446,374
578,774	432,184	511,079			Property, equipment, and leasehold improvements, net
					76,161 100,288
88,402	63,592	50,801			Intangibles and other assets
					293,656 292,340
305,185	307,668	270,991			Total assets
					\$ 824,850 \$
839,002	\$ 972,361	\$ 803,444	\$ 832,871		=====
					===== Deferred

revenues						\$
306,978	\$ 351,263	\$ 384,966	\$ 354,517	\$ 288,013	Other	
					current liabilities	
.....				130,364	152,751	
170,051	105,056	116,292	-----	-----	-----	
					Total current liabilities	
.....				437,342	504,014	555,017
				459,573	404,305	Long-term debt
.....						346,300
326,200	307,254	250,000	--	Other liabilities		
.....						46,098
43,306	35,270	19,385	13,628	Stockholders' equity		
(deficit)						(4,890)
(34,518)	74,820	74,486	414,938	-----	-----	-----
					Total liabilities and	
					stockholders' equity (deficit)	\$ 824,850
						\$
	839,002	\$ 972,361	\$ 803,444	\$ 832,871	=====	
	=====	=====	=====	=====	=====	

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

FORWARD-LOOKING STATEMENTS

In addition to historical information, this Annual Report contains forward-looking statements. Forward-looking statements are any statements other than statements of historical fact, including statements regarding our expectations, beliefs, hopes, intentions or strategies regarding the future. In some cases, forward-looking statements can be identified by the use of words such as "may," "will," "expects," "should," "believes," "plans," "anticipates," "estimates," "predicts," "potential," "continue," or other words of similar meaning. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those discussed in, or implied by, the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in "Factors That May Affect Future Results" below. Readers should not place undue reliance on these forward-looking statements, which reflect management's opinion only as of the date on which they were made. Except as required by law, we disclaim any obligation to review or update these forward-looking statements to reflect events or circumstances as they occur. Readers should review carefully any risk factors described in our reports filed with the Securities and Exchange Commission.

BUSINESS STRATEGY

With the convergence of IT and business, technology has become increasingly more important - not just to technology professionals, but also to business executives. We are an independent and objective research and advisory firm that helps IT and business executives use technology to build, guide, and grow their enterprises.

We employ a diversified business model that leverages the breadth and depth of our research intellectual capital while enabling us to maintain and grow our market-leading position and brand franchise. Our strategy is to align our resources and our infrastructure to leverage that intellectual capital into additional revenue streams through effective packaging, campaigning and cross-selling of our products and services. Our diversified business model provides multiple entry points and synergies that facilitate increased client spending on our research, consulting and events. A key strategy is to increase business volume with our most valuable clients, identifying relationships with the greatest sales potential and expanding those relationships where possible by offering strategically relevant research and analysis.

We intend to maintain a balance between (1) generating profitability through a streamlined cost structure and (2) pursuing opportunities and applying resources with a strict focus on growing our core research business.

Our primary objectives:

- o RIGOROUS EXPENSE CONTROL
 - o Leverage our global infrastructure to effectively control worldwide costs;
 - o Broaden the use of our inside, desk-based sales channel, which has a lower cost of sales than our other sales channels;
 - o Eliminate non-strategic, less profitable products, processes and geographic markets; and
 - o Reduce our cost of delivery.
- o ENHANCED PRODUCTIVITY & CLIENT SATISFACTION
 - o Continually analyze and assess our client, product and market portfolios;
 - o Optimize analyst productivity and consultant utilization measures; and
 - o Strengthen client retention rates and other indicators of client satisfaction.
- o LONG-TERM RESEARCH GROWTH
 - o Invest modestly in initiatives aligned with our core competencies that are capable of delivering results, including - but not limited to Gartner EXP and GartnerG2;
 - o Refine product packaging, delivery, marketing, sales and account management capabilities;
 - o Increase the percentage of multi-service client relationships;
 - o Leverage and expand existing client relationships with key decision-makers for our products and services; and
 - o Identify and gain new clients within our most important and target audience.

o FINANCIAL MANAGEMENT

- o Increase liquidity and strengthen our balance sheet; and
- o Manage capital expenditures, foreign exchange exposure and tax planning.

BUSINESS MEASURES

Research revenues are derived from subscription contracts for research products. Revenues from research products are deferred and recognized ratably over the contract term.

Consulting revenues are recognized primarily on a percentage of completion basis and on a time and materials basis as work is performed and services are provided on a contract-by-contract basis.

Events revenues are deferred and recognized upon the completion of the related symposium, conference or exhibition.

Other revenues includes software licensing fees which are recognized when a signed non-cancelable software license exists, delivery has occurred, collection is probable, and the fees are fixed or determinable. Revenue from software maintenance is deferred and recognized ratably over the term of the maintenance agreement, which is typically twelve months.

We believe the following business measurements are important performance indicators for our business segments.

REVENUE CATEGORY	BUSINESS MEASUREMENTS
Research	<p>CONTRACT VALUE represents the value attributable to all of our subscription-related research products that recognize revenue on a ratable basis. Contract value is calculated as the annualized value of all subscription research contracts in effect at a specific point in time, without regard to the duration of the contract.</p> <p>CLIENT RETENTION RATE represents a measure of client satisfaction and renewed business relationships at a specific point in time. Client retention is calculated on a percentage basis by dividing our current clients who were also clients a year ago, by all clients from a year ago.</p>
Consulting	<p>CONSULTING BACKLOG represents future revenue to be derived from in-process consulting, measurement and strategic advisory services engagements.</p>
Events	<p>DEFERRED EVENTS REVENUE represents billings and relates directly to our future symposia, conferences and exhibitions. Events revenues are deferred and recognized upon the completion of the related symposium, conference or exhibition.</p>

FLUCTUATIONS IN QUARTERLY OPERATING RESULTS

Our quarterly and annual revenue and operating income fluctuate as a result of many factors, including the timing of the execution of research contracts, the extent of completion of consulting engagements, the timing of Symposia and other events, which occur to a greater extent in the quarter ended December 31, the amount of new business generated, the mix of domestic and international business, changes in market demand for our products and services, the timing of the development, introduction and marketing of new products and services, and competition in the industry. The potential fluctuations in our operating income could cause period-to-period comparisons of operating results not to be meaningful and could provide an unreliable indication of future operating results.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements requires the application of appropriate accounting policies. Our significant accounting policies are described in Note 1 in the Notes to Consolidated Financial Statements. Management considers the policies discussed below to be critical to an understanding of our financial statements because their application requires complex and subjective judgements

and estimates. Specific risks for these critical accounting policies are described below.

REVENUE RECOGNITION - We recognize revenue in accordance with SEC Staff Accounting Bulletin No. 101, Revenue Recognition in

Financial Statements ("SAB 101"). Revenue by significant source is accounted for as follows:

- o Revenues from research products are deferred and recognized ratably over the applicable contract term;
- o Consulting revenues are recognized primarily on a percentage of completion basis and on a time and materials basis as work is performed and services are provided on a contract-by-contract basis;
- o Events revenues are deferred and recognized upon the completion of the related symposium, conference or exhibition; and
- o Other revenues, principally software licensing fees, are recognized when a signed non-cancelable software license exists, delivery has occurred, collection is probable, and the fees are fixed or determinable.

UNCOLLECTIBLE ACCOUNTS RECEIVABLE - Provisions for bad debts are recognized as incurred. The measurement of likely and probable losses and the allowance for uncollectible accounts receivable is based on historical loss experience, aging of outstanding receivables, an assessment of current economic conditions and the financial health of specific clients. This evaluation is inherently judgmental and requires material estimates. These valuation reserves are periodically re-evaluated and adjusted as more information about the ultimate collectibility of accounts receivable becomes available. Circumstances that could cause our valuation reserves to increase include changes in our clients' liquidity and credit quality, other factors negatively impacting our clients' ability to pay their obligations as they come due, and the quality of our collection efforts. Total trade receivables at September 30, 2002 were \$271.8 million, against which an allowance for losses of approximately \$7.0 million was provided. Total trade receivables at September 30, 2001 were \$305.9 million, against which an allowance for losses of approximately \$5.6 million was provided.

IMPAIRMENT OF INVESTMENT SECURITIES - A charge to earnings is made when a market decline below cost is other than temporary. Management regularly reviews each investment security for impairment based on criteria that include the length of time and the extent to which market value has been less than cost, the financial condition and near-term prospects of the issuer, the valuation of comparable companies and our intent and ability to retain the investment for a period of time sufficient to allow for any anticipated recovery in market value. Total investments in equity securities was \$12.7 million and \$18.5 million at September 30, 2002 and 2001, respectively (see Note 5 - Investments in the Notes to the Consolidated Financial Statements).

IMPAIRMENT OF GOODWILL AND OTHER INTANGIBLE ASSETS - The evaluation of goodwill is performed in accordance with SFAS No. 142, - "Goodwill and Other Intangible Assets." Among other requirements, this standard eliminated goodwill amortization upon adoption and required an initial assessment for goodwill impairment within six months of adoption and at least annually thereafter. The evaluation of other intangible assets is performed on a periodic basis and losses are recorded when the assets carrying value is not recoverable through future cash flows. These assessments require management to estimate future business operations and market and economic conditions in developing long-term forecasts. Goodwill is evaluated for impairment at least annually, or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors we consider important which could trigger a review for impairment include the following:

- o Significant under-performance relative to historical or projected future operating results;
- o Significant changes in the manner of our use of acquired assets or the strategy for our overall business;
- o Significant negative industry or economic trends;
- o Significant decline in our stock price for a sustained period, and
- o Our market capitalization relative to net book value.

ACCOUNTING FOR INCOME TAXES - As we prepare our consolidated financial statements, we estimate our income taxes in each of the jurisdictions where we operate. This process involves estimating our current tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included within our consolidated balance sheet. We assess the likelihood that our deferred tax assets will be recovered from future taxable income, and we establish a valuation allowance, to the extent we believe that recovery is not likely.

CONTINGENCIES AND OTHER LOSS RESERVES - We establish reserves for severance costs, contract terminations and asset impairments as a result of actions we undertake to streamline our organization, reposition certain businesses and reduce ongoing costs. Estimates of costs to be incurred to complete these actions, such as future lease payments, sublease income, the fair value of assets, and severance and related benefits, are based on assumptions at the time the actions are initiated. To the extent actual costs differ from those estimates, reserve levels may need to be adjusted. In addition, these actions may be revised due to changes in business conditions that we did not foresee at the time such plans were approved.

RESULTS OF OPERATIONS

Total revenues decreased 6% to \$907.2 million in fiscal 2002 compared to \$962.9 million in fiscal 2001. The fiscal 2001 revenues and cost of services for the consulting segment have been reclassified to include reimbursable out-of-pocket expenses in accordance with new accounting requirements adopted in 2002.

- o RESEARCH revenue decreased 7% in fiscal 2002 to \$496.4 million, compared to \$535.1 million in fiscal 2001, and comprised approximately 55% and 56% of total revenues in fiscal 2002 and 2001, respectively.
- o CONSULTING revenue decreased 1% to \$273.7 million in fiscal 2002, compared to \$276.3 million in fiscal 2001, and comprised approximately 30% and 29% of total revenues in fiscal 2002 and 2001, respectively.
- o EVENTS revenue was \$122.0 million in fiscal 2002, a decrease of 8% from the \$132.7 million in fiscal 2001, and comprised approximately 13% of total revenues in fiscal 2002 versus 14% in fiscal 2001.
- o OTHER revenues, consisting principally of software licensing and maintenance fees, decreased 20% to \$15.1 million in fiscal 2002 from \$18.8 million in fiscal 2001.

Revenue has declined in our three defined geographic market areas: United States and Canada, Europe, and Other International. Revenues from sales to United States and Canadian clients decreased 7% to \$595.3 million in fiscal 2002 from \$641.9 million in fiscal 2001. Revenues from sales to European clients decreased 3% to \$242.1 million in fiscal 2002 from \$250.0 million in fiscal 2001. Revenues from sales to Other International clients decreased 2% to \$69.7 million in fiscal 2002 from \$71.1 million in fiscal 2001.

Cost of services and product development expenses were \$403.7 million and \$450.5 million for fiscal 2002 and fiscal 2001, respectively. The cost of services and product development expenses decreased as a percentage of total revenues to 45% from 47%. The decrease is attributable to reduced personnel costs associated with headcount reductions, more effective cost management of events and other cost savings, including reduced travel.

Selling, general and administrative expenses decreased to \$345.4 million in fiscal 2002 from \$370.1 million in fiscal 2001. The decrease was due to reduced payroll associated with lower headcount, reduced travel, telephone and other infrastructure costs across the entire company.

Depreciation expense increased to \$42.5 million in fiscal 2002 from \$40.9 million in fiscal 2001, primarily due to the depreciation of significant capital expenditures in the previous year for internal use software development required to support the business and also due to the amortization of costs associated with the launch of gartner.com in January 2001.

Amortization of intangibles of \$1.9 million in fiscal 2002 was down from \$12.4 million in fiscal 2001. The primary reason for the decrease was the early adoption of SFAS No. 142. For the year ended September 30, 2001, goodwill amortization was \$9.5 million, and on an after-tax basis, was \$8.4 million. As a result of adoption, diluted earnings per share for the year ended September 30, 2002 improved by \$0.09.

During fiscal 2002, we recorded other charges of \$17.2 million. Of these charges, \$10.0 million relates to costs and losses associated with our elimination of excess facilities, principally leased facilities and ongoing lease costs and losses associated with sub-lease arrangements. In addition, approximately \$5.8 million of these charges are associated with a workforce reduction announced in January 2002 and are for employee termination severance payments and related benefits. This workforce reduction resulted in the elimination of approximately 100 positions, or approximately 2% of our workforce at the time, and the payment of \$5.3 million of termination benefits during the fiscal year ended September 30, 2002. The remaining \$1.4 million relates to the impairment of certain database-related assets. Other charges totaled \$46.6 million for the fiscal year ended September 30, 2001. Of these charges, \$24.8 million was associated with our workforce reduction announced in April 2001. This workforce reduction resulted in the elimination of 383 positions, or approximately 8% of our workforce at the time, and the payment of \$6.4 million and \$18.2 million of termination benefits during the fiscal years ended September 30, 2002 and 2001, respectively. The \$24.8 million charge is comprised of employee termination severance payments and related benefits. Approximately \$14.3 million of the other charges are associated with the write-down of goodwill and other long-lived assets to net realizable value as a result of our decision to discontinue certain unprofitable products, and \$7.5 million of the charge is associated primarily with the write-off of internally developed systems retired in connection with the launch of gartner.com and seat-based pricing. At September 30, 2002, \$4.7 million remains to be paid, relating to the other charges recorded in both 2001 and 2002. The payments are expected to be made primarily over the next two to three years. We are funding all of these costs out of operating cash flows.

Operating income increased to \$96.4 million in fiscal 2002 compared to \$42.5 million in fiscal 2001. In fiscal 2002, our United States, Canadian and European businesses experienced an increase in operating income of 119% and 113%, respectively. Our Other International business experienced an operating loss for the year, which was slightly lower than a year ago. On a consolidated basis, operating income as a percentage of total revenues was 11% and 4%, respectively, for fiscal 2002 and 2001. Operating income was impacted, in part, by other charges of \$17.2 million and \$46.6 million in fiscal 2002 and 2001, respectively, and additional costs associated with the re-architecture of our Internet capabilities and our research methodology and delivery processes in fiscal 2001. Excluding the other charges, operating income for fiscal 2002 and 2001 was 13% and 9%, respectively, of total revenues. We decreased our staff by approximately 8% in the second half of fiscal 2001 and 2% in mid-fiscal 2002 and, in the fourth quarter of 2001, decreased the expense-to-revenue ratio associated with our cost of services and selling, general and administrative expenses through various cost-reduction initiatives. The improvement in operating income was also impacted by lower amortization of intangibles due to

the adoption of SFAS No. 142. Amortization of goodwill was \$9.5 million in fiscal 2001.

Net gain (loss) from the sale of investments for the year ended September 30, 2002 reflected the sale of 748,118 shares of CNET Networks, Inc. ("CNET") for \$6.0 million, resulting in a pre-tax gain of \$0.8 million. We acquired this investment as partial consideration for our sale of TechRepublic to CNET in July 2001. Net loss on the sale of investments in fiscal 2001 of \$0.6 million includes the sale of our remaining 1,922,795 shares of Jupiter Media Metrix ("Jupiter") for net cash proceeds of \$7.5 million for a pre-tax loss of \$5.6 million, offset in part by the sale of shares received from our venture capital funds, SI Venture Associates ("SI I"), SI Venture Fund II ("SI II") and other securities for net cash proceeds of \$6.9 million for a pre-tax gain of \$5.0 million.

Net loss from minority-owned investments in fiscal 2002 and 2001 of \$2.4 million and \$26.8 million, respectively, were primarily the result of impairment losses related to investments owned by us through SI I, SI II and other directly owned investments for other than temporary declines in value. These investments are comprised of early to mid-stage IT-based or Internet-enabled companies. We made an assessment of the carrying value of our investments and determined that certain investments were in excess of their fair value due to the significance and duration of the decline in valuation of comparable companies operating in the internet and technology sectors (see Note 5 - Investments in the Notes to Consolidated Financial Statements). The impairment factors evaluated by management may change in subsequent periods, given that the entities underlying these investments operate in a volatile business environment. In addition, these entities may require additional financing to meet their cash and operational needs, however, there can be no assurance that such funds will be available to the extent needed, at terms acceptable to the entities, if at all. This could result in additional material non-cash impairment charges in the future. We intend to sell all of our investments owned through SI I and SI II.

Interest expense increased to \$22.9 million in fiscal 2002 from 22.4 million in fiscal 2001. The increase relates primarily to increased interest expense on the 6% convertible long-term debt compared to fiscal 2001. Interest income of \$1.8 million in fiscal 2002 was up from \$1.6 million in fiscal 2001 due to a higher average balance of funds available for investment, offset in part, by lower interest earnings rates. Other expense, net decreased to \$0.2 million in fiscal 2002 from \$3.7 million in fiscal 2001. The decrease relates primarily to lower foreign currency exchange losses of \$2.7 and a \$0.5 million gain from the sale of a business in the second quarter of fiscal 2002.

Provision for income taxes on continuing operations was \$25.0 million in fiscal 2002 compared to a benefit of \$9.2 million in fiscal 2001. The effective tax rate was 34% for the year ended September 30, 2002. The effective tax rate in 2001, less the impact of a one-time tax benefit of \$14.5 million due to the utilization of foreign tax credits in the second half of 2001 and other charges and losses on investments and related tax impact, was 37%. The reduction in the effective tax rate in fiscal 2002 reflects on-going tax planning and the elimination of non-deductible amortization of goodwill pursuant to the adoption of SFAS No. 142. A more detailed analysis of the changes in the provision (benefit) for income taxes is provided in Note 14 - Income Taxes of the Notes to Consolidated Financial Statements.

Basic income (loss) per share from continuing operations was \$0.58 per share in fiscal 2002 compared to \$0.00 per share in fiscal 2001. Diluted income (loss) per share from continuing operations of \$0.47 per share in fiscal 2002 compared to \$0.00 per share in fiscal 2001. The elimination of goodwill amortization in accordance with SFAS No. 142 improved basic and diluted income per share from continuing operations by \$0.10 and \$0.09, respectively, for fiscal 2002 as compared to fiscal 2001.

SEGMENT ANALYSIS

We evaluate reportable segment performance and allocate resources based on gross contribution margin. Gross contribution is defined as operating income excluding certain selling, general and administrative expenses, depreciation, amortization of intangibles and other charges.

Research

Research revenues of \$496.4 million in fiscal 2002 were down 7% from \$535.1 million in 2001. The decline in revenues was due to lower demand throughout the entire technology sector and the overall weakness in the general economy. Research's gross contribution in fiscal 2002 decreased 7% to \$326.3 million from \$352.6 million in fiscal 2001. Research's gross contribution margin was 66% in fiscal 2002 and 2001. Although revenues declined, gross contribution margin remained flat, in part due to reductions in expenses. The decline in gross contribution was due to lower revenues. For 2003, our focus will be on stabilizing, then growing contract value while maintaining a streamlined cost structure. Our strategy is to expand our research business with larger clients.

Our research client retention rate was 75% for fiscal 2002 compared to 74% for fiscal 2001. Total research contract value decreased 11% to approximately \$496.0 million at September 30, 2002 from \$556.0 million at September 30, 2001. The decrease in contract value reflects a decline in demand throughout the entire technology sector as well as overall weakness in the general economy.

Consulting

Consulting revenues of \$273.7 million in fiscal 2002 were down 1% from \$276.3 million in 2001. Revenues for fiscal 2002 reflect a strategic reduction in certain client segments and geographies based on market share, competitive advantage, client size and other factors. The reduction in revenue was partially offset by increases in average project size and length. Consulting's gross contribution increased by 13% to \$97.9 million in fiscal 2002 from \$86.9 million

in fiscal 2001. Consulting's gross contribution margin of 36% in fiscal 2002 increased from 31% in fiscal 2001 primarily due to reduced expenses, higher utilization rates and higher billing rates. We continue to

focus on larger engagements and on a limited set of practices and markets in which we can achieve significant penetration. We have reduced headcount and eliminated expenses in practice areas and markets where we do not have sufficient scale and volume.

Consulting backlog decreased 10% to approximately \$107.6 million at September 30, 2002 from \$119.0 million at September 30, 2001. The decrease in backlog primarily reflects the overall weakness in the general economy.

Events

Events revenues of \$122.0 million in fiscal 2002 were down 8% from \$132.7 million in 2001. The decline was primarily due to (1) fewer events due to the strategic elimination of less profitable and unproven events with the expectation of obtaining greater attendee and exhibitor participation at higher-profit events, (2) the overall weakness in the general economy and (3) lower travel budgets. Events' gross contribution increased by 3% to \$65.4 million in fiscal 2002 from \$63.6 million in fiscal 2001 with gross contribution margin of 54% in 2002 compared to 48% in fiscal 2001. The increase in gross contribution and margin was due to better cost management and the elimination of less profitable events.

Deferred events revenue decreased 24% to approximately \$53.6 million at September 30, 2002 from \$70.5 million at September 30, 2001. The decrease in deferred events revenue was due primarily to less favorable economic conditions and to fewer events as described above.

SUBSEQUENT EVENTS

On October 30, 2002, we announced that we expect to incur an estimated charge of about \$25 million in the quarter ending December 31, 2002, for reductions in facilities and workforce as we continue to align our business resources with revenue expectations.

On October 30, 2002, we announced that our Board of Directors approved a change of our fiscal year from September 30 to December 31. The change in fiscal year end will better align our overall operations with our sales organization, which was already operating under a December 31 year end to correspond with the year end of the majority of our clients as well as our competitors. We expect to file an audited Form 10-K transition report for the three-month period ended December 31, 2002.

FISCAL YEAR ENDED SEPTEMBER 30, 2001 VERSUS FISCAL YEAR ENDED SEPTEMBER 30, 2000

Total revenues increased 12% to \$962.9 million in fiscal 2001 compared to \$862.5 million in fiscal 2000.

- o RESEARCH revenue increased 5% in fiscal 2001 to \$535.1 million, compared to \$509.8 million in fiscal 2000, and comprised approximately 56% and 59% of total revenues in fiscal 2001 and 2000, respectively.
- o CONSULTING revenue increased 28% to \$276.3 million in fiscal 2001, compared to \$216.7 million in fiscal 2000, and comprised approximately 29% and 25% of total revenues in fiscal 2001 and 2000, respectively.
- o EVENTS revenue was \$132.7 million in fiscal 2001, an increase of 22% over the \$108.6 million in fiscal 2000, and comprised approximately 14% of total revenues in fiscal 2001 versus 13% in fiscal 2000.
- o OTHER revenues, consisting principally of software licensing and maintenance fees, decreased 31% to \$18.8 million in fiscal 2001 from \$27.4 million in fiscal 2000.

Revenue grew in our three defined geographic market areas: United States and Canada, Europe, and Other International. Revenues from sales to United States and Canadian clients increased 13% to \$641.9 million in fiscal 2001 from \$569.5 million in fiscal 2000. Revenues from sales to European clients increased 8% to \$249.9 million in fiscal 2001 from \$231.6 million in fiscal 2000. Revenues from sales to Other International clients increased by 16% to \$71.1 million in fiscal 2001 from \$61.4 million in fiscal 2000.

Cost of services and product development expenses were \$450.5 million and \$395.6 million for fiscal 2001 and fiscal 2000, respectively. The costs of services and product development expenses increased as a percentage of total revenues to 47% from 46%. The increase is attributable to growth in personnel costs associated with the development and delivery of products and services.

Selling, general and administrative expenses increased to \$370.1 million in fiscal 2001 from \$341.9 million in fiscal 2000. The increase was due to recruiting and facilities costs related to the growth in personnel as well as increases in sales costs associated with revenue growth.

Depreciation expense increased to \$40.9 million in fiscal 2001 from \$27.8 million in fiscal 2000, primarily due to capital spending and internal use software development costs required to support business growth, including the launch of the new gartner.com web site in January 2001. Amortization of intangibles of \$12.4 million in fiscal 2001 was down from \$13.0 million in fiscal 2000.

During 2001, we recorded other charges of \$46.6 million. Of these charges, \$24.8 million are associated with the workforce reduction announced in April 2001. This workforce reduction has resulted in the elimination of 383 positions, or approximately 8% of our workforce. Approximately \$14.3 million of the other charges are associated with the write-down of goodwill and other long-lived assets

to net realizable value as a result of the decision to discontinue certain unprofitable products, and \$7.5 million of the charge is associated primarily with the write-off of internally developed systems in connection with the launch of gartner.com and seat-based pricing. At September 30, 2001, \$6.6 million of the termination benefits relating to the workforce reduction remained to be paid. We are funding these costs out of operating cash flows.

Operating income decreased 49% to \$42.5 million in fiscal 2001 compared to \$84.1 million in fiscal 2000. In fiscal 2001, our United States, Canadian, and European businesses experienced declines in operating income of 49% and 21%, respectively. Our Other International business experienced an operating loss for the year. These operating results were all impacted by the other charges recorded during fiscal 2001. On a consolidated basis, operating income as a percentage of total revenues was 4% and 10%, respectively, for fiscal 2001 and 2000. Operating income was impacted, in part, by other charges and costs associated with the re-architecture of our Internet capabilities and research methodology and delivery processes, and higher growth in lower margin consultative services. Excluding the other charges, operating income for fiscal 2001 was 9% of total revenues. We decreased our staff by approximately 8% in the second half of fiscal 2001 and, in the fourth quarter, decreased the expense to revenue ratio on selling, general and administrative expense by 2.4 percentage points as compared to the fourth quarter of last year. As a result of our cost reduction initiatives, operating margin improved from 8% for the first six months of the fiscal year to 11% for the second half, all excluding other charges.

Net loss on sale of investments in fiscal 2001 of \$0.6 million includes the sale of the remaining 1,922,795 shares of Jupiter for net cash proceeds of \$7.5 million for a pre-tax loss of \$5.6 million, offset in part by the sale of shares received from our venture capital funds, SI I and SI II for net cash proceeds of \$6.0 million for a pre-tax gain of \$5.0 million. Net gain on sale of investments in fiscal 2000 reflects the sale of 1,995,950 shares of Jupiter for net cash proceeds of \$55.5 million for a pre-tax gain of \$42.9 million. This gain was partially offset by the sale of our 8% investment in NETg, Inc., a subsidiary of Harcourt, Inc., to an affiliate of Harcourt, Inc. for \$36.0 million in cash that resulted in a pre-tax loss of approximately \$6.6 million. We acquired this investment as consideration for our sale of GartnerLearning in September 1998. In addition, in fiscal 2000 we settled a claim arising from the sale of GartnerLearning to NETg, Inc. The claim asserted that we had breached a contractual commitment under a joint venture to co-produce a product when the business was sold. The claim was settled for approximately \$6.7 million and has been recorded as a loss on sale of investments.

Net loss from minority-owned investments in fiscal 2001 of \$26.8 million was primarily the result of impairment losses related to investments owned by us through SI I, SI II and other directly owned investments for other than temporary declines in value. We made an assessment of the carrying value of our investments and determined that certain investments were in excess of their fair value due to the significance and duration of the decline in valuation of comparable companies operating in the internet and technology sectors (see Note 5 - Investments in the Notes to Consolidated Financial Statements). The impairment factors evaluated by management may change in subsequent periods, given that the entities underlying these investments operate in a volatile business environment. In addition, these entities may require additional financing to meet their cash and operational needs, however, there can be no assurance that such funds will be available to the extent needed, at terms acceptable to the entities, if at all. This could result in additional material non-cash impairment charges in the future.

Interest expense decreased to \$22.4 million in fiscal 2001 from \$24.9 million in fiscal 2000. The decrease related primarily to lower interest rates and lower revolving credit borrowings compared to fiscal 2000. Interest income of \$1.6 million in fiscal 2001 was down from \$3.9 million in fiscal 2000 due to a lower average balance of funds available for investment and due to lower interest rates. Other expense, net increased to \$3.7 million in fiscal 2001 from \$0.7 million in fiscal 2000. The increase relates primarily to foreign currency exchange losses.

Provision for income taxes on continuing operations was a benefit of \$9.2 million in fiscal 2001 compared to a provision of \$36.4 million in fiscal 2000. The effective tax rate in 2001, less the impact of a one-time tax benefit of \$14.5 million due to the utilization of foreign tax credits in the second half of the year and other charges and losses on investments and related tax impact, was 37% compared to 40% for fiscal 2000. The decrease in the effective tax rate from fiscal 2000 is due to on-going tax planning initiatives. A more detailed analysis of the changes in the provision (benefit) for income taxes is provided in Note 14 of the Notes to Consolidated Financial Statements.

Basic income (loss) per common share from continuing operations was \$(0.00) per common share in fiscal 2001 compared to \$0.63 per common share in fiscal 2000. Diluted income (loss) per common share from continuing operations decreased to \$(0.00) per share in fiscal 2001 compared to \$0.62 per share in fiscal 2000.

On July 2, 2001, we sold our subsidiary, TechRepublic, to CNET for approximately \$23.5 million in cash and common stock of CNET, before reduction for certain termination benefits. The proceeds were \$14.3 million in cash and 755,058 shares of CNET common stock, which had a fair market value of \$12.21 per share on July 2, 2001. From July 2, 2001 through September 30, 2001, the market value of the CNET shares declined substantially; as a result, we recorded a \$3.9 million impairment charge in net loss from minority-owned investments representing an other than temporary decline in market value of the CNET common stock. The Consolidated Financial Statements have been restated to reflect the disposition of the TechRepublic segment as a discontinued operation in accordance with APB Opinion No. 30. Accordingly, revenues, costs and expenses, assets, liabilities,

and cash flows of TechRepublic have been excluded from the respective captions in the Consolidated Statements of Operations, Consolidated Balance Sheets and Consolidated Statements of Cash

Flows, and have been reported through the date of disposition as "Loss from discontinued operation," "Net assets of discontinued operation," and "Net cash used by discontinued operation," for all periods presented. During 2001, we recorded a pre-tax loss of \$66.4 million (\$39.9 million after tax) to recognize the loss on the sale of TechRepublic. This pre-tax loss includes a write-down of \$42.4 million of assets, primarily goodwill, to net realizable value, operating losses through the date of sale of \$6.5 million, severance and related benefits of \$8.3 million, and other sale-related costs and expenses, including costs associated with the closure of facilities, of \$9.2 million.

SEGMENT ANALYSIS

Research

Research revenues grew 5% to \$535.1 million in fiscal 2001, as compared to \$509.8 million in the prior fiscal year. The increase was due primarily to higher client retention in North America, the continued successful migration of clients from legacy to seat-based pricing, the increased penetration of new buying centers within existing clients and continued focus on the growth of GartnerG2 and Gartner EXP. The new pricing structure provides broader access to research compared to the traditional individual research subscription. During fiscal 2001, we launched GartnerG2, a new research service designed specifically to help business executives use technology to enhance business growth and productivity. Research gross contribution in fiscal 2001 increased to \$352.6 million from \$341.1 million in fiscal 2000. Gross contribution margin decreased slightly to 66% in fiscal 2001 from 67% in fiscal 2000, primarily a result of the investments in gartner.com and the launch of GartnerG2. Gross contribution margin increased to 67% for the second half of fiscal 2001 from 64% for the first half, due in large part to cost reduction measures instituted during the year.

Consulting

Consulting revenues grew 28% to \$276.3 million in fiscal 2001 as compared to \$216.7 million in the prior fiscal year. The increase was due primarily to an increase in the number of projects, increased project size, and increases in billing rates. Consulting gross contribution increased by 15% to \$86.9 million in fiscal 2001 from \$75.7 million in fiscal 2000. Consulting gross contribution margin of 31% in fiscal 2001 decreased from 35% in fiscal 2000, primarily due to increases in compensation expense related to the hiring of additional personnel in the first half of fiscal 2001, coupled by an increase in non-billable services, such as training, participation in annual symposia events, and increased selling activity. Gross contribution margin increased to 39% for the second half of fiscal 2001 from 22% for the first half, due in large part to cost reduction measures instituted during the year.

Events

Events revenues grew 22% to \$132.7 million in fiscal 2001 as compared to \$108.6 million in the prior fiscal year. The increase was due to greater attendance at existing and new events, as well as increased sponsorship and exhibit revenues. Events' gross contribution increased by 26% to \$63.6 million in fiscal 2001 from \$50.6 million in fiscal 2000, with gross contribution margin of 48% in 2001 compared to 47% in fiscal 2000. The increase in gross contribution margin was due to the leveraging of existing events and an overall increase in sponsorship and exhibitor sales.

LIQUIDITY AND CAPITAL RESOURCES

Cash provided by operating activities during fiscal 2002 was \$145.6 million, compared to \$73.5 million during fiscal 2001. The increase was primarily due to significantly higher income from continuing operations, lower amounts of termination payments associated with workforce reductions and changes in balance sheet working capital accounts.

Cash used in investing activities totaled \$19.4 million for fiscal 2002, compared to \$44.6 million used in fiscal 2001. Cash used in investing activities during fiscal 2002 and 2001 included \$19.6 million and \$57.5 million, respectively, for additions to property, equipment and leasehold improvements. These additions in fiscal 2002 were primarily the result of investments in infrastructure systems. These cash uses in fiscal 2002 were partially offset by proceeds from the sale of marketable securities of \$6.0 million. The additions to property, equipment and leasehold improvements in fiscal 2001 were primarily the result of investments in gartner.com and other infrastructure systems. These cash uses in fiscal 2001 were partially offset by proceeds from the sale of marketable securities and discontinued operations of \$14.4 million and \$10.5 million, respectively. Cash used for business acquisitions was \$4.5 million and \$12.0 million for fiscal 2002 and 2001, respectively.

Cash used in financing activities totaled \$40.1 million in fiscal 2002, compared to \$18.9 million in fiscal 2001. The cash used in financing activities in fiscal 2002 resulted primarily from the purchase of treasury stock of \$47.0 million (see discussion below under Stock Repurchases) and the repayment of credit facility loans (\$15.0 million), offset, in part, by proceeds from the exercise of stock options and the employee stock purchase plan (\$22.2 million). The cash used in financing activities in fiscal 2001 resulted primarily from the purchase of treasury stock of \$37.9 million (see discussion below under Stock Repurchases), offset in part, by proceeds from credit facility borrowings (\$15.0 million) and by proceeds from the exercise of stock options and the employee stock purchase plan (\$9.1 million).

Total cash used by discontinued operations, sold in fiscal 2001, was \$34.2 million in fiscal 2001 and \$30.1 million in fiscal 2000.

At September 30, 2002, cash and cash equivalents totaled \$124.8 million. The effect of exchange rates increased cash and cash equivalents by \$1.7 million for the year ended September 30, 2002, and was due to the weakening of the U.S. dollar against certain foreign currencies. In fiscal 2001, the negative effect of exchange rates reduced cash and cash equivalents by \$0.4 million. Cash and cash equivalents are expected to decline during the three months ended December 31, 2002, due to the payment of annual bonuses and commissions to our sales force.

OBLIGATIONS AND COMMITMENTS

We have a \$200.0 million unsecured senior revolving credit facility led by JPMorgan Chase Bank. At September 30, 2002, there were no amounts outstanding under the facility. We are subject to certain customary affirmative, negative and financial covenants under this credit facility, and continued compliance with these covenants preclude us from borrowing the maximum amount of the credit facility from time to time. As a result of these covenants, our borrowing availability at September 30, 2002 was \$118.9 million.

On April 17, 2000, we issued \$300.0 million of 6% convertible subordinated notes to Silver Lake Partners, L.P. and certain of Silver Lake's affiliates ("SLP") in a private placement transaction. Interest accrues semi-annually by a corresponding increase in the face amount of the notes. Accordingly, \$46.3 million has been added to the face amount of the notes, resulting in a balance outstanding of \$346.3 million at September 30, 2002. These notes are due and payable on April 17, 2005.

On or after April 17, 2003, subject to satisfaction of certain customary conditions, we may redeem all of the convertible notes provided that (1) the average closing price of our Class A Common Stock for the twenty consecutive trading days immediately preceding the date the redemption notice is given equals or exceeds \$11.175 (150% of the adjusted conversion price of \$7.45 per share), and (2) the closing price of our Class A Common Stock on the trading day immediately preceding the date the redemption notice is given also equals or exceeds \$11.175. The redemption price is the face amount of the notes plus all accrued interest. If we initiate the redemption, SLP has the option of receiving payment in cash, Class A Common Stock (at a conversion price of \$7.45 per share), or a combination of cash and stock. We are under no obligation to initiate any such redemption.

Commencing on April 18, 2003, or prior to that date should there be a change in control of the Company, SLP may convert all or a portion of the notes to stock. If SLP initiates the conversion, we have the option of redeeming all the notes for cash at the market price of our Common Stock on the date the notice of conversion is given. Additionally, if we were to redeem all of the notes for cash in response to SLP's election to convert the notes to Class A Common Stock, we would incur a significant earnings charge at the time of the redemption equal to the difference between the market value of our Class A Common Stock at the time of redemption at the conversion price of \$7.45 per share and the carrying value of the notes. At September 30, 2002, the notes were convertible into 46.6 million shares with a total market value of \$377.1 million, using our September 30, 2002 Class A Common Stock market price of \$8.10 per share.

On the maturity date, April 17, 2005, we must satisfy any remaining notes for cash equal to the face amount of the notes plus accrued interest; if none of the notes has been redeemed or converted by that date, such amount will be \$403.2 million.

We also issue letters of credit in the ordinary course of business. As of September 30, 2002, we had letters of credit outstanding with JPMorgan Chase Bank for \$3.7 million, The Bank of New York for \$2.0 million, and others for \$0.1 million.

We lease various facilities, furniture and computer equipment under operating lease arrangements expiring between 2003 and 2025. Future commitments under non-cancelable operating lease agreements are \$28 million, \$24 million, \$21 million, \$18 million and \$17 million for fiscal 2003, 2004, 2005, 2006 and 2007, respectively.

The obligations remaining at September 30, 2002 relative to the other charges recorded in fiscal 2001 and in the second quarter of fiscal 2002 were \$4.7 million in the aggregate; \$4.1 million is for the costs of facility reductions, principally lease payments and \$0.6 million is for involuntary employee termination severance and benefits. Payments for involuntary termination severance and benefits will be made primarily over the next two quarters. Payments relating to facility reductions will be made over the remaining lease terms with the majority occurring over the next two to three years.

We had a total remaining investment commitment to SI II of \$5.9 million at September 30, 2002, which may be called by SI II at any time.

We believe that our current cash balances, together with cash anticipated to be provided by operating activities and borrowings available under the existing credit facility, will be sufficient for our expected short-term and foreseeable long-term cash needs in the ordinary course of business. If we were to require substantial amounts of additional capital to pursue business opportunities that may arise involving substantial investments of additional capital, or for the possible redemption of the convertible notes, there can be no assurances that such capital will be available to us or will be available on commercially reasonable terms.

Stock Repurchases

On July 19, 2001, our Board of Directors approved the repurchase of up to \$75.0 million of Class A and Class B Common Stock. On July 25, 2002, the Board of Directors increased the authorized stock repurchase program to \$125 million of our Class A and Class B Common Stock. We expect to make repurchases from time to time over the next two years through open market purchases, block trades or otherwise. Repurchases are subject to the availability of the stock, prevailing market conditions, the trading price of the stock, and our financial performance. Repurchases will be funded from cash flow from operations and possible borrowings under our existing credit facility. Through September 30, 2002, we repurchased 6,791,209 shares of our common stock for approximately \$69.8 million out of the \$125 million approved for the stock repurchase program at an average price of \$10.28 per share.

Stock repurchases are summarized below:

Total Cost Per Total Shares Cost \$000 Share	

	----- FISCAL
	2000
	Recapitalization
	4,500,200 \$
	49,877 \$ 11.08
	=====
	=====
	=====
	FISCAL 2001
	Recapitalization
	666,491 \$ 5,416
	\$ 8.13 Stock
	Repurchase
	Program:
	Purchased from
	IMS Health,
	Inc. and
	affiliates on
	August 29, 2001
	(1) 1,867,149 \$
	18,447 \$ 9.88
	Open market
	purchases (1)
	458,960 \$ 4,325
	\$ 9.42
	Termination of
	forward
	purchase
	agreement
	1,164,154 \$
	9,705 \$ 8.34 --

	----- Total
	fiscal 2001
	4,156,754 \$
	37,893 \$ 9.12
	=====
	=====
	=====
	FISCAL 2002
	Stock
	Repurchase
	Program (1)
	4,465,100 \$
	47,047 \$ 10.54
	=====
	=====
	=====
	(1) REPRESENTS
	CUMULATIVE
	REPURCHASES
	PURSUANT TO THE
	\$125 MILLION
	STOCK
	REPURCHASE
	PROGRAM
	6,791,209 \$
	69,819 \$ 10.28
	=====
	=====
	=====

FACTORS THAT MAY AFFECT FUTURE RESULTS

We operate in a very competitive and rapidly changing environment that involves numerous risks and uncertainties, some of which are beyond our control. In

addition, our clients and we are affected by the economy. The following section discusses many, but not all, of these risks and uncertainties.

Economic Conditions. Our revenues and results of operations are influenced by economic conditions in general and more particularly by business conditions in the IT industry. A general economic downturn or recession, anywhere in the world, could negatively effect demand for our products and services and may substantially reduce existing and potential client information technology-related budgets. The current economic downturn in the United States and globally has led to constrained IT spending which has impacted our business and may materially and adversely affect our business, financial condition and results of operations, including the ability to maintain continued customer renewals and achieve contract value, backlog and deferred events revenue. To the extent our clients are in the IT industry, the severe decline in that sector has also had a significant impact on IT spending.

Acts of Terrorism or War. Acts of terrorism, acts of war and other unforeseen events, may cause damage or disruption to our properties, business, employees, suppliers, distributors and clients, which could have an adverse effect on our business, financial condition and operating results. Such events may also result in an economic slowdown in the United States or elsewhere, which could adversely affect our business, financial condition and operating results.

Competitive Environment. We face direct competition from a significant number of independent providers of information products and services. We also compete indirectly against consulting firms and other information providers, including electronic and print media companies, some of which may have greater financial, information gathering and marketing resources than we do. These indirect competitors could choose to compete directly with us in the future. In addition, limited barriers to entry exist in the markets in which we compete. As a result, additional new competitors may emerge and existing competitors may start to provide additional or complementary services. Additionally, technological advances may provide increased competition from a variety of sources. Although our market share has been increasing, increased competition may result in loss of market share, diminished value in our products and services, reduced pricing and increased marketing expenditures. We may not be successful if we cannot compete effectively on quality of research and analysis, timely delivery of information, customer service, the ability to offer products to meet changing market needs for information and analysis, or price.

Renewal of Research Business by Existing Clients. Some of our success depends on renewals of our subscription-based research products and services, which constituted 55%, 56% and 59% of our business for the years ended September 30, 2002, 2001 and 2000, respectively. These research subscription agreements have terms that generally range from twelve to thirty months. Our ability to maintain contract renewals is subject to numerous factors, including those described in this Annual Report. Client retention rates were 75%, 74% and 74% for the years ended September 30, 2002, 2001 and 2000, respectively. Any material decline in renewal rates could have an adverse impact on our revenues and our financial condition.

Non-Recurring Consulting Engagements. Consulting segment revenues constituted 30%, 29% and 25% of our business for the years ended September 30, 2002, 2001 and 2000, respectively. Such consulting engagements typically are project-based and non-recurring. Our ability to replace consulting engagements is subject to numerous factors, including those described in this Annual Report. Any material decline in our ability to replace consulting arrangements could have an adverse impact on our revenues and our financial condition.

Hiring and Retention of Employees. Our success depends heavily upon the quality of our senior management, research analysts, consultants, sales and other key personnel. We face competition for the limited pool of these qualified professionals from, among others, technology companies, market research firms, consulting firms, financial services companies and electronic and print media companies, some of which have a greater ability to attract and compensate these professionals. Some of the personnel that we attempt to hire are subject to non-compete agreements that could impede our short-term recruitment efforts. Any failure to retain key personnel or hire and train additional qualified personnel, as required to support the evolving needs of clients or growth in our business, could adversely affect the quality of our products and services, and therefore, our future business and operating results.

Maintenance of Existing Products and Services. We operate in a rapidly evolving market, and our success depends upon our ability to deliver high quality and timely research and analysis to our clients. Any failure to continue to provide credible and reliable information that is useful to our clients could have a material adverse effect on future business and operating results. Further, if our predictions prove to be wrong or are not substantiated by appropriate research, our reputation may suffer and demand for our products and services may decline. In addition, we must continue to improve our methods for delivering our products and services in a cost-effective manner. Failure to increase and improve our electronic delivery capabilities could adversely affect our future business and operating results.

Introduction of New Products and Services. The market for our products and services is characterized by rapidly changing needs for information and analysis. To maintain our competitive position, we must continue to enhance and improve our products and services, develop or acquire new products and services in a timely manner, and appropriately position and price new products and services relative to the marketplace and our costs of producing them. Any failure to achieve successful client acceptance of new products and services could have a material adverse effect on our business, results of operations or financial position.

International Operations. A substantial portion of our revenues is derived from sales outside of North America, representing 34%, 33% and 34% of our business for the fiscal years ended September 30, 2002, 2001 and 2000, respectively. As a result, our operating results are subject to the risks inherent in international business activities, including general political and economic conditions in each country, changes in market demand as a result of exchange rate fluctuations and tariffs and other trade barriers, challenges in staffing and managing foreign operations, changes in regulatory requirements, compliance with numerous foreign laws and regulations, different or overlapping tax structures, higher levels of United States taxation on foreign income, and the difficulty of enforcing client agreements, collecting accounts receivable and protecting intellectual property rights in international jurisdictions. We rely on local distributors or sales agents in some international locations. If any of these arrangements are terminated by our agent or us, we may not be able to replace the arrangement on beneficial terms or on a timely basis or clients of the local distributor or sales agent may not want to continue to do business with us or our new agent.

Branding. We believe that our "Gartner" brand is critical to our efforts to attract and retain clients and that the importance of brand recognition will increase as competition increases. We may expand our marketing activities to promote and strengthen the Gartner brand and may need to increase our marketing budget, hire additional marketing and public relations personnel, expend additional sums to protect the brand and otherwise increase expenditures to

create and maintain client brand loyalty. If we fail to effectively promote and

maintain the Gartner brand, or incur excessive expenses in doing so, our future business and operating results could be materially and adversely impacted.

Investment Activities. We maintain investments in equity securities in private and publicly traded companies through direct ownership and through wholly and partially owned venture capital funds. The companies we invest in are primarily early to mid-stage IT-based and Internet-enabled businesses. There are numerous risks related to such investments, due to their nature and the volatile public markets, including significant delay or failure of anticipated returns. In addition, these entities may require additional financing to meet their cash and operational needs; however, there can be no assurance that such funds will be available to the extent needed at terms acceptable to the entities, if at all. As a result, our financial results and financial position could be materially impacted.

Indebtedness. We have incurred significant indebtedness through our \$346.3 million convertible notes. Additionally, we have a \$200.0 million senior revolving credit facility under which we can incur significant additional indebtedness. The affirmative, negative and financial covenants of these debt facilities, could limit our future financial flexibility. The associated debt service costs could impair future operating results. Our outstanding debt may limit the amount of cash or additional credit available to us, which could restrain our ability to expand or enhance products and services, respond to competitive pressures or pursue future business opportunities requiring substantial investments of additional capital. On the maturity date, April 17, 2005, we must satisfy any remaining notes for cash equal to the face amount of the notes plus accrued interest; if none of the notes have been redeemed or converted by that date, such amount will be \$403.2 million. The payment of this amount could materially adversely impact our future business and operating results.

Convertible Notes. Commencing on April 18, 2003, or sooner in certain circumstances upon a change in control of the Company, the holders of our \$346.3 million convertible notes may elect to convert all or a portion of the notes to shares of our Class A Common Stock. If all or a substantial portion of the notes are converted, the note holders will own a substantial number of shares of our Class A Common Stock. At September 30, 2002, the notes were convertible into 46.6 million shares of our Class A Common Stock, which would constitute 36.2% of our combined Class A and Class B Common Stock, outstanding on that date. This is based upon the conversion price of \$7.45 per share. If the holders elect to convert the notes, we may redeem them. See "Obligations and Commitments" and "Indebtedness" above. If we do not redeem the notes and all or a substantial portion of the notes are converted, the holder of the notes (SLP) will become our largest shareholder (based upon our shareholder base as of September 30, 2002). This, in turn, may (1) give SLP the ability to exercise significant control over the Company; (2) create significant dilution for other shareholders; and (3) may cause volatility in our stock price. If we want to redeem the convertible notes in response to the note holders' election to convert, or on our own under certain circumstances, there can be no assurance that we will be able to obtain sufficient capital on a commercially reasonable basis, or at all, in order to fund a redemption. Even if we could obtain sufficient capital to fund a redemption, it could materially adversely impact our future business and operating results.

Organizational and Product Integration Related to Acquisitions. We have made and may continue to make acquisitions of, or significant investments in, businesses that offer complementary products and services. The risks involved in each acquisition or investment include the possibility of paying more than the value we derive from the acquisition, dilution of the interests of our current stockholders or decreased working capital, increased indebtedness, the assumption of undisclosed liabilities and unknown and unforeseen risks, the ability to integrate successfully the operations and personnel of the acquired business, the ability to retain key personnel of the acquired company, the time to train the sales force to market and sell the products of the acquired company, the potential disruption of our ongoing business and the distraction of management from our business. The realization of any of these risks could adversely affect our business.

Enforcement of Our Intellectual Property Rights. We rely on a combination of copyright, patent, trademark, trade secret, confidentiality, non-compete and other contractual provisions to protect our intellectual property rights. Despite our efforts to protect our intellectual property rights, unauthorized third parties may obtain and use technology or other information that we regard as proprietary. Our intellectual property rights may not survive a legal challenge to their validity or provide significant protection for us. The laws of certain countries do not protect our proprietary rights to the same extent as the laws of the United States. Accordingly, we may not be able to protect our intellectual property against unauthorized third-party copying or use, which could adversely affect our competitive position. Our employees are subject to non-compete agreements. When the non-competition period expires, former employees may compete against us. If a former employee chooses to compete against us prior to the expiration of the non-competition period, there is no assurance that we will be successful in our efforts to enforce the non-compete provision.

Possibility of Infringement Claims. Third parties may assert infringement claims against us. Regardless of the merits, responding to any such claim could be time consuming, result in costly litigation and require us to enter into royalty and licensing agreements which may not be offered or available on reasonable terms. If a successful claim is made against us and we fail to develop or license a substitute technology, our business, results of operations or financial position could be materially adversely affected.

Agreements with IMS Health Incorporated. In connection with our recapitalization

in July 1999, we agreed to certain restrictions on business activity to reduce the risk to IMS Health and its stockholders of substantial tax liabilities associated with the spin-off by IMS Health of its equity interest in us. We also agreed to assume the risk of such tax liabilities if we were to undertake certain business activities that give rise to the liabilities. As a result, we may be limited in our ability to undertake acquisitions involving the issuance of a

significant amount of stock unless we were to seek and obtain a ruling from the IRS that the transaction will not give rise to such tax liabilities. In addition, we agreed to certain limits on the purchase of our Common Stock under the terms of the recapitalization.

Potential Fluctuations in Operating Results. Our quarterly and annual operating income may fluctuate in the future as a result of many factors, including the timing of the execution of research contracts, which typically occurs in the fourth calendar quarter, the extent of completion of consulting engagements, the timing of symposia and other events, which also occur to a greater extent in the fourth calendar quarter, the amount of new business generated, the mix of domestic and international business, changes in market demand for our products and services, the timing of the development, introduction and marketing of new products and services, and competition in the industry. An inability to generate sufficient earnings and cash flow, and achieve our forecasts, may impact our operating and other activities. The potential fluctuations in our operating income could cause period-to-period comparisons of operating results not to be meaningful and may provide an unreliable indication of future operating results.

EURO CONVERSION

Effective January 1, 2002, twelve of the fifteen member countries of the European Union adopted the Euro as their single currency. The participating countries issued new Euro-denominated bills and coins for use in cash transactions. Effective July 1, 2002, legacy currency is no longer legal tender for any transactions in the participating countries. We do not believe that the translation of financial transactions into Euros has had, or will have, a significant effect on our results of operations, liquidity or financial condition. We do not anticipate any material impact from the Euro conversion on our financial information systems, which accommodate multiple currencies. Costs associated with the adoption of the Euro have not been and are not expected to be significant and are being expensed as incurred.

RECENTLY ISSUED ACCOUNTING STANDARDS

In November 2001, the Emerging Issues Task Force reached a consensus on issue No. 01-14, "Income Statement Characterization of Reimbursements Received for 'Out-of-Pocket' Expenses Incurred." The consensus requires reimbursements received for out-of-pocket expenses incurred to be characterized as revenue in the statements of operations. Out-of-pocket expenses are incidental expenses incurred as part of ongoing operations and include, but are not limited to, expenses related to airfare, mileage, hotel stays, out-of-town meals, photocopies and telecommunication and facsimile charges. This consensus must be applied to financial reporting periods beginning after December 15, 2001 with reclassification of prior periods for comparability. We adopted the consensus beginning with the second quarter of our fiscal year that began on January 1, 2002, and in accordance with the consensus, have restated prior periods. For the years ended September 30, 2002, 2001 and 2000, adoption of the consensus caused both revenues and cost of services and product development in the consulting segment to increase by \$10.0 million, \$10.8 million and \$7.9 million, respectively.

In April 2002, Statement of Financial Accounting Standards No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections" ("SFAS No. 145") was issued. FASB Statement No. 4 required all gains and losses from the extinguishment of debt to be reported as extraordinary items and Statement No. 64 related to the same matter. SFAS No. 145 requires gains and losses from certain debt extinguishment to not be reported as extraordinary items when the use of debt extinguishment is part of the risk management strategy. Statement No. 44 was issued to establish transitional requirements for motor carriers relative to intangible assets. Those transitions are completed, therefore Statement 44 is no longer necessary. SFAS No. 145 also amends Statement No. 13 requiring sale-leaseback accounting for certain lease modifications. SFAS No. 145 is effective for fiscal years beginning after May 15, 2002, which will be our 2003 fiscal year. The provisions relating to sale-leaseback are effective for transactions after May 15, 2002. The adoption of SFAS No. 145 is not expected to have a material impact on our financial position or results of operations. Upon adoption, in 2003, the extraordinary loss from the extinguishment of debt, net of taxes of \$1.8 million, or \$(0.02) per share in fiscal 2000 will be reclassified to continuing operations.

In July 2002, Statement of Financial Accounting Standards No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" ("SFAS 146") was issued. This Statement addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force Issue ("EITF") 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." The principal difference between SFAS 146 and EITF 94-3 relates to the timing of liability recognition. Under SFAS 146, a liability for a cost associated with an exit or disposal activity is recognized when the liability is incurred. Under EITF 94-3, a liability for an exit cost was recognized at the date of an entity's commitment to an exit plan. The provisions of SFAS 146 are effective for exit or disposal activities that are initiated after December 31, 2002. The adoption of this statement is not expected to have a material impact on our financial position or results of operations as approval and finalization of our recent workforce and facility reductions announced on October 30, 2002 were initiated prior to the SFAS 146 effective date.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Interest Rate Risk

As of September 30, 2002, we have exposure to market risk for changes in interest rates primarily from borrowings under long-term debt which consists of a \$200.0 million unsecured senior revolving credit facility with JPMorgan Chase Bank and \$346.3 million of 6% convertible subordinated notes (see Note 10--Debt in the Notes to Consolidated Financial Statements). At September 30, 2002, there were no amounts outstanding under the revolving credit facility. Under the revolving credit facility, the interest rate on borrowings is LIBOR plus an additional 100 to 200 basis points based on our debt-to-EBITDA ratio. We believe that an increase or decrease of 10% in the effective interest rate on available borrowings from our senior revolving credit facility, if fully utilized, would not have a material effect on our future results of operations. If markets were to decline, we could be required to accrue interest on the 6% convertible debt that would exceed those based on current market rates. Each 25 basis point decrease in interest would have an associated annual opportunity cost of approximately \$0.9 million based on the September 30, 2002 balance. Each 25 basis point increase or decrease in interest rates would have an approximate \$0.5 million annual effect under the revolving credit facility if fully utilized.

Forward Purchase Agreements

Beginning in 1997, we entered into a series of forward purchase agreements that extended through May 2003 to offset the dilutive effect of stock-based employee compensation plans. These agreements were settled quarterly on a net basis in either shares of Class A Common Stock or cash, at the Company's option. During the year ended September 30, 2001, two settlements resulted in our issuance of 491,789 shares of Class A Common Stock and our payment of approximately \$64,000 in cash. During the quarter ended June 30, 2001, we reacquired 1,164,154 shares of Class A Common Stock for approximately \$9.7 million through an early termination of the remaining forward purchase agreements. As of September 30, 2001, there were no remaining commitments under these forward purchase agreements.

Investment Risk

We are exposed to market risk as it relates to changes in the market value of our equity investments. We invest in equity securities of public and private companies directly and through SI I, a wholly-owned affiliate, and SI II, of which we own 34%. SI I and SI II are engaged in making venture capital investments in early to mid-stage IT-based or Internet-enabled companies (see Note 5 - Investments in the Notes to the Consolidated Financial Statements). As of September 30, 2002, we had investments in equity securities totaling \$12.7 million. Unrealized losses of \$945,000 have been recorded net of deferred taxes of \$630,000 as a separate component of accumulated other comprehensive income in the stockholders' equity section of the Consolidated Balance Sheets. These investments are inherently risky as the businesses are typically in early development stages and may never develop. Further, certain of these investments are in publicly traded companies whose shares are subject to significant market price volatility. Adverse changes in market conditions and poor operating results of the underlying investments may result in us incurring additional losses or an inability to recover the original carrying value of our investments. If there were a 100% adverse change in the value of our equity portfolio as of September 30, 2002, this would result in a non-cash impairment charge of \$12.7 million. We intend to sell all of our investments owned through SI I and SI II.

Foreign Currency Exchange Risk

We face two risks related to foreign currency exchange: translation risk and transaction risk. Amounts invested in our foreign operations are translated into U.S. dollars at the exchange rates in effect at the balance sheet date. The resulting translation adjustments are recorded as a component of accumulated other comprehensive income (loss) in the stockholders' equity (deficit) section of the Consolidated Balance Sheets. Our foreign subsidiaries generally collect revenues and pay expenses in currencies other than the United States dollar. Since the functional currency of our foreign operations are generally denominated in the local currency of our subsidiaries, the foreign currency translation adjustments are reflected as a component of stockholders' equity and do not impact operating results. Revenues and expenses in foreign currencies translate into higher or lower revenues and expenses in U.S. dollars as the U.S. dollar weakens or strengthens against other currencies. Therefore, changes in exchange rates may negatively affect our consolidated revenues and expenses (as expressed in U.S. dollars) from foreign operations. Currency transaction gains or losses arising from transactions in currencies other than the functional currency are included in results of operations.

From time to time we enter into foreign currency forward exchange contracts or other derivative financial instruments to hedge the effects of adverse fluctuations in foreign currency exchange rates. During fiscal 2002, we had a contract requiring us to sell U.S. dollars and purchase Japanese yen. The contract was for \$1.0 million, a one-year term that expired on September 27, 2002, and contained a forward exchange rate of 114.26 Japanese yen. The foreign currency forward contract was entered into to offset the foreign exchange effects of our Japanese yen inter-company payable, which had a value of \$1.0 million. On September 27, 2002, we settled this contract by paying \$50,000. At September 30, 2002, we had two foreign currency forward contracts outstanding. Foreign exchange forward contracts are reflected at fair value with gains and losses recorded currently in earnings.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The information required to be furnished pursuant to this item will be set forth under the caption "Certain Relationships and Transactions" in the Proxy Statement or if the Proxy Statement is not filed with the Commission by January 28, 2003, such information will be included in an amendment to this Annual Report filed by January 28, 2003.

ITEM 14. CONTROLS AND PROCEDURES.

(a) Evaluation of Disclosure Controls and Procedures.

We have established disclosure controls and procedures that are designed to ensure that the information we are required to disclose in our reports filed under the Securities Exchange Act of 1934, as amended (the "Act"), is recorded, processed, summarized and reported in a timely manner. Specifically, these controls and procedures ensure that the information is accumulated and communicated to our executive management team, including our chief executive officer and our chief financial officer, to allow timely decisions regarding required disclosure.

Within 90 days prior to the filing of our Annual Report on Form 10-K for the fiscal year ended September 30, 2002, the Company conducted an evaluation, under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness and design of our disclosure controls and procedures. Based upon that evaluation, our chief executive officer and chief financial officer have concluded that the Company's disclosure controls and procedures are effective in alerting them in a timely manner to material Company information required to be disclosed by us in reports filed under the Act.

(b) Changes in Internal Controls.

Subsequent to the date of the evaluation, there have been no significant changes in the Company's internal controls or in other factors that could significantly affect internal controls and procedures, nor were any corrective actions required with regard to significant deficiencies and material weaknesses.

PART IV

ITEM 15. EXHIBITS, CONSOLIDATED FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

(a) 1. and 2. Consolidated Financial Statements and Schedules

The independent auditors' report, consolidated financial statements and financial statement schedule listed in the Index to Consolidated Financial Statements and Schedule on page 25 hereof are filed as part of this report, beginning on page 26 hereof.

All other financial statement schedules not listed in the Index have been omitted because the information required is not applicable or is shown in the financial statements or notes thereto.

3. Exhibits

EXHIBIT NUMBER	DESCRIPTION OF DOCUMENT
3.1a(6)	Amended and Restated Certificate of Incorporation-July 16, 1999.
3.1b(7)	Certificate of Amendment of the Restated Certificate of Incorporation-February 1, 2001.
3.1c(4)	Certificate of Designation, Preferences and Rights of Series A Junior Participating Preferred Stock and Series B Junior Participating Preferred Stock of the Company-March 1, 2000.
3.2(6)	Amended Bylaws, as amended through April 14, 2000.
4.1(7)	Form of Certificate for Common Stock, Class A-as of February 2001.
4.2(7)	Form of Certificate for Common Stock, Class B-as of February 2001.
4.3*	Amended and Restated Rights Agreement, dated as of August 31, 2002, between the Company and Mellon Investor Services LLC, as Rights Agent, with related Exhibits.
4.4a(7)	Amended and Restated Credit Agreement dated July 17, 2000 by and among the Company and certain financial institutions, including Chase Manhattan Bank in its capacity as a lender and as agent for the lenders.
4.4b*	Amendment No. 3 to the Amended and Restated Credit Agreement dated as of May 30, 2002.
10.1(1)	Form of Indemnification Agreement.
10.2a(5)	Securities Purchase Agreement dated as of March 21, 2000 between the Company, Silver Lake Partners, L.P., Silver Lake Technology Investors, L.L.C. and other parties thereto.

- 10.2b(5) Amendment to the Securities Purchase Agreement dated as of April 17, 2000 between the Company, Silver Lake Partners, L.P., Silver Lake Technology Investors, and the other parties thereto.
- 10.2c(7) Letter Agreement dated September 6, 2001 relating to the Securities Purchase Agreement and 6% Convertible Junior Subordinated Promissory Notes.
- 10.2d* Form of Amended and Restated 6% Convertible Junior Subordinated Promissory Note due April 17, 2005.
- 10.2e* Amended and Restated Securityholders Agreement dated as of July 12, 2002 among the Company, Silver Lake Partners, L.P. and other parties thereto.
- 10.3a(2) Lease dated December 29, 1994 between Soundview Farms and the Company for premises at 56 Top Gallant Road, 70 Gatehouse Road, and 88 Gatehouse Road, Stamford, Connecticut.
- 10.3b(3) Lease dated May 16, 1997 between Soundview Farms and the Company for premises at 56 Top Gallant Road, 70 Gatehouse Road, 88 Gatehouse Road and 10 Signal Road, Stamford, Connecticut (amendment to lease dated December 29, 1994, see exhibit 10.3a).
- 10.4(6)+ 1993 Director Stock Option Plan as amended and restated on April 14, 2000.
- 10.5(9)+ 2002 Employee Stock Purchase Plan.
- 10.6(3)+ 1994 Long Term Stock Option Plan, as amended and restated on October 12, 1999.
- 10.7(3)+ 1998 Long Term Stock Option Plan, as amended and restated on October 12, 1999.
- 10.8(3)+ 1996 Long Term Stock Option Plan, as amended and restated on October 12, 1999.
- 10.9*+ Employment Agreement between Michael D. Fleisher and the Company as of October 1, 2002.
- 10.10(6)+ Employment Agreement between Regina M. Paolillo and the Company as of July 1, 2000.
- 10.11*+ Employment Agreement between Maureen O'Connell and the Company dated as of October 15, 2002 and effective as of September 23, 2002.
- 10.12a(6)+ Employment Agreement between Robert E. Knapp and the Company dated as of August 7, 2000.
- 10.12b(7)+ Addendum No. 1 to Employment Agreement between Robert E. Knapp and the Company as of February 1, 2001.
- 10.13(8)+ Employment Agreement between Steven Tait and the Company dated as of June 15, 2001.
- 21.1* Subsidiaries of Registrant.
- 23.1* Independent Auditors' Consent.
- 24.1 Power of Attorney (see Signature Page).

* Filed with this document.

+ Management compensation plan or arrangement.

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- (1) Incorporated by reference from the Company's Registration Statement on Form S-1 (File No. 33-67576), as amended, effective October 4, 1993.
- (2) Incorporated by reference from the Company's Annual Report on Form 10-K as filed on December 21, 1995.
- (3) Incorporated by reference from the Company's Annual Report on Form 10-K as filed on December 22, 1999.
- (4) Incorporated by reference from the Company's Form 8-K dated March 1, 2000 as filed on March 7, 2000.
- (5) Incorporated by reference from the Company's Form 8-K dated April 17, 2000 as filed on April 25, 2000.
- (6) Incorporated by reference from the Company's Annual Report on Form 10-K as filed on December 29, 2000.
- (7) Incorporated by reference from the Company's Annual Report on Form 10-K as filed on December 28, 2001.
- (8) Incorporated by reference from the Company's Form 10-Q as filed on February 13, 2002.
- (9) Incorporated by reference from the Company's Form S-8 dated as filed on June 26, 2002.

(b) Reports on Form 8-K

The Company filed no reports on Form 8-K during the fiscal quarter ended September 30, 2002.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULE

GARTNER, INC.
CONSOLIDATED FINANCIAL STATEMENTS

Report by Management.....	26
Independent Auditors' Report.....	27
Consolidated Balance Sheets as of September 30, 2002 and 2001.....	28
Consolidated Statements of Operations for Years Ended September 30, 2002, 2001 and 2000	29
Consolidated Statements of Stockholders' Equity (Deficit) and Comprehensive Income (Loss) for Years Ended September 30, 2002, 2001 and 2000	30 & 31
Consolidated Statements of Cash Flows for Years Ended September 30, 2002, 2001 and 2000.....	32
Notes to Consolidated Financial Statements.....	33
Certification Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934 as Adopted Pursuant to Section 302 of the Sarbanes - Oxley Act of 2002.....	59 & 60
Independent Auditors' Report on Consolidated Financial Statement Schedule.....	61
Schedule II--Valuation and Qualifying Accounts, Years Ended September 30, 2002, 2001 and 2000.....	63

Report by Management

Management's Responsibility for Financial Reporting

Management has prepared and is responsible for the integrity and objectivity of the consolidated financial statements and related information included in the Annual Report. The consolidated financial statements, which include amounts based on management's best judgments and estimates, were prepared in conformity with generally accepted accounting principles. Financial information elsewhere in this Annual Report is consistent with that in the consolidated financial statements.

The Company maintains a system of internal controls designed to provide reasonable assurance at reasonable cost that assets are safeguarded and transactions are properly executed and recorded for the preparation of reliable financial information. The internal control system is augmented with written policies and procedures, an organizational structure providing division of responsibilities, careful selection and training of qualified financial people and a program of periodic audits performed by both internal auditors and independent public accountants.

The Audit Committee of the Board of Directors, composed solely of non-employee directors, meets regularly with management, internal auditors and our independent accountants to ensure that each is meeting its responsibilities and to discuss matters concerning internal controls and financial reporting. Both the independent and internal auditors have unrestricted access to the Audit Committee.

/s/ Michael D. Fleisher

Michael D. Fleisher
Chairman of the Board and Chief Executive Officer

/s/ Maureen E. O'Connell

Maureen E. O'Connell
Chief Financial Officer

Independent Auditors' Report

The Board of Directors and Stockholders
Gartner, Inc.:

We have audited the accompanying consolidated balance sheets of Gartner, Inc. and subsidiaries as of September 30, 2002 and 2001, and the related consolidated statements of operations, stockholders' equity (deficit) and comprehensive income (loss) and cash flows for each of the years in the three-year period ended September 30, 2002. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Gartner, Inc. and subsidiaries as of September 30, 2002 and 2001, and the results of their operations and their cash flows for each of the years in the three-year period ended September 30, 2002, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Notes 1 and 8, the Company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" in the year ended September 30, 2002.

/s/ KPMG LLP

New York, New York
October 29, 2002

GARTNER, INC.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE DATA)

SEPTEMBER 30, -----	2002	2001	-----
----- ASSETS			
Current assets: Cash and cash equivalents			\$ 124,793 \$ 37,128
Marketable equity securities			
receivable, net of allowances of \$7,000 in 2002 and \$5,600 in 2001	--	3,250	Fees
..... 264,843 300,306			Deferred commissions
Prepaid expenses and other current assets			26,366 34,822
..... 39,031 70,868			-----
----- Total current assets			455,033 446,374
Property, equipment and leasehold improvements, net			
..... 76,161 100,288			Goodwill
Intangible assets, net			222,427 216,856
..... 2,731 5,377			-----
Other assets			
..... 68,498 70,107			----- Total assets
			\$
824,850 \$ 839,002	=====	=====	LIABILITIES AND STOCKHOLDERS'
EQUITY (DEFICIT)			
Current liabilities: Accounts payable and accrued liabilities			\$ 130,364 \$ 137,751
Deferred revenues			306,978
351,263			Short-term debt
----- Total current liabilities			-- 15,000
..... 437,342 504,014			-----
Long-term convertible debt			346,300 326,200
..... 46,098			-----
Other liabilities			
43,306			Commitments and contingencies
Preferred stock: \$.01 par value, authorized 5,000,000 shares; none issued or outstanding	--	--	Common stock: \$.0005 par value, authorized
166,000,000 shares of Class A Common Stock and 84,000,000 shares of Class B Common Stock; issued 79,986,681 shares of Class A Common Stock (77,737,660 in 2001) and 40,689,648 shares of Class B Common Stock in 2002 and in 2001			60 59
Additional paid-in capital			366,723 342,216
Unearned compensation, net			(3,467) (5,145)
Accumulated other comprehensive loss, net			(14,085) (14,961)
Accumulated earnings			164,661 116,083
Treasury stock, at cost, 28,210,725 shares of Class A Common Stock (26,621,154 in 2001) and 10,453,520 shares of Class B Common Stock (8,141,820 in 2001)			(518,782) (472,770)
----- Total stockholders' equity (deficit)			(4,890) (34,518)
..... (4,890) (34,518)			-----
----- Total liabilities and stockholders' equity (deficit)			\$ 824,850 \$ 839,002
..... \$ 824,850 \$ 839,002	=====	=====	=====

See Notes to Consolidated Financial Statements.

GARTNER, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE DATA)

YEAR ENDED SEPTEMBER 30,	-----	2002	2001	2000	-----
Revenues: Research					
..... \$					
496,403	\$	535,114	\$	509,781	Consulting
.....					
273,692		276,292		216,667	Events
.....					
121,991		132,684		108,589	Other
.....					
15,088		18,794		27,414	Total revenues
.....					
907,174					Costs and expenses: Cost of services
962,884		862,451			and product development
.....					
403,718					Selling, general and administrative
450,471		395,603			Depreciation
.....					
345,382		370,096		341,874	Amortization of intangibles
.....					
1,949		12,367		13,004	Other charges
.....					
17,246					Total costs
46,563					and expenses
.....					
810,799					Operating income
920,370		778,320			
.....					
96,375					Net gain (loss) on sale of investments
42,514		84,131			Net loss
.....					from minority-owned investments
787		(640)		29,630	Interest income
.....					
(2,365)		(26,817)		(775)	Interest expense
.....					
1,845					Other expense, net
1,616		3,936			Income
.....					(loss) from continuing operations before income taxes
(22,869)		(22,391)		(24,900)	Provision (benefit) for
.....					income taxes
(3,674)		(722)			Income
.....					(loss) from continuing operations
73,603		(9,392)		91,300	Discontinued operation, net of taxes: Loss from
.....					discontinued operation
25,025					Loss on disposal of discontinued
(9,172)		36,447			operation
.....					Loss from discontinued operation
48,578		(220)		54,853	Income (loss) before
.....					extraordinary item
(66,203)		27,275			Extraordinary loss on debt
.....					extinguishment, net of taxes
--		--		(1,729)	Net income (loss)
.....					
48,578		\$ (66,203)		\$ 25,546	Net income (loss) per share: Basic: Income
.....					(loss) from continuing operations
\$ 0.58		\$ (0.00)		\$ 0.63	Loss from discontinued operation
.....					Loss on disposal of discontinued
--		(0.30)		(0.31)	operation
.....					Extraordinary loss
(0.47)		--		--	Net income
.....					(loss)
--		--		(0.02)	
.....					
\$ 0.58					Diluted:
(0.77)		\$ 0.30			Income (loss) from continuing operations
.....					
\$ 0.47		\$ (0.00)		\$ 0.62	Loss from discontinued operation
.....					Loss on disposal of discontinued
--		(0.30)		(0.31)	operation
.....					Extraordinary loss
(0.47)		--		--	Net income
.....					(loss)
--		--		(0.02)	
.....					
\$ 0.47					Weighted average shares outstanding: Basic
(0.77)		\$ 0.29			
.....					
83,586		85,862		86,564	Diluted
.....					
130,882		85,862		89,108	
.....					

See Notes to Consolidated Financial Statements.

GARTNER, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(DEFICIT) AND COMPREHENSIVE INCOME (LOSS)
(IN THOUSANDS, EXCEPT SHARE DATA)

ACCUMULATED OTHER ADDITIONAL UNEARNED COMPREHENSIVE PREFERRED COMMON PAID-IN COMPENSATION, INCOME (LOSS) STOCK STOCK CAPITAL NET NET -----			
Balance at September 30, 1999	\$ --	\$ 58	\$ 314,829
\$ (8,280) \$ (3,830) Net income			

Foreign currency translation adjustments	-- --	(11,667)	Net unrealized gain on marketable investments, net of tax benefit of \$12,084

15,496 Comprehensive income			

Issuance of 1,379,306 shares of Class A Common Stock upon exercise of stock options	-- 1,809	-- --	Issuance from treasury stock of 394,279 shares of Class A Common Stock for purchases by employees

5,008	-- --		Tax benefits of stock transactions with employees

4,179	-- --		Net share settlement of 155,792 shares of Class A Common Stock on forward purchase agreement

Net cash settlement paid on forward purchase agreement	-- (8,200)	-- --	Restricted stock net of forfeitures of 27,500 shares of Class A Common Stock

(719) 719	-- --		Acquisition of 2,493,500 shares of Class A and 2,006,700 shares of Class B Common Stock

Increase in carrying value of Jupiter Media Metrix	-- --		

8,321	-- --		Issuance of 2,074 shares of Class A Common Stock issued for services rendered

Option to purchase subsidiary shares	-- --	1,000	Return of 37,013 shares of Class A Common Stock related to acquisitions

(723)	-- --		Issuance of subsidiary stock related to an acquisition

2,000	-- --		Amortization of unearned compensation

Balance at September 30, 2000	-- 59	333,828	(6,451) (1) Net loss

Foreign currency translation adjustments	-- --	1,627	Change in net unrealized loss on marketable investments, net of tax benefit of \$12,811

(16,587) Comprehensive loss			

Issuance of 592,832 shares of Class A Common Stock upon exercise of stock options	-- --	3,650	

Issuance from treasury stock of 769,085 shares of Class A Common Stock for purchases by employees	-- --	5,374	

1,331	-- --		Net settlement paid of 491,789 shares of Class A Common Stock and \$64 on forward purchase agreement

(73)	-- --		Acquisition of 4,144,666 shares of Class A and 12,088 shares of Class B Common Stock

Elimination of minority interest from sale of discontinued	-- --		

operation -- --(2,056) -
- -- Issuance of subsidiary stock upon
exercise of stock options
..... 56 -- --
Compensation from modification of stock
options related to employee terminations
..... -- --
261 -- -- Amortization of unearned
compensation -- -- 1,151
-- Issuance of 81,290 shares of Class A
Common Stock upon earnout of restricted
shares and forfeiture of unvested
restricted share awards
..... -- --
(155) 155 -- -----

Balance at September 30, 2001
..... -- 59 342,216
(5,145) (14,961)
TOTAL STOCKHOLDERS' ACCUMULATED TREASURY
EQUITY EARNINGS STOCK (DEFICIT) -----
----- Balance at
September 30, 1999 -- --
\$ 156,740 \$ (385,031) \$ 74,486 Net income
..... -- --
25,546 -- 25,546 Foreign currency
translation adjustments -- --
(11,667) Net unrealized gain on marketable
investments, net of tax benefit of \$12,084
..... -- -- 15,496 -----
Comprehensive income
..... -- -- 29,375
Issuance of 1,379,306 shares of Class A
Common Stock upon exercise of stock
options
..... -- --
-- -- 8,092 Issuance from treasury stock
of 394,279 shares of Class A Common Stock
for purchases by employees
..... -- 8 5,016 Tax
benefits of stock transactions with
employees
..... -- --
-- 4,179 Net share settlement of 155,792
shares of Class A Common Stock on forward
purchase agreement
..... -- --
Net cash settlement paid on forward
purchase agreement
..... -- --
-- (8,200) Restricted stock net of
forfeitures of 27,500 shares of Class A
Common Stock -- --
Acquisition of 2,493,500 shares of Class A
and 2,006,700 shares of Class B Common
Stock -- --
-- (49,877) (49,877) Increase in carrying
value of Jupiter Media Metrix
..... -- --
-- -- 8,321 Issuance of 2,074 shares of
Class A Common Stock issued for services
rendered -- -- 42 Option to
purchase subsidiary shares -- --
-- -- 1,000 Return of 37,013 shares of
Class A Common Stock related to
acquisitions -- (1)
(724) Issuance of subsidiary stock related
to an acquisition
..... -- --
2,000 Amortization of unearned
compensation -- -- 1,110 --

Balance at September 30, 2000
..... 182,286 (434,901)
74,820 Net loss
..... -- --
(66,203) -- (66,203) Foreign currency
translation adjustments -- --
1,627 Change in net unrealized loss on
marketable investments, net of tax benefit
of \$12,811 -- --
- (16,587) ----- Comprehensive loss
..... -- -- (81,163)
Issuance of 592,832 shares of Class A
Common Stock upon exercise of stock
options -- -- 3,650 Issuance
from treasury stock of 769,085 shares of
Class A Common Stock for purchases by
employees -- 15
5,389 Tax benefits of stock transactions
with employees
..... -- --
-- 1,331 Net settlement paid of 491,789
shares of Class A Common Stock and \$64 on
forward purchase agreement -- --
9 (64) Acquisition of 4,144,666 shares of
Class A and 12,088 shares of Class B

Common Stock	--	(37,893)
(37,893) Elimination of minority interest from sale of discontinued operation	-- --	(2,056)
Issuance of subsidiary stock upon exercise of stock options	-- --	56
Compensation from modification of stock options related to employee terminations	-- --	261
Amortization of unearned compensation	-- --	1,151
Issuance of 81,290 shares of Class A Common Stock upon earnout of restricted shares and forfeiture of unvested restricted share awards	-- --	

Balance at September 30, 2001		116,083 (472,770)
		(34,518)

Net income	--	--	--	--	--
Foreign currency translation adjustments	--	--	--	--	(69)
Change in net unrealized loss on marketable investments, net of tax benefit of \$630	--	--	--	--	945
Comprehensive income	--	--	--	--	--
Issuance of 1,989,049 shares of Class A Common Stock upon exercise of stock options	--	1	17,730	--	--
Issuance from treasury stock of 560,861 shares of Class A Common Stock for purchases by employees	--	--	3,400	--	--
Tax benefits of stock transactions with employees	--	--	2,280	--	--
Acquisition of 2,153,400 shares of Class A and 2,311,700 shares of Class B Common Stock	--	--	--	--	--
Issuance of 3,159 shares of Class A Common Stock for directors compensation	--	--	55	--	--
Compensation from modification of stock options related to employee terminations	--	--	1,403	--	--
Amortization of unearned compensation	--	--	--	1,317	--
Issuance of 81,613 shares of Class A Common Stock upon earnout of restricted shares and forfeiture of unvested restricted share awards	--	--	(361)	361	--
Balance at September 30, 2002	\$ --	\$ 60	\$ 366,723	\$ (3,467)	\$ (14,085)

Net income

48,578 -- 48,578 Foreign currency translation adjustments	--	--
(69) Change in net unrealized loss on marketable investments, net of tax benefit of \$630	--	945
Comprehensive income	--	49,454
Issuance of 1,989,049 shares of Class A Common Stock upon exercise of stock options	5	17,736
Issuance from treasury stock of 560,861 shares of Class A Common Stock for purchases by employees	--	1,030
Tax benefits of stock transactions with employees	4,430	--
Acquisition of 2,153,400 shares of Class A and 2,311,700 shares of Class B Common Stock	--	(47,047)
(47,047) Issuance of 3,159 shares of Class A Common Stock for directors compensation	--	55
Compensation from modification of stock options related to employee terminations	--	1,403
Amortization of unearned compensation	--	1,317
Issuance of 81,613 shares of Class A Common Stock upon earnout of restricted shares and forfeiture of unvested restricted share awards	--	(361)
Balance at September 30, 2002	\$ 164,661	\$ (518,782)
	\$ (4,890)	\$ (14,085)

See Notes to Consolidated Financial Statements.

GARTNER, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

YEAR ENDED SEPTEMBER 30,	2002	2001
2000		
Operating activities: Net income (loss)	\$ 48,578	\$ (66,203)
Adjustments to reconcile net income (loss) to cash provided by operating activities of continuing operations:		
Loss from discontinued operation	-- 65,983	27,578
Depreciation	42,504	40,873
Amortization of intangibles	27,839	1,949
Non-cash compensation	13,004	12,367
	2,720	1,151
Tax benefit associated with employee exercise of stock options	2,151	2,280
Provision for doubtful accounts	2,280	1,331
Deferred tax (benefit) expense	9,119	5,037
	4,066	(34,973)
Net loss (gain) on sale of investments	(10,159)	(787)
Net loss from minority-owned investments	(787)	640
Accretion of interest and amortization of debt issuance costs	2,365	26,817
Non-cash charges associated with impairment of long-lived assets	22,116	20,802
Net gain from sale of business	18,888	--
Extraordinary loss on debt extinguishment, net of tax benefit to reduce goodwill	--	1,729
Changes in assets and liabilities, excluding effects of acquisitions and discontinued operation: Fees receivable	--	158
Deferred commissions	31,180	19,634
Prepaid expenses and other current assets	9,046	(16,552)
Other assets	26,069	(26,039)
Accounts payable and accrued liabilities	1,930	(2,559)
Deferred revenues	(7,628)	13,147
Cash provided by operating activities	(50,886)	(35,488)
Investing activities: Payments for businesses acquired (excluding cash acquired)	145,552	73,468
Proceeds from sale of investments	(4,537)	(12,011)
Proceeds from sale of business	6,025	14,437
Payments for investments	239	--
Addition of property, equipment, leasehold improvements and capitalized software	(1,508)	(20,427)
Net proceeds from sale of discontinued operation	(19,639)	(57,546)
	--	10,501
Cash used in investing activities	(98,638)	(19,420)
Financing activities: Proceeds from the exercise of stock options	17,736	3,706
Proceeds from Employee Stock Purchase Plan	8,092	4,430
Net cash settlement on forward purchase agreement	4,430	5,389
Purchases of treasury stock	--	(64)
Proceeds from issuance of debt	(49,877)	(47,047)
Payments on debt	15,000	420,000
Capitalized payments for debt issuance costs	(15,000)	(370,000)
	(238)	(5,000)
Cash (used in) provided by financing activities	(40,119)	(18,862)
Net increase in cash and cash equivalents	(40,119)	(18,862)
Cash used by discontinued operation	86,013	9,987
	--	(34,203)
Effect of exchange rates on cash and cash equivalents	--	(30,096)
Cash and cash equivalents, beginning of period	37,128	61,698
Cash and cash equivalents, end of period	124,793	\$ 37,128
Supplemental disclosures of cash flow information: Cash paid during the period for:		
Interest	\$ 753	\$ 1,589
Income taxes paid, net of refunds received. The 2002 amount is net of \$26,650 of refunds	\$ 14,964	\$ 13,685
Supplemental schedule of non-cash investing and financing activities: Stock issued by Company and subsidiary in connection with acquisitions	\$ --	\$ --
Option to	\$ 2,000	--

purchase subsidiary shares issued by Company
\$ -- \$ -- \$ 1,000

See Notes to Consolidated Financial Statements.

GARTNER, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION. The fiscal year of Gartner, Inc. (the "Company") represents the period from October 1 through September 30. References to 2002, 2001 and 2000, unless otherwise indicated, are to the respective fiscal year. Certain prior year amounts have been reclassified to conform to the current year presentation.

PRINCIPLES OF CONSOLIDATION. The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries. All significant intercompany transactions and balances have been eliminated. Investments in companies in which the Company owns less than 50% but has the ability to exercise significant influence over operating and financial policies are accounted for using the equity method. All other investments for which the Company does not have the ability to exercise significant influence are accounted for under the cost method of accounting. The results of operations for acquisitions of companies accounted for using the purchase method have been included in the Consolidated Statements of Operations beginning on the closing date of acquisition.

REVENUE AND COMMISSION EXPENSE RECOGNITION. The Company typically enters into annually renewable subscription contracts for research products. Revenue from research products is deferred and recognized ratably over the applicable contract terms. The majority of research contracts are billable upon signing, absent special terms granted on a limited basis from time to time. All research contracts are non-cancelable and non-refundable, except for government contracts that have a 30-day cancellation clause but have not produced material cancellations to date. With the exception of certain government contracts which permit termination and contracts with special billing terms, it is the Company's policy to record the entire amount of the contract that is billable as a fee receivable at the time the contract is signed, which represents a legally enforceable claim, and a corresponding amount as deferred revenue. For those government contracts that permit termination, the Company bills the client the full amount billable under the contract but only records a receivable equal to the earned portion of the contract. In addition, the Company only records deferred revenue on these government contracts when cash is received. Deferred revenue attributable to government contracts were \$28.9 million and \$24.5 million at September 30, 2002 and 2001, respectively. In addition, at September 30, 2002 and 2001, the Company had not recognized receivables or deferred revenues relating to government contracts that permit termination of \$7.7 million and \$13.3 million, respectively, which had been billed but not yet collected. The Company records the commission obligation related to research contracts upon the signing of the contract and amortizes the corresponding deferred commission expense over the contract period in which the related revenues are earned.

Consulting revenues, primarily derived from consulting, measurement and strategic advisory services (paid one-day analyst engagements), are recognized primarily on a percentage of completion basis and on a time and materials basis as work is performed and services are provided on a contract by contract basis.

Events revenue is deferred and recognized upon the completion of the related symposium, conference or exhibition. In addition, the Company defers certain costs directly related to events and expenses these costs in the period during which the related symposium, conference or exhibition occurs. The Company's policy is to defer only those costs, primarily prepaid site and production services costs, which are incremental and are directly attributable to a specific event. Other costs of organizing and producing the Company's events, primarily Company personnel and non-event specific expenses, are expensed in the period incurred. At the end of each fiscal quarter, management assesses on an event-by-event basis whether expected direct costs of producing a scheduled event will exceed expected revenues. If such costs are expected to exceed revenues, the Company records the expected loss in the period determined.

Other revenues includes software licensing fees which are recognized when a signed non-cancelable software license exists, delivery has occurred, collection is probable, and the Company's fees are fixed or determinable. Revenue from software maintenance is deferred and recognized ratably over the term of each maintenance agreement, which is typically twelve months.

CASH AND CASH EQUIVALENTS. All highly liquid investments with original maturities of three months or less are classified as cash equivalents. The carrying value of these investments approximates fair value based upon their short-term maturity. Investments with maturities of more than three months are classified as marketable securities.

INVESTMENTS IN EQUITY SECURITIES. The Company accounts for its investments in publicly traded equity securities under Statement of Financial Accounting Standards ("SFAS ") No. 115, "Accounting for Certain Investments in Debt and Equity Securities. These investments, which meet the criteria for classification as available for sale, are recorded at fair value and are included as Marketable Equity Securities on the Consolidated Balance Sheets given the Company's ability and intent to sell such investments within a one year period. Unrealized gains and losses on these marketable investments are recorded, net of tax, as a component of Accumulated other comprehensive income (loss), net within the Stockholders' equity (deficit) section of the Consolidated Balance Sheets. Realized gains and losses are recorded in Net gain (loss) from sale of investments within the Consolidated Statements of

Operations. The cost of equity securities sold is based on specific identification. The Company assesses the need to record impairment losses on investments and records such losses when the impairment of an investment is determined to be other than temporary in nature. In making this assessment, the Company considers the significance and duration of the decline in value and the valuation of comparable companies operating in the

Internet and technology sectors. The impairment factors the Company evaluates may change in subsequent periods, since the entities underlying these investments operate in a volatile business environment. In addition, these entities may require additional financing to meet their cash and operational needs; however, there can be no assurance that such funds will be available to the extent needed at terms acceptable to the entities, if at all. These impairment losses are reflected in Net loss from minority-owned investments within the Consolidated Statements of Operations. Investments for which the Company does not have the ability to exercise significant influence are accounted for under the cost method of accounting. Accordingly, these investments are carried at the lower of cost or net realizable value and are included in Other assets in the Consolidated Balance Sheets (see Note 5 - Investments). The equity method is used to account for investments in entities that are not majority-owned and that the Company does not control but does have the ability to exercise significant influence.

PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS. Property, equipment and leasehold improvements are stated at cost less accumulated depreciation and amortization. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized using the straight-line method over the shorter of the estimated useful lives of the assets or the remaining term of the related leases.

SOFTWARE DEVELOPMENT COSTS. The Company capitalizes certain computer software development costs and enhancements after the establishment of technological feasibility, limited to the net realizable value of the software product, and ceases capitalization when the software product is available for general release to clients. Until these products reach technological feasibility, all costs related to development efforts are charged to expense. Once technological feasibility has been determined, additional costs incurred in development, including coding, testing, and documentation, are capitalized. Amortization of software development costs is provided on a product-by-product basis over the estimated economic life of the software, generally two years, using the straight-line method. Amortization of capitalized computer software development costs begins when the products are available for general release to customers. Additionally, the Company capitalizes certain costs incurred to purchase or to create and implement internal use software. Periodic reviews are performed to ensure that unamortized capitalized software development costs remain recoverable from future revenue.

GOODWILL AND INTANGIBLE ASSETS. Intangible assets include, non-compete agreements, trademarks and tradenames. Goodwill represents the excess of the purchase price of acquired businesses over the estimated fair value of the tangible and identifiable intangible net assets acquired. Effective October 1, 2001, the Company adopted early SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 142 eliminates goodwill amortization upon adoption and requires an initial assessment for goodwill impairment within six months after initial adoption and at least annually thereafter. No goodwill amortization was recognized during the year ended September 30, 2002. The Company completed its initial transitional goodwill impairment assessment in the second fiscal quarter of 2002 and determined that there was no impairment of goodwill and no impairment charge to be recorded as a cumulative effect of a change in accounting principle in accordance with SFAS No. 142. Non-compete agreements are being amortized on a straight-line basis over the period of the agreement ranging from two to five years. Tradenames are being amortized on a straight-line basis over their estimated useful lives ranging from nine to twelve years. In addition, no impairment was recognized as a result of the Company's annual evaluation.

IMPAIRMENT OF LONG-LIVED ASSETS AND INTANGIBLE ASSETS. The Company reviews long-lived assets and intangible assets other than goodwill for impairment whenever events or changes in circumstances indicate that the carrying amount of the respective asset may not be recoverable. Such evaluation may be based on a number of factors including current and projected operating results and cash flows, changes in management's strategic direction as well as other economic and market variables. Management's policy regarding long-lived assets and intangible assets other than goodwill is to evaluate the recoverability of these assets by determining whether the balance can be recovered through undiscounted future operating cash flows. Should events or circumstances indicate that the carrying value might not be recoverable based on undiscounted future operating cash flows, an impairment loss would be recognized. The amount of impairment, if any, is measured based on the difference between projected discounted future operating cash flows using a discount rate reflecting the Company's average cost of funds and the carrying value of the asset (see Note 6 -- Other Charges).

FOREIGN CURRENCY TRANSLATION. All assets and liabilities of foreign subsidiaries are translated into U.S. dollars at fiscal year-end exchange rates. The resulting translation adjustments are recorded as foreign currency translation adjustments, as a component of Accumulated other comprehensive income (loss) within the stockholders' equity (deficit) section of the Consolidated Balance Sheets. Income and expense items are translated at average exchange rates for the year. Currency transaction gains or losses arising from transactions denominated in currencies other than the functional currency are included in results of operations within Other expense, net within the Consolidated Statements of Operations.

INCOME TAXES. Deferred tax assets and liabilities are recognized based on differences between the book and tax basis of assets and liabilities using presently enacted tax rates. The provision for income taxes is the sum of the amount of income tax paid or payable for the year as determined by applying the provisions of enacted tax laws to taxable income for that year and the net changes during the year in deferred tax assets and liabilities. Undistributed earnings of subsidiaries outside of the U.S. amounted to approximately \$40.0

million as of September 30, 2002 and will either be indefinitely reinvested or remitted substantially free of U.S. tax. Accordingly, no material provision has been made for taxes that may be payable upon remittance of such earnings, nor is it practicable to determine the amount of any liability. The Company credits additional paid-in capital for realized tax benefits arising from stock transactions with employees. The

tax benefit on a nonqualified stock option is equal to the tax effect of the difference between the market price of the Company's common stock on the date of exercise and the exercise price.

FAIR VALUE OF FINANCIAL INSTRUMENTS. The Company's financial instruments include cash and cash equivalents, fees receivable, accounts payable, and accruals which are short-term in nature. The carrying amounts of these financial instruments approximate their fair value. Investments in publicly traded equity securities are valued based on quoted market prices. Investments in equity securities that are not publicly traded are valued at the lower of cost or net realizable value, which approximates fair market value.

Long-term convertible debt consists of 6% convertible subordinated notes (see Note 10--Debt). Although there were no amounts outstanding at September 30, 2002 under a senior revolving credit facility, the carrying amount of any such borrowings would approximate fair value as the rates of interest on the revolving credit facility approximate current market rates of interest for similar instruments with comparable maturities.

CONCENTRATIONS OF CREDIT RISK. Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, marketable equity securities and fees receivable. Concentrations of credit risk with respect to fees receivable are limited due to the large number of clients comprising the client base and their dispersion across many different industries and geographic regions.

USE OF ESTIMATES. The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures, if any, of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Estimates are used when accounting for such items as allowance for doubtful accounts, investments, depreciation, amortization, income taxes and certain accrued liabilities.

RECENTLY ISSUED ACCOUNTING STANDARDS. In November 2001, the Emerging Issues Task Force reached a consensus on issue No. 01-14, "Income Statement Characterization of Reimbursements Received for 'Out-of-Pocket' Expenses Incurred." The consensus requires reimbursements received for out-of-pocket expenses incurred to be characterized as revenue in the statements of operations. Out-of-pocket expenses are incidental expenses incurred as part of ongoing operations and include, but are not limited to, expenses related to airfare, mileage, hotel stays, out-of-town meals, photocopies and telecommunication and facsimile charges. This consensus must be applied to financial reporting periods beginning after December 15, 2001 with reclassification of prior periods for comparability. The Company adopted the consensus beginning with the second quarter of fiscal 2002, and in accordance with the consensus, reclassified prior periods. For the years ended September 30, 2002, 2001 and 2000, adoption of the consensus caused both revenues and cost of services and product development in the consulting segment to increase by \$10.0 million, \$10.8 million and \$7.9 million, respectively.

In April 2002, Statement of Financial Accounting Standards No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections" ("SFAS No. 145") was issued. FASB Statement No. 4 required all gains and losses from the extinguishment of debt to be reported as extraordinary items and Statement No. 64 related to the same matter. FAS 145 requires gains and losses from certain debt extinguishment to not be reported as extraordinary items when the use of debt extinguishment is part of the risk management strategy. Statement No. 44 was issued to establish transitional requirements for motor carriers relative to intangible assets. Since those transitions are completed, Statement 44 is no longer applicable. SFAS No. 145 also amends Statement No. 13 requiring sale-leaseback accounting for certain lease modifications. SFAS No. 145 is effective for fiscal years beginning after May 15, 2002 (fiscal 2003 for Gartner). The provisions relating to sale-leaseback are effective for transactions after May 15, 2002. The adoption of SFAS No. 145 is not expected to have a material impact on the Company's financial position or results of operations. Upon adoption, in 2003, the extraordinary loss from the extinguishment of debt, net of taxes of \$1.8 million or \$(0.02) per share in fiscal 2000 will be reclassified to continuing operations.

In July 2002, Statement of Financial Accounting Standards No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" ("SFAS 146") was issued. This Statement addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force Issue ("EITF") 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." The principle difference between SFAS 146 and EITF 94-3 relates to the timing of liability recognition. Under SFAS 146, a liability for a cost associated with an exit or disposal activity is recognized when the liability is incurred. Under EITF 94-3, a liability for an exit cost was recognized at the date of an entity's commitment to an exit plan. The provisions of SFAS 146 are effective for exit or disposal activities that are initiated after December 31, 2002. The adoption of this statement is not expected to have a material impact on the Company's financial position or results of operations as approval of the Company's workforce and facility reductions announced on October 30, 2002 were initiated prior to the SFAS No. 146 effective date (see Note 18 - Subsequent Events - Unaudited).

2--BUSINESS ACQUISITIONS

FISCAL 2002

On June 10, 2002, the Company acquired the remaining 49.9% of People3, Inc., a leading authority on IT human capital. People3 has been integrated with the Company's consulting segment. Prior to this acquisition, the Company owned 50.1% of People3 and consolidated its assets and liabilities and results of operations with those of the Company. Revenues in fiscal 2002 were approximately \$6.9 million. The purchase price was \$3.9 million, of which \$0.2 million was allocated to non-compete agreements, \$0.3 million was allocated to database-related assets and \$3.4 million was allocated to goodwill. The non-compete agreements are being amortized over the three-year non-compete agreement. The database-related assets are being amortized over their estimated useful life of five years.

During fiscal 2002, the Company completed additional acquisitions for total consideration of approximately \$0.7 million, of which \$0.1 million was allocated to tangible assets, \$0.8 million was allocated to goodwill, \$0.2 million was allocated to non-compete agreements and \$0.4 million was allocated to liabilities assumed. The non-compete agreements are being amortized over the five-year non-compete agreement.

FISCAL 2001

On October 2, 2000, the Company acquired all of the assets and assumed the liabilities of Solista Global LLC ("Solista") for approximately \$9.0 million in cash. Solista is a provider of strategic consulting services that merge technology and business expertise to help clients build strategies for the digital world. The acquisition was accounted for by the purchase method and the purchase price was allocated to the assets acquired and the liabilities assumed, based upon estimated fair values at the date of the acquisition. The excess purchase price over the fair value of amounts assigned to the net tangible assets acquired was approximately \$6.5 million, of which \$6.0 million was allocated to goodwill. In addition, \$0.5 million of the purchase price was allocated to non-compete agreements which are being amortized over three years. See Note 6 - Other Charges.

During fiscal 2001, the Company completed additional acquisitions for consideration of \$3.0 million in cash. The largest of these was the acquisition of an events business for approximately \$2.6 million.

FISCAL 2000

On December 10, 1999, the Company acquired all of the assets and assumed the liabilities of Rendall and Associates, Inc. ("Rendall") for \$12.0 million in cash. Rendall provides strategic planning advice, feasibility and competitive analysis and research on the telecommunications market, technologies, regulation and public policies. Additionally, Rendall provides technical expertise in broadband technologies. The acquisition was accounted for by the purchase method and the purchase price was allocated to the assets acquired and the liabilities assumed, based upon estimated fair values at the date of the acquisition. The excess purchase price over the fair value of amounts assigned to the net tangible assets acquired was approximately \$11.1 million, of which \$9.9 million was allocated to goodwill. In addition, \$1.2 million of the purchase price was allocated to a non-compete agreement, which is being amortized over 5 years.

On November 30, 1999, the Company acquired all the outstanding shares of Computer Financial Consultants Limited ("CFC") for \$16.0 million in cash. CFC provides senior executives in IT and purchasing with assistance intended to enhance the procurement of IT related products and services. The acquisition was accounted for by the purchase method and the purchase price was allocated to the assets acquired and the liabilities assumed, based upon estimated fair values at the date of the acquisition. The excess purchase price over the fair value of amounts assigned to the net tangible assets acquired was approximately \$11.6 million, of which \$11.0 million was allocated to goodwill. In addition, \$0.6 million of the purchase price was allocated to a non-compete agreement, which is being amortized over 5 years.

During fiscal 2000, the Company completed additional acquisitions for consideration of \$87.1 million in cash and a \$1.0 million note payable, including the acquisition of TechRepublic for \$75.8 million (see Note 3 - Discontinued Operation).

3--DISCONTINUED OPERATION

On July 2, 2001, the Company sold its subsidiary, TechRepublic, to CNET for approximately \$23.5 million in cash and common stock of CNET, before reduction for certain termination benefits of \$3.9 million. The gross proceeds were \$14.3 million in cash and 755,058 shares of CNET common stock, which had a fair market value of \$12.21 per share on July 2, 2001. The Consolidated Financial Statements of the Company have been restated to reflect the disposition of the TechRepublic segment as a discontinued operation in accordance with APB Opinion No. 30. Accordingly, revenues, costs and expenses, assets, liabilities, and cash flows of TechRepublic have been excluded from the respective captions in the Consolidated Statements of Operations, Consolidated Balance Sheets and Consolidated Statements of Cash Flows, and have been reported through the date of disposition as "Loss from discontinued operation," "Net assets of discontinued operation," and "Net cash used by discontinued operation," for all periods presented.

During 2001, the Company recorded a pre-tax loss of \$66.4 million (\$39.9 million after tax) to recognize the loss on the sale. This pre-tax loss includes a write-down of \$42.4 million of assets, primarily goodwill, to net realizable value, operating losses through the date of sale of \$6.5 million, severance and related benefits of \$8.3 million, and other sale-related costs and expenses, including costs associated with the closure of facilities, of \$9.2 million.

Summarized financial information for the discontinued operation is as follows (in thousands):

Statements of Operations Data

Year Ended September 30, ----- ----- ----- 2001 2000 ----- ----- -----
Revenues \$
12,368 \$
4,077
=====
=====
Loss before income taxes \$
(32,574) \$
(35,199)
(Benefit)
for income taxes
(6,515)
(7,621) --- ----- -----
Loss from discontinued operation, net \$
(26,059) \$
(27,578)
=====
=====
Loss on disposal before income taxes \$
(66,436) \$
--
(Benefit)
for income taxes
(26,512) -- ----- -----
--- Loss on disposal of discontinued operation, net \$
(39,924) \$
-- =====
=====

4--NET GAIN (LOSS) ON SALE OF INVESTMENTS

During the year ended September 30, 2002, the Company sold 748,118 shares of CNET for \$6.0 million resulting in a pre-tax gain of \$0.8 million.

During the year ended September 30, 2001, the Company sold its remaining 1,922,795 shares of Jupiter Media Metrix ("Jupiter") for net cash proceeds of \$7.5 million at an average price of \$3.91 per share for a pre-tax loss of \$5.6 million. In addition the Company received additional stock distributions from its investment in SI Venture Associates, LLC ("SI I"), and SI Venture Fund II, LP ("SI II"). During the year ended September 30, 2001, the Company sold a portion of the shares received from SI I and SI II, and other securities, for net cash proceeds of \$6.9 million for a pre-tax gain of \$5.0 million.

On June 30, 2000, the Company sold its 8% investment in NETg, Inc. ("NETg") for \$36.0 million in cash to an affiliate of Harcourt, Inc. resulting in a pre-tax loss of approximately \$6.6 million. The Company received the cash proceeds on July 7, 2000. In addition, the Company recorded an additional loss in connection with a negotiated settlement of a joint venture agreement associated with the sale of GartnerLearning for approximately \$6.7 million.

On October 7, 1999, Jupiter completed its initial public offering at \$21.00 per share of common stock. Upon completion of Jupiter's initial public offering, the Company owned 4,028,503 shares of Jupiter's outstanding common stock. The change in the Company's proportionate share of Jupiter's equity resulted in the Company's write-up of the investment by approximately \$15.4 million and increases in deferred tax liability and additional paid-in capital of approximately \$7.1 million and \$8.3 million, respectively. During fiscal 2000, the Company's ownership interest decreased below 20% of Jupiter's outstanding common stock. Because the Company had concluded it no longer exercised significant influence over Jupiter, it changed its method of accounting for this investment from the equity method to the cost method. During the year ended September 30, 2000, the Company sold 1,995,950 shares for net cash proceeds of \$55.5 million at an average price of \$27.81 per share for a pre-tax gain of \$42.9 million. In September 2000, Jupiter merged with Media Metrix, Inc., creating Jupiter. Jupiter shareholders received 0.946 shares of Jupiter for each share of Jupiter that they owned. At the date of the merger, the Company owned 2,032,553 shares of the former Jupiter, which were exchanged for shares of Jupiter.

5--INVESTMENTS

A summary of the Company's investments in marketable equity securities and other investments at September 30, 2002 and 2001 is as follows (in thousands):

Gross Gross
 As of
 September
 30, 2002:
 Unrealized
 Unrealized
 - - - - -
 - - - - -
 - - - - - Cost
 Gains
 Losses Fair
 Value - - - - -
 - - - - -
 - - - - -
 - - - - -
 -
 Marketable
 equity
 securities
 available
 for sale \$
 - - - \$ - -
 \$ - - Other
 investments
 12,921 - -
 (244)
 12,677 - - - - -
 - - - - -
 - - - - -
 - - - Total \$
 12,921 \$
 (244) \$
 12,677
 =====
 =====
 =====
 =====

Gross Gross
 As of
 September
 30, 2001:
 Unrealized
 Unrealized
 - - - - -
 - - - - -
 - - - - - Cost
 Gains
 Losses Fair
 Value - - - - -
 - - - - -
 - - - - -
 - - - - -
 -
 Marketable
 equity
 securities
 available
 for sale \$
 5,287 \$ 2 \$
 (2,039) \$
 3,250 Other
 investments
 15,030 426
 (208)
 15,248 - - - - -
 - - - - -
 - - - - -
 - - - Total \$
 20,317 \$
 428 \$
 (2,247) \$
 18,498
 =====
 =====
 =====
 =====

=====
=====

CNET Shares

At September 30, 2001, marketable equity securities were comprised of 755,058 shares of CNET received in connection with the sale of TechRepublic, which had a fair value of \$12.21 per share, or \$9.2 million on July 2, 2001, the closing date. Subsequent to the closing, the market value of the CNET shares declined substantially; accordingly, in the fourth quarter of fiscal 2001, the Company recorded a \$3.9 million impairment charge in net loss from minority-owned investments, representing an other than temporary decline in market value of the CNET common stock. At September 30, 2001, these shares were reflected in the Consolidated Balance Sheets at their fair market value of \$3.3 million after giving effect to an additional \$2.0 million of unrealized losses. During fiscal 2002, 748,118 shares of CNET were sold for \$6.0 million at an average price per share of \$8.05 resulting in a pre-tax gain of \$0.8 million. The remaining 6,940 CNET shares were written off for a loss of \$49 thousand.

SI and Other Investments - Related Party

In addition to equity securities owned directly by the Company and through SI I, a wholly owned affiliate, the Company also owns 34% of SI II. Both entities are venture capital funds engaged in making investments in early to mid-stage IT-based or Internet-enabled companies. Both entities are managed by SI Services Company, L.L.C., an entity controlled by the Company's former Chairman of the Board, who continues as an employee and Chairman Emeritus of the Company, and certain of the Company's former officers and employees. Management fees paid to SI Services Company, L.L.C. are approximately \$1.2 million per year. In addition, the Company provides access to research and the use of certain office space at no cost to SI Services Company, L.L.C. The Company had a total original investment commitment to SI I and SI II of \$10.0 million and \$30.0 million, respectively. The commitment to SI I was fully funded in prior years. Of the \$30.0 million commitment to SI II, \$7.4 million remained unfunded at September 30, 2001. On July 1, 2002, \$1.5 million of the remaining commitment was funded. The \$5.9 million commitment remaining at September 30, 2002 may be called by SI at any time.

Other investments is comprised of investments in SI I, SI II and cost-based investments. The carrying value of the Company's investments held by SI I and SI II were \$2.5 million and \$5.5 million, respectively, at September 30, 2002. The carrying value of other cost-based investments was \$4.7 million at September 30, 2002. The other cost-based investments represent the Company's 9% investment in Trusecure Corporation, a company that provides internet security assurance through awareness and continuous certification of products and systems. Trusecure's revenues were \$29 million for the year ended December 31, 2001. The Company sells certain Trusecure services. The value of Trusecure services sold by the Company were \$3.7 million, \$1.2 million and \$0.2 million in fiscal 2002, 2001 and 2000, respectively.

The Company's share of equity gains in SI I and SI II was \$0.2 million for the year ended September 30, 2002 and was a loss of \$0.3 million and \$0.5 million for the years ended September 30, 2001 and 2000, respectively. During the year ended September 30, 2002, the Company recognized impairment losses of \$2.5 million, in connection with the Company's decision to actively pursue the sale of the investments held in the SI funds. During the year ended September 30, 2001, the Company recognized impairment losses of \$26.5 million. These impairment losses related to equity securities owned through SI I and SI II for other than temporary declines in the value of

- Total \$
6,599 \$
17,246 \$
(4,207) \$
(14,892) \$
4,746

=====
=====
=====
=====
=====

Accrued
Accrued
liability at
liability at
September 30,
Additions in
Non-cash
September 30,
2000 Fiscal
2001 charges
Payments 2001

Workforce
reductions \$
-- \$ 24,780 \$
-- \$ (18,181)
\$ 6,599 Asset
impairment
and other
costs --
21,783
(18,888)
(2,895) -- --

----- Total
\$ -- \$ 46,563
\$ (18,888) \$
(21,076) \$
6,599

=====
=====
=====
=====
=====

(1) The non-cash charges for the 2002 workforce reductions result from the establishment of a new measurement date for certain stock options upon the modification of their exercise term.

7--PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET

Property, equipment and leasehold improvements, less accumulated depreciation and amortization consist of the following (in thousands):

September	
30, Useful	

Life	
(Years)	
2002 2001 -	

Computer	
equipment	
and	
software 2-	
3 \$ 128,795	
\$ 117,062	
Furniture	
and	
equipment	
3-8 39,381	
49,040	
Leasehold	
improvements	
2-15 37,510	
39,758 ----	

205,686	
205,860	
Less -	
accumulated	
depreciation	
and	
amortization	
(129,525)	
(105,572) -	

- \$ 76,161	
\$ 100,288	
=====	
=====	

At September 30, 2002 and 2001, capitalized development costs for internal use software were \$15.6 million and \$27.3 million, respectively, net of accumulated amortization of \$27.4 million and \$24.7 million, respectively. Amortization of capitalized internal software development costs totaled \$15.7 million, \$14.3 million and \$7.2 million in fiscal 2002, 2001 and 2000, respectively.

8--INTANGIBLE ASSETS, NET

Effective October 1, 2001, the Company adopted early SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 142 eliminates goodwill amortization upon adoption and requires an initial assessment for goodwill impairment within six months after initial adoption and at least annually thereafter. Accordingly, no goodwill amortization was recognized during the fiscal year ended September 30, 2002. The Company completed its initial transitional goodwill impairment assessment in the second fiscal quarter of 2002 and determined that there was no impairment of goodwill and no impairment charge to be recorded as a cumulative effect of a change in accounting principle in accordance with SFAS No. 142.

The following table reconciles the reported net income (loss) and income (loss) per share from continuing operations to the respective pro forma amount adjusted to exclude goodwill amortization.

In
thousands,
except per
share Year
ended
September
30, -----

--- 2002
2001 2000 --

INCOME
(LOSS) FROM
CONTINUING
OPERATIONS:
Reported
income
(loss) from
continuing
operations \$
48,578 \$
(220) \$
54,853 Add
back:
Goodwill
amortization,
net of taxes
-- 8,396
8,985 -----

Adjusted
income from
continuing
operations \$
48,578 \$
8,176 \$
63,838
=====

BASIC INCOME
(LOSS) PER
SHARE FROM
CONTINUING
OPERATIONS:
Reported
income
(loss) from
continuing
operations \$
0.58 \$
(0.00) \$
0.63 Add
back:
Goodwill
amortization,
net of taxes
-- 0.10 0.11

Adjusted
income from
continuing
operations \$
0.58 \$ 0.10
\$ 0.74
=====

DILUTED
 INCOME
 (LOSS) PER
 SHARE FROM
 CONTINUING
 OPERATIONS:
 Reported
 income
 (loss) from
 continuing
 operations \$
 0.47 \$
 (0.00) \$
 0.62 Add
 back:
 Goodwill
 amortization,
 net of taxes
 -- 0.09 0.10

 Adjusted
 income from
 continuing
 operations \$
 0.47 \$ 0.09
 \$ 0.72
 =====
 =====
 =====

Included in the Company's balance sheet as of September 30, 2002 and 2001 are the following categories of acquired intangible assets (in thousands).

September 30, 2002

Amortization
Accumulated
Period
(Years)
Gross cost
amortization
Net -----

Goodwill
Research \$
152,609 \$
(30,042) \$
122,567
Consulting
75,712
(8,631)
67,081
Events
33,699
(3,001)
30,698
Other 2,579
(498) 2,081

----- Total
goodwill
264,599
(42,172)
222,427

Intangible
assets with
finite
lives Non-
compete
agreements
2 - 5
12,829
(10,648)
2,181

Trademarks
and
tradenames
9 - 12
1,804
(1,254) 550

----- Total
\$ 279,232 \$
(54,074) \$
225,158
=====

September 30, 2001

Amortization
Accumulated
Period
(Years)
Gross cost
amortization
Net -----

Goodwill
Research \$
149,887 \$
(29,750) \$
120,137
Consulting
72,962
(8,742)
64,220
Events
33,419
(3,001)
30,418
Other 2,579

(498) 2,081

----- Total

goodwill

258,847

(41,991)

216,856

Intangible

assets with

finite

lives Non-

compete

agreements

2 - 5

12,567

(8,948)

3,619

Trademarks

and

tradenames

9 - 12

3,442

(1,684)

1,758 -----

Total \$

274,856 \$

(52,623) \$

222,233

=====

=====

=====

Amortization related to intangible assets with finite lives was \$1.9 million, \$2.8 million and \$3.4 million for the fiscal years ended September 30, 2002, 2001 and 2000, respectively. In accordance with SFAS No. 142, the Company reassessed the useful lives of all other intangible assets. There were no changes to such lives and there are no expected residual values associated with these intangible assets. Non-compete agreements are amortized over the term of the individual contracts, generally two to five years, and trademarks and tradenames are amortized over a period of nine to twelve years.

Estimated future amortization expense for the next five years is as follows (in thousands):

Year	
ended	
September	
30, ----	

2003 \$	
1,228	
2004 \$	
624	
2005	
\$ 181	
2006 \$	
87	
2007	
\$ 29	

9--ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following (in thousands):

September	
30, -----	

2002 2001 -	

- Taxes	
payable \$	
22,955 \$	
25,628	
Payroll and	
related	
benefits	
payable	
43,114	
35,529	
Commissions	
payable	
14,504	
19,987	
Accounts	
payable	
12,829	
14,509	
Other	
accrued	
liabilities	
36,962	
42,098 ----	

\$ 130,364 \$	
137,751	
=====	
=====	

10--DEBT

On July 16, 1999, the Company entered into an unsecured Credit Agreement with JPMorgan Chase Bank, as administrative agent for the participating financial institutions thereunder, providing for a maximum of \$500.0 million of credit facilities, consisting of a \$350.0 million term loan and a \$150.0 million senior revolving credit facility. On February 25, 2000, the Company modified certain financial and other covenants to permit the issuance of convertible debt. Loans under the revolving facility were to be available for five years maturing on July 16, 2004, subject to certain customary conditions on the date of any such loan. On July 17, 2000, the Company entered into a second amendment to the Credit Agreement. Under this amendment, the Company agreed to refinance all existing indebtedness and to repay in full and terminate the term loans drawn under the existing Credit Agreement. At September 30, 2002, the Company had a senior revolving credit facility, as amended, totaling a maximum aggregate principal amount of up to \$200.0 million. In connection with the extinguishment of the \$350.0 million term loan, the Company wrote off \$1.7 million, net of the related tax benefit of \$1.2 million, of deferred debt issuance costs in the fourth quarter of fiscal 2000. The charge was recorded as an extraordinary loss on debt extinguishment.

At September 30, 2002, there were no amounts outstanding under the revolving credit facility. At September 30, 2001, \$15.0 million was outstanding under the revolving credit facility. A commitment fee of 0.30% to 0.50% is paid on the unused revolving credit amount. Pursuant to certain financial covenants of the revolving credit facility, the Company had \$118.9 million of available borrowings at September 30, 2002. The weighted average interest rate on borrowings, which were only outstanding during October and November of 2001, was 3.6% for the year ended September 30, 2002. The weighted average interest rate on borrowings was 6.8% for the year ended September 30, 2001.

On April 17, 2000, the Company issued in a private placement transaction, \$300.0 million of 6% convertible subordinated notes (the "convertible notes") to Silver Lake Partners, L.P. ("Silver Lake") and certain of Silver Lake's affiliates. The convertible notes mature in April 2005 and accrue interest at 6% per annum. Interest accrues semi-annually by a corresponding increase in the face amount of the convertible notes commencing September 15, 2000. Accordingly, \$46.3 million has been added to the face amount of the convertible notes' balance outstanding as of September 30, 2002.

As part of the transaction, two Silver Lake representatives were elected to the Company's ten-member Board of Directors. The Company also granted to Silver Lake the right to acquire 5% of any Company subsidiary that is spun off or spun out at 80% of the initial public offering price. The Company valued the option at \$1.0 million, which was recorded as a discount to the convertible notes, and is being amortized to interest expense over the five-year term.

On April 18, 2000, \$200.0 million of the proceeds were used to pay down

term loan borrowings under the Credit Agreement with JPMorgan Chase Bank. The Company incurred \$7.9 million of transaction and advisory fees related to the transaction. These fees were accounted for as debt issuance costs and are being amortized over the five-year term of the debt using the effective interest method.

The convertible notes were originally convertible into shares of the Company's Class A Common Stock, commencing April 17, 2003, at an initial price of \$15.87 per share. In accordance with the original terms of the note, on the first anniversary date of issuance of the convertible notes, April 17, 2001, the conversion price was adjusted, or reset, to be equal to the lower of the initial conversion price of \$15.87 per share, or the average closing price over the thirty trading day period ending April 17, 2001 if less than \$14.43, a price equal to a 10% premium to the average closing price over that same period. On April 17, 2001, the conversion price was reduced to \$7.45 per share. The number of shares of Class A Common Stock issuable upon conversion of the notes as of September 30, 2002 was 46.6 million shares with a total market value of \$377.1 million, using the Company's September 30, 2002 market price of \$8.10 per share.

On or after April 17, 2003, subject to satisfaction of certain customary conditions, the Company may redeem all of the convertible notes for cash provided that (1) the average closing price of the Class A Common Stock for the twenty consecutive trading days immediately preceding the date the redemption notice is given equals or exceeds 150% of the adjusted conversion price of \$7.45 per share, and (2) the closing price of the Class A Common Stock on the trading day immediately preceding the date the redemption notice is given also equals or exceeds 150% of the adjusted conversion price. The redemption price is the face amount of the notes plus all accrued interest. If the Company initiates the redemption, Silver Lake has the option of receiving payment in cash, stock, or a combination of cash and stock.

Commencing on April 18, 2003, Silver Lake may elect to convert all or a portion of the notes to stock. If Silver Lake initiates the conversion, the Company has the option of redeeming all such notes for cash at a price based on the number of shares into which the notes would be converted and the market price on the date the notice of conversion is given.

On the maturity date, April 17, 2005, the Company must satisfy any remaining notes for cash.

The Company issues letters of credit in the ordinary course of business. At September 30, 2002, the Company had outstanding letters of credit with JPMorgan Chase Bank for \$3.7 million, The Bank of New York for \$2.0 million and with others for \$0.1 million.

11--COMMITMENTS AND CONTINGENCIES

The Company leases various facilities, furniture and computer equipment under operating lease arrangements expiring between 2002 and 2025. Future minimum annual payments under non-cancelable operating lease agreements at September 30, 2002 are as follows (in thousands):

Year Ended	
September	
30, -	-----

-----	2003 \$
28,444	2004
24,001	2005
21,317	2006
18,318	2007
17,199	
Thereafter	
108,092	----

Total	
minimum	
lease	
payments \$	
217,371	
=====	

Rental expense for operating leases was \$27.6 million, \$26.9 million, and \$22.4 million for the years ended September 30, 2002, 2001 and 2000, respectively. The Company has commitments with two facilities management companies for printing, copying, mailroom and other related services, which expires during 2003. The minimum obligation under the service agreements is \$1.6 million in the aggregate for 2003.

The Company is involved in legal proceedings and litigation arising in the ordinary course of business. The Company believes the outcome of all current proceedings, claims and litigation will not have a material effect on the Company's financial position or results of operations when resolved in a future period.

12--STOCKHOLDERS' EQUITY (DEFICIT)

CAPITAL STOCK. Class A Common Stock and Class B Common Stock stockholders are entitled to one vote per share on all matters to be voted by stockholders and vote together as a single class, other than with respect to the election of directors. Class A Common Stock stockholders are entitled to one vote per share on the election of Class A directors, which constitute no more than 20% of the directors, and Class B Common Stock stockholders are entitled to one vote per share on the election of Class B directors, which constitute at least 80% of the directors.

STOCK OPTION PLANS. The Company's 1991 Stock Option Plan expired on April 25, 2001. As a result, as of September 30, 2002 and 2001, no options were available for future grant under this plan.

In January 1993, the Company adopted the 1993 Director Option Plan, a stock option plan for directors, and reserved an aggregate of 1,200,000 shares of Class A Common Stock for issuance under this plan. The plan currently provides for the automatic grant of 15,000 options to purchase shares of Class A Common Stock to each non-employee director upon first becoming an outside director and the automatic grant of an option to purchase an additional 7,000 shares of Class A Common Stock annually based on continuous service as an outside director. The exercise price of each option granted under the plan is equal to the fair market value of the Class A Common Stock at the date of grant. Options granted are subject to yearly vesting over a three-year period after the date of grant. Non-employee directors are also compensated in common stock equivalents payable under this plan. At September 30, 2002 and 2001, 384,995 and

420,738 options were available for grant, respectively.

In October 1994, the Board of Directors and stockholders of the Company approved the adoption of a Long-Term Stock Option Plan and the reservation of an aggregate of 6,560,000 shares of Class A Common Stock for issuance thereunder. The purpose of the plan is intended to provide to senior personnel long-term equity participation in the Company as an incentive to promote the long-term success of the Company. The exercise price of each option granted under the plan is equal to the fair market value of the Class A Common Stock at the date of grant. Prior to 2001, options granted under the plan vest and become fully exercisable five years following the date of grant, based on continued employment, and have a term of ten years from the date of grant assuming continued employment. Vesting and exercisability accelerates upon achievement of certain financial performance targets determined by the Board of Directors. If the financial performance targets are met for the year of grant in accordance with parameters as set by the Board at its sole discretion, 25% of the shares granted become exercisable on the first anniversary date following the date of grant and, if cumulative financial performance targets are met for both the first and second years following the date of grant, a second 25% become exercisable three years following the date of grant. If cumulative financial performance targets are met for all three years following the date of grant, a third 25% become exercisable on the fourth anniversary date following the date of grant and the final 25% become exercisable on the fifth anniversary following the date of grant. Based on cumulative performance through 2002, 1,186,000 shares were exercisable on September 30, 2002. An additional 62,500, shares not subject to accelerated vesting, were exercisable on September 30, 2002. Options granted in 2001 and 2002 under the 1994 plan vest over four years, with 25% vesting after one year and the remaining 75% vesting monthly over the next three years. At September 30, 2002 and 2001, 30,250 and 419,250 options were available for grant, respectively.

In October 1996, the Company adopted the 1996 Long Term Stock Option Plan. Under the terms of the plan, the Board of Directors may grant non-qualified and incentive options, entitling employees to purchase shares of the Company's common stock at the fair market value at the date of option grant. A total of 1,800,000 shares of Class A Common Stock was reserved for issuance under this plan. All options granted under the plan vest and become fully exercisable six years following the date of grant, based on continued employment, and have a term of ten years from the date of grant assuming continued employment. Prior to 2002, vesting and exercisability accelerates upon achievement of certain financial performance targets determined by the Board of Directors. If financial performance targets are met in the year of grant in accordance with parameters as set by the Board at its sole discretion, 25% of the shares granted become exercisable on the third anniversary date following the date of grant. If cumulative financial performance targets are met for both the first and second years following the date of grant, a second 25% become exercisable three years following the date of grant. If financial performance targets are met cumulatively for all three years following the date of grant, a third 25% become exercisable on the fourth anniversary date following the date of grant and the final 25% become exercisable on the fifth anniversary following the date of grant. Based on cumulative performance for 1997 to 1999, 697,000 options were exercisable on September 30, 2002. No additional acceleration of vesting is possible. Options granted in 2002 under the 1996 plan vest over four years, with 25% vesting after one year and the remaining 75% vesting monthly over the next three years. At September 30, 2002 and 2001, 568,458 and 952,125 options to purchase common stock were available for grant, respectively.

In October 1998, the Company adopted the 1998 Long Term Stock Option Plan. Under the terms of the plan, the Board of Directors may grant non-qualified and incentive options, entitling employees to purchase shares of the Company's common stock at the fair market value at the date of option or restricted stock grant. A total of 2,500,000 shares of Class A Common Stock was reserved for issuance under this plan. Options currently granted under the plan generally vest and become fully exercisable six years following the date of grant, based on continued employment, and have a term of ten years from the date of grant assuming continued employment. Vesting and exercisability accelerates upon achievement of certain financial performance targets determined by the Board of Directors. If financial performance targets are met in the year of grant in accordance with parameters as set by the Board at its sole discretion, 25% of the shares granted become exercisable on the third anniversary date following the date of grant. If cumulative financial performance targets are met for both the first and second years following the date of grant, a second 25% become exercisable three years following the date of grant. If financial performance targets are met cumulatively for all three years following the date of grant, a third 25% become exercisable on the fourth anniversary date following the date of grant and the final 25% become exercisable on the fifth anniversary following the date of grant. Based on cumulative 2002 performance, no vesting has accelerated. At September 30, 2002 and 2001, 1,024,344 and 838,509 options to purchase common stock were available for grant, respectively.

In November 1999, the Company adopted the 1999 Stock Option Plan. Under the terms of the plan, the Board of Directors may grant non-qualified and incentive stock options and other awards to eligible employees and consultants. The Company's directors and most highly compensated executive officers are not eligible for awards under the plan. A total of 20,000,000 shares of Class A Common Stock was reserved for issuance under this plan. Substantially all of the options currently granted under the plan vest and become fully exercisable each year for three years in equal installments following the date of grant, based on continued employment, and have a term of ten years from the date of grant assuming continued employment. On July 25, 2002, the Board of Directors approved an amendment to the plan increasing the shares reserved by 3,500,000 to 23,500,000. At September 30, 2002 and 2001, 3,990,266 and 2,767,349 options to purchase common stock were available for grant, respectively.

A summary of stock option activity under the plans and agreement through September 30, 2002 follows:

7.34 \$ 7.99 - 9
 94 6,669,026
 8.80 \$ 9.07
 789,515 \$ 9.10
 \$10.09 - 10.31
 7,056,177 7.11
 \$ 10.31
 4,750,763 \$
 10.31 \$10.40 -
 16.96 6,065,240
 7.55 \$ 14.10
 3,557,072 \$
 14.59 \$17.44 -
 22.71 7,132,400
 5.80 \$ 20.27
 5,297,900 \$
 19.95 \$23.90 -
 37.29 425,140
 4.39 \$ 29.14
 402,640 \$ 29.07

 34,006,317 \$
 12.52
 17,590,919 \$
 13.98
 =====
 =====

EMPLOYEE STOCK PURCHASE PLANS. In January 1993, the Company adopted an employee stock purchase plan, and reserved an aggregate of 4,000,000 shares of Class A Common Stock for issuance under this plan. In March 2002, shareholders approved the 2002 Employee Stock Purchase Plan with substantially identical terms. Eligible employees are permitted to purchase Class A Common Stock through payroll deductions, which may not exceed 10% of an employee's compensation (or \$21,250 in any calendar year), at a price equal to 85% of the Class A Common Stock price as reported by the NYSE at the beginning or end of each offering period, whichever is lower. Eligible international employees can purchase shares at a price that is calculated monthly with no corresponding discount. During the years ended September 30, 2002 and 2001, 560,861 and 769,085 shares were issued from treasury stock at an average purchase price of \$7.90 and \$7.01 per share, respectively, in conjunction with these plans. At September 2002, 3,722,256 shares were available for purchase under the 2002 plan. At September 30, 2002 and 2001, 403,629 and 676,994 shares were also available for purchase under the 1993 plan.

RESTRICTED STOCK AWARDS. Beginning in 1998, the Company granted restricted stock awards under the 1991 Stock Option Plan and the 1998 Long Term Stock Option Plan. The restricted stock awards vest in six equal installments with the first installment vesting two years after the grant and then annually thereafter for five years. Recipients are not required to provide consideration to the Company other than rendering service and have the right to vote the shares and to receive dividends. The restricted stock may not be sold by the employee during the vesting period. In 1999, the Company also awarded 40,500 stock options under the 1998 Long Term Stock Option Plan with an exercise price of \$1.00 per share that vest on the same basis as the restricted stock awards to certain international employees. Such stock options had a weighted average fair market value of \$22.81 per stock option on the date of grant. At September 30, 2002, a total of 178,167 restricted shares of Class A Common Stock were outstanding at a weighted average market value, as of the original award date, of \$23.31 per share. At September 30, 2001, a total of 271,666 restricted shares of Class A Common Stock were outstanding at a weighted average market value, as of the original award date, of \$23.14 per share. There were no awards of restricted stock in 2002 and 2001. In 2000, the Company awarded restricted stock of 50,000 shares with a fair market value of \$13.00 per share. During 2002, there were forfeitures and acceleration of awards of 11,836 shares and 9,335 shares, respectively. At September 30, 2002, the aggregate unamortized compensation expense for restricted stock awards and the \$1 stock option grants was \$3.5 million and is included as Unearned

compensation in the Consolidated Balance Sheets. During 2001, there were forfeitures and acceleration of awards of 64,593 shares and 9,581 shares, respectively. Total compensation expense recognized for the restricted stock awards and option grants was \$1.3 million, \$1.1 million and \$1.1 million for 2002, 2001 and 2000, respectively.

DEFERRED COMPENSATION EMPLOYEE STOCK TRUST. The Company has supplemental deferred compensation arrangements for the benefit of certain officers, managers and other key employees. These arrangements are funded by life insurance contracts, which have been purchased by the Company. The plan permits the participants to diversify their investments. The value of the assets held, managed and invested, pursuant to the agreement was \$8.1 million and \$7.8 million at September 30, 2002 and 2001, respectively, and are included in other assets. The corresponding deferred compensation liability of \$9.6 million and \$8.8 million at September 30, 2002 and 2001, is recorded at the fair market value of the shares held in a rabbi trust and adjusted, with a corresponding charge or credit to compensation cost, to reflect the fair value of the amount owed to the employee. Total compensation expense recognized for the plan in fiscal 2002 was \$0.6 million, compared to \$0.1 million of income in 2001.

FORWARD PURCHASE AGREEMENTS. Beginning in 1997, the Company entered into a series of forward purchase agreements to effect the repurchase of 1,800,000 of its Class A Common Stock. These agreements were settled quarterly at the Company's option on a net basis in either shares of its own Class A Common Stock or cash. To the extent that the market price of the Company's Class A Common Stock on a settlement date is higher (lower) than the forward purchase price, the net differential is received (paid) by the Company. During the year ended September 30, 2000, four settlements resulted in the Company receiving 155,792 shares of Class A Common Stock and paying approximately \$8.2 million in cash. During the year ended September 30, 2001, two settlements resulted in the Company delivering 491,789 shares of Class A Common Stock and paying approximately \$64,000 in cash. During June 2001, the Company terminated the forward purchase agreement by reacquiring 1,164,154 shares of Class A Common Stock for approximately \$9.7 million. There were no forward purchase agreements outstanding at September 30, 2002.

STOCK REPURCHASES. On July 19, 2001, the Company's Board of Directors approved the repurchase of up to \$75.0 million of Class A and Class B Common Stock. On July 25, 2002, the Company's Board of Directors increased the authorized stock repurchase program from the previously approved \$75 million to up to \$125 million of its Class A and Class B Common Stock.

Stock repurchases are summarized below:

Total Cost Per	
Total Shares	
Cost \$000 Share	

FISCAL 2000	
Recapitalization	
4,500,200 \$	
49,877 \$ 11.08	
=====	
=====	
=====	
FISCAL 2001	
Recapitalization	
666,491 \$ 5,416	
\$ 8.13 Stock	
Repurchase	
Program:	
Purchased from	
IMS Health,	
Inc. and	
affiliates on	
August 29, 2001	
(1) 1,867,149 \$	
18,447 \$ 9.88	
Open market	
purchases (1)	
458,960 \$ 4,325	
\$ 9.42	
Termination of	
forward	
purchase	
agreement	
1,164,154 \$	
9,705 \$ 8.34 --	

Total fiscal	
2001 4,156,754	
\$ 37,893 \$ 9.12	
=====	
=====	
=====	
FISCAL 2002	
Stock	
Repurchase	
Program	
4,465,100 \$	
47,047 \$ 10.54	
=====	
=====	
=====	
(1) REPRESENTS	
CUMULATIVE	
REPURCHASES	
PURSUANT TO THE	
\$125 MILLION	
STOCK	
REPURCHASE	
PROGRAM	
6,791,209 \$	
69,819 \$ 10.28	
=====	
=====	
=====	

As of September 30, 2002, the Company repurchased 6,791,209 shares of its outstanding common stock at a cost of approximately \$69.8 million at an average price of \$10.28 per share.

STOCK BASED COMPENSATION. The Company applies the provisions of APB Opinion No. 25, "Accounting for Stock Issued to Employees" and related interpretations in accounting for stock-based compensation plans. Accordingly, no compensation cost has been recognized for the Company's fixed stock option plans. Pursuant to the requirements of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation", the following are the pro forma net income (loss) and net income (loss) per share for the years ended September 30, 2001, 2000, and 1999 had compensation cost for the Company's stock-based compensation plans been determined based on the fair value at the grant date for grants under those plans (in thousands, except per share data):

Year	
Ended	
September	
30, 2002	
2001	
2000 - -	

Denominator:
 Denominator
 for basic
 income
 (loss) per
 share -
 weighted
 average
 number of
 common
 shares

outstanding
 83,586
 85,862
 86,564

Effect of
 dilutive
 securities:
 Weighted
 average
 number of
 common
 shares
 under
 convertible
 long-term
 debt 45,320

-- --
 Weighted
 average
 number of
 option and
 other
 compensation
 shares
 outstanding
 1,976 --
 2,544 -----

 Dilutive
 potential
 common
 shares
 47,296 --
 2,544 -----

Denominator
 for diluted
 income
 (loss) per
 share -
 adjusted
 weighted
 average
 number of
 common
 shares

outstanding
 130,882
 85,862
 89,108

=====
 =====
 =====
 Income
 (loss) per
 share from
 continuing
 operations:
 Basic \$
 0.58 \$
 (0.00) \$
 0.63

=====
 =====
 =====
 Diluted \$
 0.47 \$
 (0.00) \$
 0.62

=====
=====
=====

For the year ended September 30, 2002, options to purchase 14.5 million shares of Class A Common Stock of the Company with exercise prices greater than the average fair market value of \$10.57 were not included in the computation of diluted income per share because the effect would have been antidilutive. For the year ended September 30, 2001, options to purchase 35.0 million shares of Class A Common Stock of the Company were not included in the computation of diluted loss per share because the effect would have been antidilutive. For the year ended September 30, 2000, options to purchase 14.3 million shares of Class A Common Stock of the Company with exercise prices greater than the average fair market value of \$13.78 were not included in the computation of diluted income (loss) per share because the effect would have been antidilutive. For the years ended September 30, 2002, 2001 and 2000, unvested restricted stock awards were not included in the computation of diluted income (loss) per share because the effect would have been antidilutive. Additionally, convertible notes outstanding for the year ended September 30, 2001 and 2000, representing 30.5 million and 8.8 million common shares, if converted, and the related interest expense of \$18.8 million and \$8.2 million, respectively, were not included in the computation of diluted income (loss) per share because the effect would have been antidilutive.

14--INCOME TAXES

Following is a summary of the components of income (loss) before provision (benefit) for income taxes, loss from discontinued operations and extraordinary loss (in thousands):

Year Ended	
September 30,	

----- 2002	
2001	2000 ---
-----	-----

U.S. \$ 35,330	
\$ (132,522) \$	
27,016 Non-	
U.S 38,273	
24,120	26,204
-----	-----
-----	-----
Total 73,603	
(108,402)	
53,220	
Extraordinary	
loss on debt	
extinguishment	
-- -- 2,881	
Loss from	
discontinued	
operation --	
99,010	35,199
-----	-----
-----	-----
Income (loss)	
from	
continuing	
operations	
before income	
taxes \$	
73,603 \$	
(9,392) \$	
91,300	
=====	
=====	
=====	

The provision (benefit) for income taxes on the above income consists of the following components (in thousands):

Year Ended	
September 30,	

----- 2002	
2001	2000 ---
-----	-----

Current tax	
expense from	
operations:	
U.S. federal	
\$ 5,591 \$	
9,192 \$	
23,556 State	
and local	
1,361	4,862
	11,660
Foreign	
11,649	10,258
7,211	-----
-----	-----
-----	-----
----- Total	
current	
18,601	24,312
42,427	
Deferred tax	
expense	
(benefit):	
U.S. federal	
3,330	
(29,355)	
(5,768) State	
and local 911	
(4,782)	

(2,754)
Foreign (175)
(836) (1,637)

Total
deferred
4,066
(34,973)
(10,159) ----

Total current
and deferred
22,667
(10,661)
32,268

Benefit of
stock
transactions
with
employees
2,280 1,331
4,179 Benefit
of purchased
tax benefits
applied to
reduce
goodwill 78
158 -- -----

----- Income
tax expense
(benefit) on
continuing
operations
25,025
(9,172)
36,447

Current taxes
from
extraordinary
loss: U.S.
federal tax
expense on
debt

extinguishment
-- -- (922)
State and
local tax
expense on
debt

extinguishment
-- -- (230)

Current taxes
from loss on
discontinued
operations:

U.S. federal
-- (33,522)

(7,985) State
and local --
(1,585) (287)

Deferred tax
expense
(benefit)

from loss on
discontinued
operations:

U.S. federal
-- 137 (135)

State and
local -- 178
(180) Benefit

of purchased
tax benefits
applied to
reduce

goodwill on
loss from
discontinued
operation --
1,765 966 ---

----- \$
25,025 \$
(42,199) \$
27,674

=====
=====
=====

Current and long-term deferred tax assets and liabilities are comprised of the following (in thousands):

September	
30, -----	

2002 2001 --	

Depreciation	
and	
amortization	
\$ 6,988 \$	
5,426	
Expense	
accruals for	
book	
purposes	
21,717	
29,530 Loss	
and credit	
carryforwards	
32,947	
26,832	
Equity	
interest 98	
727 Other	
3,183 4,078	

Gross	
deferred tax	
asset 64,933	
66,593 -----	

Intangible	
assets	
(1,000)	
(1,215) -----	

Gross	
deferred tax	
liability	
(1,000)	
(1,215) -----	

Valuation	
allowance	
(29,156)	
(26,072) ---	

Net deferred	
tax asset \$	
34,777 \$	
39,306	
=====	
=====	

Current and long-term net deferred tax assets were \$3.7 million and \$31.1 million as of September 30, 2002 and were \$9.9 million and \$29.4 million as of September 30, 2001, respectively, and are included in Prepaid expenses and other current assets and Other assets in the Consolidated Balance Sheets.

The valuation allowance relates to domestic state and local and foreign tax net operating loss and capital loss carryforwards that more likely than not will expire unutilized. The net increase in the valuation allowance of approximately \$3.1 million in the current year results primarily from the net increase in state and local net operating losses. Approximately \$2.4 million of the valuation allowance will reduce additional paid-in-capital upon subsequent recognition of any related tax benefits related to stock options.

The differences between the U.S. federal statutory income tax rate and the Company's effective tax rate on income (loss) from continuing operations are:

Year ended	
September	
30, -----	

---- 2002	
2001 2000 --	

Statutory	

tax rate		
35.0%		
(35.0%)		
35.0% State		
income		
taxes, net		
of federal		
benefit 2.4		
3.6 6.9		
Foreign		
income taxed		
at a		
different		
rate (1.8)		
13.2 (2.5)		
Non-		
deductible		
goodwill and		
direct		
acquisition		
costs --		
18.1 2.2		
Non-taxable		
income (0.2)		
(0.3) (0.1)		
Exempt		
foreign		
trading		
gross		
receipts		
(0.4) (13.5)		
(0.8) Non-		
deductible		
meals and		
entertainment		
expense 0.6		
5.6 0.6		
Officers		
life		
insurance		
0.5 12.7		
(0.3)		
Valuation		
allowance on		
losses from		
minority-		
owned		
investments		
0.5 88.5 --		
Utilization		
of foreign		
tax credits		
(1.5)		
(185.1) --		
Other items		
(1.1) (5.5)		
(1.0) -----		

Effective		
tax rate		
34.0%		
(97.7%)		
40.0%		
=====		
=====		
=====		

As of September 30, 2002, the Company had U.S. federal capital loss carryforwards of \$21.9 million, of which \$19.2 million will expire in four years and the remaining \$2.7 million will expire in five years, foreign tax credit carryforwards of \$8.8 million which will expire in four years and other federal tax credit carryforwards of \$1.8 million which can be carried forward indefinitely. The Company had state and local tax net operating loss carryforwards of \$121.2 million, of which \$26.1 million will expire within one to five years, \$22.3 million will expire within six to fifteen years, and \$72.8 million will expire within sixteen to twenty years. The Company also had \$72.3 million in state and local capital loss carryforwards that will expire in four years. Lastly, the Company had foreign tax loss carryforwards of \$5.1 million of which \$1.4 million will expire in one to five years and \$3.7 million that can be carried forward indefinitely.

15--EMPLOYEE BENEFITS

The Company has a savings and investment plan covering substantially all domestic employees. The Company contributes amounts to this plan based upon the level of the employee contributions. In addition, the Company also contributes fixed and discretionary amounts based on employee participation and attainment of operating margins set by the Board of Directors. Amounts expensed in connection with the plan totaled \$9.5 million, \$10.5 million, and \$8.5 million for the years ended September 30, 2002, 2001 and 2000, respectively.

16--SEGMENT INFORMATION

The Company previously managed its business in four reportable segments organized on the basis of differences in its related products and services. With the discontinuance and sale of TechRepublic (see Note 3--Discontinued Operation), three reportable segments remain: research, consulting and events. Research consists primarily of subscription-based research products. Consulting consists primarily of consulting, measurement engagements and strategic advisory services. Events consists of various symposia, conferences and exhibitions.

The Company evaluates reportable segment performance and allocates resources based on gross contribution margin. Gross contribution, as presented below, is defined as operating income excluding certain selling, general and administrative expenses, depreciation, amortization of intangibles and other charges. The accounting policies used by the reportable segments are the same as those used by the Company.

The Company earns revenue from clients in many countries. Other than the United States, the Company's country of domicile, there is no individual country in which revenues from external clients represent 10% or more of the Company's consolidated revenues. Additionally, no single client accounted for 10% or more of total revenue and the loss of a single client, in management's opinion, would not have a material adverse effect on revenues.

The Company does not identify or allocate assets, including capital expenditures, by operating segment. Accordingly, assets are not being reported by segment because the information is not available by segment and is not reviewed in the evaluation of performance or making decisions in the allocation of resources.

before
income
taxes \$
91,300

The Company's consolidated revenues are generated primarily through direct sales to clients by domestic and international sales forces and a network of independent international distributors. The Company defines "Europe Revenues" as revenues attributable to clients located in England and the European region and "Other International Revenues" as revenues attributable to all areas located outside of the United States, Canada and Europe. Most products and services of the Company are provided on an integrated worldwide basis. Because of the integration of products and services delivery, it is not practical to separate precisely the revenues and operating income (loss) of the Company by geographic location. Accordingly, the separation set forth in the table below is based upon internal allocations, which involve certain management estimates and judgments.

European identifiable tangible assets consist primarily of the assets of the European subsidiaries and include the accounts receivable balances carried directly by the subsidiaries located in England, France and Germany. All other European customer receivables are maintained by, and therefore are included as identifiable assets of, the United States operations.

Summarized information by geographic location is as follows (in thousands):

Year Ended	
September 30,	
2002	2001
2000	-----
-----	-----
-----	-----
-----	-----
-----	-----
-----	-----
-----	-----
United States	
and Canada:	
Revenues \$	
595,331 \$	
641,877 \$	
569,488	
Operating	
income \$	
69,640 \$	
31,773 \$	
62,903	
Operating	
income,	
excluding	
other charges	
\$ 77,181 \$	
67,450 \$	
62,903	
Identifiable	
tangible	
assets \$	
404,308 \$	
423,738 \$	
476,755 Long-	
lived assets	
\$ 304,031 \$	
321,832 \$	
341,648	
Europe:	
Revenues \$	
242,099 \$	
249,953 \$	
231,576	
Operating	
income \$	
29,691 \$	
13,918 \$	
17,577	
Operating	
income,	
excluding	
other charges	
\$ 36,668 \$	
23,826 \$	
17,577	
Identifiable	
tangible	
assets \$	
156,853 \$	
155,855 \$	
171,420 Long-	
lived assets	
\$ 57,008 \$	
59,171 \$	
56,918 Other	
International:	
Revenues \$	
69,744 \$	
71,054 \$	
61,387	
Operating	
income (loss)	
\$ (2,956) \$	
(3,177) \$	
3,651	
Operating	
income	
(loss),	
excluding	
other charges	
\$ (228) \$	
(2,199) \$	
3,651	
Identifiable	

tangible
assets \$
38,531 \$
37,176 \$
32,846 Long-
lived assets
\$ 8,778 \$
11,625 \$
10,383

227,276	\$
250,075	\$
227,754	
Operating	
income	
(loss)(1)	\$
30,180	\$
8,021	\$
(3,459)	\$
7,772	
Income	
(loss) from	
continuing	
operations	
(2)	\$
17,697	\$
(1,382)	\$
(10,219)	\$
(6,316)	
Income	
(loss) from	
discontinued	
operation,	
net of	
taxes	\$
(13,800)	\$
(52,198)	\$
1,765	\$
(1,750)	Net
income	
(loss) (2)	
\$ 3,897	\$
(53,580)	\$
(8,454)	\$
(8,066)	
Diluted	
earnings	
(loss) per	
common	
share (3):	
Income	
(loss) from	
continuing	
operations	
\$ 0.20	\$
(0.02)	\$
(0.12)	\$
(0.08)	
Income	
(loss) on	
discontinued	
operation	\$
(0.16)	\$
(0.60)	\$
0.02	\$
(0.02)	Net
income	
(loss)	\$
0.04	\$
(0.62)	\$
(0.10)	\$
(0.10)	

- (1) Includes other charges of \$17.2 million in the quarter ended March 31, 2002, \$31.1 million in the quarter ended March 31, 2001 and \$15.5 million in the quarter ended September 30, 2001.
- (2) Includes net losses from minority-owned investments of \$2.5 million for the quarter ended June 30, 2002 and \$1.7 million, \$3.4 million, \$6.6 million and \$15.1 million for each of the four quarters in the fiscal year ended September 30, 2001. Also includes benefits for income taxes from the utilization of foreign tax credits of \$2.9 million in the quarter ended June 30, 2001 and \$11.6 million in the quarter ended September 30, 2001.
- (3) The aggregate of the four quarters' diluted earnings per common share does not total the reported full fiscal year amount due to the effect of dilutive securities and rounding.

18--SUBSEQUENT EVENTS - UNAUDITED

On October 30, 2002, the Company announced that it expected to incur a charge of about \$25 million in the quarter ending December 31, 2002, for reductions in facilities and workforce as the Company continues to align business resources with revenue expectations.

On October 30, 2002, the Company announced that the Board of Directors approved a change of the Company's fiscal year from September 30 to December 31. The change in fiscal year-end will better align overall operations with the sales organization, which was already operating under a December 31 year-end to correspond with the majority of its clients as well as its competitors. The Company intends to file an audited Form 10-K transition report for the three-month period ended December 31, 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has caused this Report on Form 10-K to be signed on its behalf by the undersigned, duly authorized, in Stamford, Connecticut, on December 27, 2002.

Gartner, Inc.

Date: December 27, 2002

By: /s/ MICHAEL D. FLEISHER

Michael D. Fleisher
Chairman of the Board, Chief
Executive Officer and President

POWER OF ATTORNEY

Each person whose signature appears below appoints Michael D. Fleisher and Maureen E. O'Connell and each of them, acting individually, as his or her attorney-in-fact, each with full power of substitution, for him or her in all capacities, to sign all amendments to this Report on Form 10-K, and to file the same, with appropriate exhibits and other related documents, with the Securities and Exchange Commission. Each of the undersigned, ratifies and confirms his or her signatures as they may be signed by his or her attorney-in-fact to any amendments to this Report.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

NAME TITLE
DATE /s/
MICHAEL D.
FLEISHER
Director and
Chairman of
the Board,
December 27,
2002 - -----

Chief
Executive
Officer and
President
Michael D.
Fleisher
(Principal
Executive
Officer) /s/
MAUREEN E.
O'CONNELL
Executive
Vice
President
Chief
December 27,
2002 - -----

Financial and
Administrative
Officer
Maureen E.
O'Connell
(Principal
Financial and
Accounting
Officer) /s/
ANNE

SUTHERLAND
FUCHS
Director
December 27,
2002 - -----

Anne
Sutherland
Fuchs /s/
WILLIAM O.
GRABE
Director
December 27,
2002 - -----

William O.
Grabe /s/ MAX

D. HOPPER
Director
December 27,
2002 - -----
----- Max
D. Hopper /s/
GLENN
HUTCHINS
Director
December 27,
2002 - -----

Glenn
Hutchins /s/
STEPHEN G.
PAGLIUCA
Director
December 27,
2002 - -----

Stephen G.
Pagliuca

/s/ JAMES C. SMITH

James C. Smith

Director

December 27, 2002

/s/ DAVID J. ROUX

David J. Roux

Director

December 27, 2002

/s/ DENNIS G. SISCO

Dennis G. Sisco

Director

December 27, 2002

/s/ MAYNARD G. WEBB, JR.

Maynard G. Webb, Jr.

Director

December 27, 2002

CERTIFICATION PURSUANT TO
RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

(1) I have reviewed this annual report on Form 10-K of Gartner, Inc.;

(2) Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

(3) Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

- a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
- b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
- c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

(5) The registrant's other certifying officers and I have disclosed, based on my most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors:

- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

(6) The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ Michael D. Fleisher

Michael D. Fleisher
Chief Executive Officer
December 27, 2002

CERTIFICATION PURSUANT TO
RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

(1) I have reviewed this annual report on Form 10-K of Gartner, Inc.;

(2) Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

(3) Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

- a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
- b) evaluated the effectiveness of the registrant disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
- c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

(5) The registrant's other certified officers and I have disclosed, based on my most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors;

- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

(6) The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ Maureen E. O'Connell

Maureen E. O'Connell
Chief Financial Officer
December 27, 2002

GARTNER, INC.
AND
MELLON INVESTOR SERVICES LLC,
AS RIGHTS AGENT

AMENDED AND RESTATED RIGHTS AGREEMENT
DATED AS OF AUGUST 31, 2002

AMENDED AND RESTATED RIGHTS AGREEMENT

This Amended and Restated Rights Agreement (the "Agreement"), is entered into as of August 31, 2002, by and between Gartner, Inc., a Delaware corporation (f/k/a Gartner Group, Inc.) (the "Company"), and Mellon Investor Services LLC, a New Jersey limited liability company, as successor Rights Agent of Fleet National Bank (the "Rights Agent"), and amends and restates the Rights Agreement, dated as of February 10, 2000, as amended, by and between the Company and Fleet National Bank (f/k/a Bank Boston, N.A.).

On February 9, 2000 (the "Rights Dividend Declaration Date"), the Board of Directors of the Company authorized and declared a dividend of one Class A Preferred Share Purchase Right (a "Class A Right") for each Class A Common Share (as hereinafter defined) of the Company outstanding as of the Close of Business (as hereinafter defined) and one Class B Preferred Share Purchase Right (a "Class B Right") (the Class A Rights and Class B Rights being collectively referred to as "Rights") for each Class B Common Share outstanding (as hereinafter defined) on February 25, 2000 (the "Record Date"), each Class A Right representing the right to purchase one one-thousandth of a share of Series A Junior Participating Preferred Stock (as such number may be adjusted pursuant to the provisions of this Agreement), and each Class B Right representing the right to purchase one one-thousandth of a share of Series B Junior Participating Preferred Stock (as such number may be adjusted pursuant to the terms of this Agreement), in each case having the rights, preferences and privileges set forth in the form of Certificate of Designations of Rights, Preferences and Privileges of Series A Junior Participating Preferred Stock and Series B Junior Participating Preferred Stock attached hereto as Exhibit A, upon the terms and subject to the conditions herein set forth, and further authorized and directed the issuance of one Class A Right and one Class B Right (as such number may be adjusted pursuant to the provisions of this Agreement) with respect to each Class A Common Share and each Class B Common Share, respectively, that shall become outstanding between the Record Date and the earlier of the Distribution Date and the Expiration Date (as such terms are hereinafter defined), and in certain circumstances after the Distribution Date.

NOW, THEREFORE, in consideration of the promises and the mutual agreements herein set forth, the parties hereby agree as follows:

Section 1. Certain Definitions. For purposes of this Agreement, the following terms have the meanings indicated:

(a) "Acquiring Person" shall mean any Person who or which, together with all Affiliates and Associates of such Person, shall be the Beneficial Owner of (i) 20% or more of the Class A Common Shares then outstanding, or (ii) 20% of the Class B Common Shares then outstanding, or (iii) 15% of the Company's Common Shares then outstanding (each such share ownership amount herein referred to as a "Threshold Amount"), but shall not include any Excluded Person (as such term is hereinafter defined) or any Excepted Person (as such term is hereinafter defined) but in the case of an Excepted Person only for so long as such Person continues to meet the definition of an Excepted Person, as determined by the Board of Directors of the Company in its good faith discretion. Notwithstanding the foregoing, no Person shall be deemed to be an Acquiring Person as the result of an acquisition of Common Shares by the Company which, by reducing the

number of shares outstanding, increases the proportionate number of shares beneficially owned by such Person to a Threshold Amount; provided, however, that if a Person shall become the Beneficial Owner of a Threshold Amount then outstanding by reason of share purchases by the Company and shall, after such share purchases by the Company, become the Beneficial Owner of any additional Common Shares of the Company (other than pursuant to a dividend or distribution paid or made by the Company on the outstanding Common Shares in Common Shares or pursuant to a split or subdivision of the outstanding Common Shares), then such Person shall be deemed to be an Acquiring Person unless upon becoming the Beneficial Owner of such additional Common Shares of the Company such Person does not beneficially own a Threshold Amount. Notwithstanding the foregoing, (i) if the Company's Board of Directors determines in good faith that a Person who would otherwise be an Acquiring Person, as defined pursuant to the foregoing provisions of this paragraph (a), has become such inadvertently (including, without limitation, because (A) such Person was unaware that it beneficially owned a percentage of the Common Shares that would otherwise cause such Person to be an Acquiring Person, as defined pursuant to the foregoing provisions of this paragraph (a), or (B) such Person was aware of the extent of the Common Shares it beneficially owned but had no actual knowledge of the consequences of such beneficial ownership under this Agreement) and without any intention of changing or influencing control of the Company, and if such Person divested or divests as promptly as practicable a sufficient number of Common Shares so that such Person would no longer be an Acquiring Person, as defined pursuant to the foregoing provisions of this paragraph (a), then such Person shall not be deemed to be or to have become an "Acquiring Person" for any purposes of this Agreement; and (ii) if, as of February 10, 2000, any Person is the Beneficial Owner of a Threshold Amount, such Person shall not be or become an Acquiring Person, as defined pursuant to the foregoing provisions of this paragraph (a), unless and until such time as such Person shall become the Beneficial Owner of additional Common Shares (other than pursuant to a dividend or distribution paid or made by the Company on the outstanding Common Shares in Common Shares or pursuant to a split or subdivision of the outstanding Common Shares), unless, upon becoming the Beneficial Owner of such additional Common Shares, such Person is not then the Beneficial Owner of a Threshold Amount; and (iii) if after February 10, 2000 any Person or any of such Person's Affiliates or Associates, becomes the Beneficial Owner of a Threshold Amount pursuant to (or as contemplated by) an agreement that has been approved by the Board of Directors of the Company prior to such Person becoming an Acquiring Person, neither (i) such Person or any of such Person's Affiliates or Associates nor (ii) any transferee of such Person or such Person's Affiliates or Associates, provided that in the case of this subclause (ii) such transferee is not, either before or after giving effect to each such transfer, the Beneficial Owner of (x) 25% or more of the Class A Common Shares, (y) 20% or more of the Class B Common Shares or (z) 20% or more of the Company's Common Shares then outstanding, shall be or become an Acquiring Person, as defined pursuant to the foregoing provisions of this paragraph (a), unless and until such time as such Person or such Person's Affiliates, Associates or transferees shall become the Beneficial Owner of additional Common Shares (other than pursuant to a dividend or distribution paid or made by the Company on the outstanding Common Shares in Common Shares or pursuant to a split or subdivision of the outstanding Common Shares), unless, upon becoming the Beneficial Owner of such additional Common Shares, such Person is not then the Beneficial Owner of a Threshold Amount.

(b) "Adjustment Fraction" shall have the meaning set forth in Section 11(a)(i) hereof.

(c) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act, as in effect on the date of this Agreement.

(d) A Person shall be deemed the "Beneficial Owner" of and shall be deemed to "beneficially own" any securities:

(i) which such Person or any of such Person's Affiliates or Associates beneficially owns, directly or indirectly, for purposes of Section 13(d) of the Exchange Act and Rule 13d-3 thereunder (or any comparable or successor law or regulation);

(ii) which such Person or any of such Person's Affiliates or Associates has (A) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities), or upon the exercise of conversion rights, exchange rights, rights (other than the Rights), warrants or options, or otherwise; provided, however, that a Person shall not be deemed pursuant to this Section 1(d)(ii)(A) to be the Beneficial Owner of, or to beneficially own, (1) securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange, or (2) securities which a Person or any of such Person's Affiliates or Associates may be deemed to have the right to acquire pursuant to any merger or other acquisition agreement between the Company and such Person (or one or more of its Affiliates or Associates) if such agreement has been approved by the Board of Directors of the Company prior to there being an Acquiring Person; or (B) the right to vote pursuant to any agreement, arrangement or understanding; provided, however, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, any security under this Section 1(d)(ii)(B) if the agreement, arrangement or understanding to vote such security (1) arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations of the Exchange Act and (2) is not also then reportable on Schedule 13D under the Exchange Act (or any comparable or successor report); or

(iii) which are beneficially owned, directly or indirectly, by any other Person (or any Affiliate or Associate thereof) with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding, whether or not in writing (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities) for the purpose of acquiring, holding, voting (except to the extent contemplated by the proviso to Section 1(d)(ii)(B)) or disposing of any securities of the Company; provided, however, that in no case shall an officer or director of the Company be deemed (x) the Beneficial Owner of any securities beneficially owned by another officer or director of the Company solely by reason of actions undertaken by such persons in their capacity as officers or directors of the Company or (y) the Beneficial Owner of securities held of record by the trustee of any employee benefit plan of the Company or any Subsidiary of the Company for the benefit of any employee of the Company or any Subsidiary of the Company, other than the officer or director, by reason of any influence that such officer or director may have over the voting of the securities held in the plan.

(e) "Business Day" shall mean any day other than a Saturday, Sunday or a day on which banking institutions in the States of New Jersey, New York or Connecticut are authorized or obligated by law or executive order to close.

(f) "Close of Business" on any given date shall mean 5:00 P.M., Connecticut time, on such date; provided, however, that if such date is not a Business Day it shall mean 5:00 P.M., Connecticut time, on the next succeeding Business Day.

(g) "Common Shares" when used with reference to the Company shall mean the Class A Common Shares and the Class B Common Shares, collectively. Common Shares when used with reference to any Person other than the Company shall mean the capital stock (or equity interest) with the greatest voting power of such other Person or, if such other Person is a Subsidiary of another Person, the Person or Persons which ultimately control such first-mentioned Person.

(h) "Class A Common Shares" shall mean shares of the Company's Common Stock, Class A, par value \$0.0005.

(i) "Class B Common Shares" shall mean shares of the Company's Common Stock, Class B, par value \$0.0005.

(j) "Class A Rights Certificate" shall mean a certificate substantially in the form attached hereto as Exhibit B.

(k) "Class B Rights Certificate" shall mean a certificate substantially in the form attached hereto as Exhibit C.

(l) "Common Stock Equivalents" shall have the meaning set forth in Section 11(a)(iii) hereof.

(m) "Company" shall mean Gartner, Inc., a Delaware corporation, subject to the terms of Section 13(a)(iii)(C) hereof.

(n) "Current Per Share Market Price" on any security (a "Security" for purposes of this definition), for all computations other than those made pursuant to Section 11(a)(iii) hereof, shall mean the average of the daily closing prices per share of such Security for the thirty (30) consecutive Trading Days immediately prior to such date, and for purposes of computations made pursuant to Section 11(a)(iii) hereof, the Current Per Share Market Price of any Security on any date shall be deemed to be the average of the daily closing prices per share of such Security for the ten (10) consecutive Trading Days immediately prior to such date; provided, however, that in the event that the Current Per Share Market Price of the Security is determined during a period following the announcement by the issuer of such Security of (i) a dividend or distribution on such Security payable in shares of such Security or securities convertible into such shares or (ii) any subdivision, combination or reclassification of such Security, and prior to the expiration of the applicable thirty (30) Trading Day or ten (10) Trading Day period, after the ex-dividend date for such dividend or distribution, or the record date for such subdivision, combination or reclassification, then, and in each such case, the Current Per Share Market Price shall be appropriately adjusted to reflect the current market price per share equivalent of such Security. The

closing price for each day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the Security is not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Security is listed or admitted to trading or, if the Security is not listed or admitted to trading on any national securities exchange, the last sale price or, if such last sale price is not reported, the average of the high bid and low asked prices in the over-the-counter market, as reported by Nasdaq or such other system then in use, or, if on any such date the Security is not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Security selected by the Board of Directors of the Company. If on any such date no market maker is making a market in the Security, the fair value of such shares on such date as determined in good faith by the Board of Directors of the Company (which determination shall be described in a statement filed with the Rights Agent) shall be used. If the Series A Preferred Shares are not publicly traded, the Current Per Share Market Price of the Series A Preferred Shares shall be conclusively deemed to be the Current Per Share Market Price of the Class A Common Shares as determined pursuant to this Section 1(n), as appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after February 10, 2000, multiplied by 1,000, and if the Series B Preferred Shares are not publicly traded, the Current Per Share Market Price of the Series B Preferred Shares shall be conclusively determined to be the Current Per Share Market Price of the Class B Common Shares as determined pursuant to this Section 1(n), as appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after February 10, 2000, multiplied by 1000. If a Security is not publicly held or so listed or traded, Current Per Share Market Price shall mean the fair value per share as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent and shall be conclusive for all purposes.

(o) "Current Value" shall have the meaning set forth in Section 11(a)(iii) hereof.

(p) "Distribution Date" shall mean the earlier of (i) the Close of Business on the tenth day after the Shares Acquisition Date (or, if the tenth day after the Shares Acquisition Date occurs before the Record Date, the Close of Business on the Record Date) or (ii) the Close of Business on the tenth Business Day (or such later date as may be determined by action of the Company's Board of Directors) after the date that a tender or exchange offer by any Person (other than the Company, any Subsidiary of the Company, any employee benefit plan of the Company or of any Subsidiary of the Company, or any Person or entity organized, appointed or established by the Company for or pursuant to the terms of any such plan) is first published or sent or given within the meaning of Rule 14d-2(a) of the General Rules and Regulations under the Exchange Act, if, assuming the successful consummation thereof, such Person would be an Acquiring Person.

(q) "Equivalent Shares" shall mean Preferred Shares and any other class or series of capital stock of the Company which is entitled to the same rights, privileges and preferences as the Preferred Shares.

(r) "Excepted Percentage" applicable to any Excepted Person shall, at any particular time, be a percentage of the then outstanding number of shares of the Subject Class beneficially owned by such Person, which percentage shall be equal to the sum of (A) the lesser of (i) the percentage of the outstanding shares of the Subject Class beneficially owned by such Person on February 10, 2000 and (ii) the lowest percentage of the outstanding shares of the Subject Class beneficially owned by such Person at any time hereafter, plus (B) 1% of the outstanding shares of the Subject Class.

(s) "Excepted Person" shall mean any Passive Investor that as of February 10, 2000 is the Beneficial Owner of 20% or more of the outstanding Class A Common Shares or Class B Common Shares (the applicable class being referred to as the "Subject Class"); so long as such Passive Investor (i) continues to be a Passive Investor, (ii) does not become the Beneficial Owner of shares of the Subject Class in excess of the Excepted Percentage; and (iii) does not become the Beneficial Owner of less than 19% of the then outstanding shares of the Subject Class.

(t) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(u) "Exchange Ratio" shall have the meaning set forth in Section 24(a) hereof.

(v) "Excluded Person" shall mean the Company, any Subsidiary of the Company or any employee benefit plan of the Company or of any Subsidiary of the Company, or any entity holding Common Shares for or pursuant to the terms of any such plan.

(w) "Exercise Price" shall have the meaning set forth in Section 4(a) hereof.

(x) "Expiration Date" shall mean the earliest of (i) the Close of Business on the Final Expiration Date, (ii) the Redemption Date, or (iii) the time at which the Board of Directors of the Company orders the exchange of the Rights as provided in Section 24 hereof.

(y) "Final Expiration Date" shall mean February 25, 2010.

(z) "Interested Person" with respect to a Transaction shall mean any Person who (i) is or will become an Acquiring Person if the Transaction were to be consummated or an Affiliate or Associate of such a Person, and (ii) is, or directly or indirectly proposed, nominated or financially supported a director of the Company in office at the time of consideration of the Transaction in question who was elected by written consent of stockholders.

(aa) "Nasdaq" shall mean the National Association of Securities Dealers, Inc. Automated Quotations System.

(bb) "Passive Investor" shall mean a Person required by Rule 13d-1(a) of Regulation D-G promulgated under the Exchange Act, as amended to file a statement on Schedule 13D in respect of such Person's beneficial ownership of the Company's Common Shares, but who may, in lieu of filing such statement on Schedule 13D, file a statement on Schedule 13G pursuant to Rule 13d-1(b) or Rule 13d-1(c) of Regulation D-G.

(cc) "Person" shall mean any individual, firm, corporation or other entity, and shall include any successor (by merger or otherwise) of such entity.

(dd) "Post-Event Transferee" shall have the meaning set forth in Section 7(e) hereof.

(ee) "Pre-Event Transferee" shall have the meaning set forth in Section 7(e) hereof.

(ff) "Preferred Shares" shall mean the Series A Preferred Shares and the Series B Preferred Shares.

(gg) "Principal Party" shall have the meaning set forth in Section 13(b) hereof.

(hh) "Record Date" shall have the meaning set forth in the recitals at the beginning of this Agreement.

(ii) "Redemption Date" shall have the meaning set forth in Section 23(a) hereof.

(jj) "Redemption Price" shall have the meaning set forth in Section 23(a) hereof.

(kk) "Right" shall mean a Class A Right or a Class B Right and the term "Rights" shall mean all Class A Rights and Class B Rights.

(ll) "Rights Agent" shall mean Mellon Investor Services LLC, or its successor or replacement as provided in Sections 19 and 21 hereof.

(mm) "Rights Certificate" shall mean either a Class A Right Certificate or Class B Right Certificate, in the forms attached hereto as Exhibits B and C, respectively, and the term "Rights Certificates" shall have a corresponding meaning.

(nn) "Rights Dividend Declaration Date" shall have the meaning set forth in the recitals at the beginning of this Agreement.

(oo) "Section 11(a)(ii) Trigger Date" shall have the meaning set forth in Section 11(a)(iii) hereof.

(pp) "Section 13 Event" shall mean any event described in clause (i), (ii) or (iii) of Section 13(a) hereof.

(qq) "Securities Act" shall mean the Securities Act of 1933, as amended.

(rr) "Series A Preferred Shares" shall mean shares of Series A Junior Participating Preferred Stock, par value \$0.01 per share, of the Company.

(ss) "Series B Preferred Shares" shall mean shares of Series B Junior Participating Preferred Stock, par value \$0.01 per share, of the Company.

(tt) "Shares Acquisition Date" shall mean the first date of public announcement (which, for purposes of this definition, shall include, without limitation, a report filed pursuant to Section 13(d) under the Exchange Act) by the Company or an Acquiring Person that an Acquiring Person has become such; provided that, if such Person is determined not to have become an Acquiring Person pursuant to Section 1(a) hereof, then no Shares Acquisition Date shall be deemed to have occurred.

(uu) "Spread" shall have the meaning set forth in Section 11(a)(iii) hereof.

(vv) "Subsidiary" of any Person shall mean any corporation or other entity of which an amount of voting securities sufficient to elect a majority of the directors or Persons having similar authority of such corporation or other entity is beneficially owned, directly or indirectly, by such Person, or any corporation or other entity otherwise controlled by such Person.

(ww) "Substitution Period" shall have the meaning set forth in Section 11(a)(iii) hereof.

(xx) "Summary of Rights" shall mean a summary of this Agreement substantially in the form attached hereto as Exhibit D.

(yy) "Total Exercise Price" shall have the meaning set forth in Section 4(a) hereof.

(zz) "Trading Day" shall mean a day on which the principal national securities exchange on which a referenced security is listed or admitted to trading is open for the transaction of business or, if a referenced security is not listed or admitted to trading on any national securities exchange, a Business Day.

(aaa) "Transaction" shall mean any merger, consolidation or sale of assets described in Section 13(a) hereof or any acquisition of Common Shares which would result in a Person becoming an Acquiring Person.

(bbb) A "Triggering Event" shall be deemed to have occurred upon any Person becoming an Acquiring Person.

Section 2. Appointment of Rights Agent. The Company hereby appoints the Rights Agent to act as agent for the Company in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Company may from time to time appoint such co-Rights Agents as it may deem necessary or desirable upon ten (10) days prior written notice to the Rights Agent. The Rights Agent shall have no duty to supervise, and shall in no event be liable for, the acts or omissions of any such co-Rights Agent.

Section 3. Issuance of Rights Certificates.

(a) Until the Distribution Date, (i) the Class A Rights and the Class B Rights will be evidenced (subject to the provisions of Sections 3(b) and 3(c) hereof) by the certificates for Class A Common Shares and Class B Common Shares, respectively, registered in the names of the holders thereof (which certificates shall also be deemed to be Rights Certificates) and not by

separate Rights Certificates and (ii) the right to receive Rights Certificates will be transferable only in connection with the transfer of Common Shares. Until the earlier of the Distribution Date or the Expiration Date, the surrender for transfer of such certificates for Common Shares shall also constitute the surrender for transfer of the Rights associated with the Common Shares represented thereby. As soon as practicable after the Distribution Date, the Company will prepare and execute, the Rights Agent will countersign, and the Company will send or cause to be sent (and the Rights Agent will, if requested and provided with all necessary information, send) by first-class, postage-prepaid mail, to each record holder of Common Shares as of the Close of Business on the Distribution Date, at the address of such holder shown on the records of the Company, a Rights Certificate evidencing one Class A Right and one Class B Right for each Class A Common Share or Class B Common Share so held, respectively, subject to adjustment as provided herein. In the event that an adjustment in the number of Rights per Common Share has been made pursuant to Section 11 hereof, then at the time of distribution of the Rights Certificates, the Company shall make the necessary and appropriate rounding adjustments (in accordance with Section 14(a) hereof) so that Rights Certificates representing only whole numbers of Rights are distributed and cash is paid in lieu of any fractional Rights. As of the Distribution Date, the Rights will be evidenced solely by such Rights Certificates and may be transferred by the transfer of the Rights Certificates as permitted hereby, separately and apart from any transfer of Common Shares, and the holders of such Rights Certificates as listed in the records of the Company or any transfer agent or registrar for the Rights shall be the record holders thereof. The Company shall promptly notify the Rights Agent in writing upon the occurrence of the Distribution Date and, if such notification is given orally, the Company shall confirm same in writing on or prior to the Business Day next following. Until such notice is received by the Rights Agent, the Rights Agent may presume conclusively for all purposes that the Distribution Date has not occurred.

(b) On the Record Date or as soon as practicable thereafter, the Company will send a copy of the Summary of Rights by first-class, postage-prepaid mail, to each record holder of Common Shares as of the Close of Business on the Record Date, at the address of such holder shown on the records of the Company's transfer agent and registrar. With respect to certificates for Common Shares outstanding as of the Record Date, until the Distribution Date, the Rights will be evidenced by such certificates registered in the names of the holders thereof together with the Summary of Rights. Until the Distribution Date (or, if earlier, the Expiration Date), the surrender for transfer of any certificate for Common Shares outstanding on the Record Date, with or without a copy of the Summary of Rights, shall also constitute the transfer of the Rights associated with the Common Shares represented thereby.

(c) Unless the Board of Directors of the Company by resolution adopted at or before the time of the issuance of any Common Shares specifies to the contrary, Rights shall be issued in respect of all Common Shares that are issued after the Record Date but prior to the earlier of the Distribution Date or the Expiration Date or, in certain circumstances provided in Section 22 hereof, after the Distribution Date. Certificates representing such Common Shares shall also be deemed to be certificates for Rights, and shall bear the following legend:

THIS CERTIFICATE ALSO EVIDENCES AND ENTITLES THE HOLDER HEREOF TO CERTAIN RIGHTS AS SET FORTH IN AN AMENDED AND RESTATED RIGHTS AGREEMENT BETWEEN GARTNER, INC., AND MELLON INVESTOR SERVICES

LLC, AS SUCCESSOR RIGHTS AGENT OF FLEET NATIONAL BANK, DATED AS OF AUGUST 31, 2002 (AS AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME, THE "RIGHTS AGREEMENT"), THE TERMS OF WHICH ARE HEREBY INCORPORATED HEREIN BY REFERENCE AND A COPY OF WHICH IS ON FILE AT THE PRINCIPAL EXECUTIVE OFFICES OF GARTNER, INC. UNDER CERTAIN CIRCUMSTANCES, AS SET FORTH IN THE RIGHTS AGREEMENT, SUCH RIGHTS WILL BE EVIDENCED BY SEPARATE CERTIFICATES AND WILL NO LONGER BE EVIDENCED BY THIS CERTIFICATE. GARTNER, INC., WILL MAIL TO THE HOLDER OF THIS CERTIFICATE A COPY OF THE RIGHTS AGREEMENT WITHOUT CHARGE AFTER RECEIPT OF A WRITTEN REQUEST THEREFOR. UNDER CERTAIN CIRCUMSTANCES SET FORTH IN THE RIGHTS AGREEMENT, RIGHTS ISSUED TO, OR HELD BY, ANY PERSON WHO IS, WAS OR BECOMES AN ACQUIRING PERSON OR ANY AFFILIATE OR ASSOCIATE THEREOF (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT), WHETHER CURRENTLY HELD BY OR ON BEHALF OF SUCH PERSON OR BY ANY SUBSEQUENT HOLDER, MAY BECOME NULL AND VOID.

With respect to such certificates containing the foregoing legend, until the earlier of (i) the Distribution Date or (ii) the Expiration Date, the Rights associated with the Common Shares represented by such certificates shall be evidenced by such certificates alone, and the surrender for transfer of any such certificate shall also constitute the transfer of the Rights associated with the Common Shares represented thereby.

(d) In the event that the Company purchases or acquires any Common Shares after the Record Date but prior to the Distribution Date, any Rights associated with such Common Shares shall be deemed canceled and retired so that the Company shall not be entitled to exercise any Rights associated with the Common Shares which are no longer outstanding.

Section 4. Form of Rights Certificates.

(a) The Class A Rights Certificates and the Class B Rights Certificates (and the forms of election to purchase Class A Common Shares and Class B Common Shares and of assignment to be printed on the reverse thereof) shall be substantially in the forms of Exhibit B and Exhibit C hereto, respectively, and may have such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Company may deem appropriate and which do not affect the rights, duties or responsibilities of the Rights Agent and are not inconsistent with the provisions of this Agreement, or as may be required to comply with any applicable law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange or a national market system, on which the Rights may from time to time be listed or included, or to conform to usage. Subject to the provisions of Section 11 and Section 22 hereof, the Rights Certificates, whenever distributed, shall be dated as of the Record Date (or in the case of Rights issued with respect to Common Shares issued by the Company after the Record Date, as of the date of issuance of such Common Shares) and on their face shall entitle the holders thereof to purchase such number of one-thousandths of a Series A Preferred Share (in the case of the Class A Rights) or Series B Preferred Share (in the case of the Class B Rights) as shall be set forth therein at the price set forth therein (such exercise price per one one-thousandth of a Preferred Share being

hereinafter referred to as the "Exercise Price" and the aggregate Exercise Price of all Series A Preferred Shares or Series B Preferred Shares, as the case may be, issuable upon exercise of one Right being hereinafter referred to as the "Total Exercise Price"), but the number and type of securities purchasable upon the exercise of each Right and the Exercise Price shall be subject to adjustment as provided herein.

(b) Any Rights Certificate issued pursuant to Section 3(a) or Section 22 hereof that represents Rights beneficially owned by: (i) an Acquiring Person or any Associate or Affiliate of an Acquiring Person, (ii) a transferee of an Acquiring Person (or of any such Associate or Affiliate) who becomes a transferee after the Acquiring Person becomes such or (iii) a transferee of an Acquiring Person (or of any such Associate or Affiliate) who becomes a transferee prior to or concurrently with the Acquiring Person becoming such and receives such Rights pursuant to either (A) a transfer (whether or not for consideration) from the Acquiring Person to holders of equity interests in such Acquiring Person or to any Person with whom such Acquiring Person has any continuing agreement, arrangement or understanding regarding the transferred Rights or (B) a transfer which the Company's Board of Directors has determined is part of a plan, arrangement or understanding which has as a primary purpose or effect avoidance of Section 7(e) hereof, and any Rights Certificate issued pursuant to Section 6 or Section 11 hereof upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, shall contain (to the extent feasible) the following legend:

THE RIGHTS REPRESENTED BY THIS RIGHTS CERTIFICATE ARE OR WERE BENEFICIALLY OWNED BY A PERSON WHO WAS OR BECAME AN ACQUIRING PERSON OR AN AFFILIATE OR ASSOCIATE OF AN ACQUIRING PERSON (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT). ACCORDINGLY, THIS RIGHTS CERTIFICATE AND THE RIGHTS REPRESENTED HEREBY MAY BECOME NULL AND VOID IN THE CIRCUMSTANCES SPECIFIED IN SECTION 7(e) OF THE RIGHTS AGREEMENT.

Section 5. Countersignature and Registration.

(a) The Rights Certificates shall be executed on behalf of the Company by its Chairman of the Board, its Chief Executive Officer, its Chief Financial Officer, its President or any Vice President, either manually or by facsimile signature, and by the Secretary or an Assistant Secretary of the Company, either manually or by facsimile signature, and shall have affixed thereto the Company's seal (if any) or a facsimile thereof. The Rights Certificates shall be manually countersigned by the Rights Agent and shall not be valid for any purpose unless countersigned. In case any officer of the Company who shall have signed any of the Rights Certificates shall cease to be such officer of the Company before countersignature by the Rights Agent and issuance and delivery by the Company, such Rights Certificates, nevertheless, may be countersigned by the Rights Agent and issued and delivered by the Company with the same force and effect as though the person who signed such Rights Certificates on behalf of the Company had not ceased to be such officer of the Company; and any Rights Certificate may be signed on behalf of the Company by any person who, at the actual date of the execution of such Rights Certificate, shall be a proper officer of the Company to sign such Rights Certificate, although at the date of the execution of this Agreement any such person was not such an officer.

(b) Following the Distribution Date and receipt by the Rights Agent of written notice of such Distribution Date and all necessary information, the Rights Agent will keep or cause to be kept, at its office designated for such purposes, books for registration and transfer of the Rights Certificates issued hereunder. Such books shall show the names and addresses of the respective holders of the Rights Certificates, the number of Rights evidenced on its face by each of the Rights Certificates and the date of each of the Rights Certificates.

Section 6. Transfer, Split Up, Combination and Exchange of Rights Certificates; Mutilated, Destroyed, Lost or Stolen Rights Certificates.

(a) Subject to the provisions of Sections 7(e), 14 and 24 hereof, at any time after the Close of Business on the Distribution Date, and at or prior to the Close of Business on the Expiration Date, any Rights Certificate or Rights Certificates may be transferred, split up, combined or exchanged for another Rights Certificate or Rights Certificates, entitling the registered holder to purchase a like number of one-thousandths of a Preferred Share (or, following a Triggering Event, other securities, cash or other assets, as the case may be) as the Rights Certificate or Rights Certificates surrendered then entitled such holder to purchase. Any registered holder desiring to transfer, split up, combine or exchange any Rights Certificate or Rights Certificates shall make such request in writing delivered to the Rights Agent, and shall surrender the Rights Certificate or Rights Certificates to be transferred, split up, combined or exchanged at the office of the Rights Agent designated for such purpose. Neither the Rights Agent nor the Company shall be obligated to take any action whatsoever with respect to the transfer of any such surrendered Rights Certificate until the registered holder shall have completed and signed the certificate contained in the form of assignment on the reverse side of such Rights Certificate and shall have provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) or Affiliates or Associates thereof as the Company or the Rights Agent shall reasonably request. Thereupon the Rights Agent shall, subject to Sections 7(e), 14 and 24 hereof, countersign and deliver to the Person entitled thereto a Rights Certificate or Rights Certificates, as the case may be, as so requested. The Company may require payment from a Rights holder of a sum sufficient to cover any tax or charge that may be imposed in connection with any transfer, split up, combination or exchange of Rights Certificates. The Rights Agent shall have no duty or obligation under this Section 6 unless and until the Rights Agent is satisfied that all such taxes and/or governmental charges have been paid.

(b) Upon receipt by the Company and the Rights Agent of evidence reasonably satisfactory to them of the loss, theft, destruction or mutilation of a Rights Certificate, and, in case of loss, theft or destruction, of indemnity or security satisfactory to them, and, at the Company's request, reimbursement to the Company and the Rights Agent of all reasonable expenses incidental thereto, and upon surrender to the Rights Agent and cancellation of the Rights Certificate if mutilated, the Company will make and deliver a new Rights Certificate of like tenor to the Rights Agent for countersignature and delivery to the registered holder in lieu of the Rights Certificate so lost, stolen, destroyed or mutilated.

Section 7. Exercise of Rights; Exercise Price; Expiration Date of Rights.

(a) Subject to Sections 7(e), 23(b) and 24(b) hereof, the registered holder of any Rights Certificate may exercise the Rights evidenced thereby (except as otherwise provided herein)

in whole or in part at any time after the Distribution Date and prior to the Close of Business on the Expiration Date by surrender of the Rights Certificate, with the form of election to purchase on the reverse side thereof duly and properly executed, to the Rights Agent at the office of the Rights Agent designated for such purpose, together with payment of the Exercise Price for each one-thousandth of a Preferred Share (or, following a Triggering Event, other securities, cash or other assets as the case may be) as to which the Rights are exercised.

(b) The Exercise Price for each one-thousandth of a Series A Preferred Share issuable pursuant to the exercise of a Class A Right and the Exercise Price for each one-thousandth of a Series B Preferred Share issuable pursuant to the exercise of a Class B Right shall in each case initially be Ninety Dollars (\$90.00), shall be subject to adjustment from time to time as provided in Sections 11 and 13 hereof, and shall be payable in lawful money of the United States of America in accordance with paragraph (c) below.

(c) Upon receipt of a Rights Certificate representing exercisable Rights, with the form of election to purchase duly and properly executed, accompanied by payment of the Exercise Price for the number of one-thousandths of a Preferred Share (or, following a Triggering Event, other securities, cash or other assets as the case may be) to be purchased and an amount equal to any applicable tax or charge required to be paid by the holder of such Rights Certificate in accordance with Section 9(e) hereof, the Rights Agent shall, subject to Section 20(k) hereof, thereupon promptly (i) (A) requisition from any transfer agent of the Preferred Shares (or make available, if the Rights Agent is the transfer agent for the Preferred Shares) a certificate or certificates for the number of one-thousandths of a Series A Preferred Share or Series B Preferred Share, as the case may be (or, following a Triggering Event, other securities, cash or other assets as the case may be), to be purchased and the Company hereby irrevocably authorizes its transfer agent to comply with all such requests or (B) if the Company shall have elected to deposit the total number of one-thousandths of a Series A Preferred Share or Series B Preferred Share, as the case may be (or, following a Triggering Event, other securities, cash or other assets as the case may be), issuable upon exercise of the Rights hereunder with a depository agent, requisition from the depository agent depository receipts representing such number of one-thousandths of a Series A Preferred Share or Series B Preferred Share, as the case may be (or, following a Triggering Event, other securities, cash or other assets as the case may be), as are to be purchased (in which case certificates for the respective Preferred Shares (or, following a Triggering Event, other securities, cash or other assets as the case may be) represented by such receipts shall be deposited by the transfer agent with the depository agent) and the Company hereby directs the depository agent to comply with such request, (ii) when appropriate, requisition from the Company the amount of cash to be paid in lieu of issuance of fractional shares in accordance with Section 14 hereof, (iii) after receipt of such certificates or depository receipts, cause the same to be delivered to or upon the order of the registered holder of such Rights Certificate, registered in such name or names as may be designated by such holder and (iv) when appropriate, after receipt thereof, deliver such cash to or upon the order of the registered holder of such Rights Certificate. The payment of the Exercise Price (as such amount may be reduced (including to zero) pursuant to Section 11(a)(iii) hereof) and an amount equal to any applicable tax or charge required to be paid by the holder of such Rights Certificate in accordance with Section 9(e) hereof, may be made in cash or by certified bank check, cashier's check or bank draft payable to the order of the Company. In the event that the Company is obligated to issue securities of the Company other than Preferred Shares, pay cash and/or distribute other property pursuant to Section 11(a)

hereof, the Company will make all arrangements necessary so that such other securities, cash and/or other property are available for distribution by the Rights Agent, if and when necessary to comply with this Agreement. The Company shall provide the Rights Agent with written instructions prior to the distribution of such securities.

(d) In case the registered holder of any Rights Certificate shall exercise less than all the Rights evidenced thereby, a new Rights Certificate evidencing Rights equivalent to the Rights remaining unexercised shall be issued by the Rights Agent to the registered holder of such Rights Certificate or to his or her duly authorized assigns, subject to the provisions of Section 14 hereof.

(e) Notwithstanding anything in this Agreement to the contrary, from and after the first occurrence of a Triggering Event, any Rights beneficially owned by (i) an Acquiring Person or an Associate or Affiliate of an Acquiring Person, (ii) a transferee of an Acquiring Person (or of any such Associate or Affiliate) who becomes a transferee after the Acquiring Person becomes such (a "Post-Event Transferee"), (iii) a transferee of an Acquiring Person (or of any such Associate or Affiliate) who becomes a transferee prior to or concurrently with the Acquiring Person becoming such and receives such Rights pursuant to either (A) a transfer (whether or not for consideration) from the Acquiring Person to holders of equity interests in such Acquiring Person or to any Person with whom the Acquiring Person has any continuing agreement, arrangement or understanding regarding the transferred Rights or (B) a transfer which the Company's Board of Directors has determined is part of a plan, arrangement or understanding which has as a primary purpose or effect the avoidance of this Section 7(e) (a "Pre-Event Transferee") or (iv) any subsequent transferee receiving transferred Rights from a Post-Event Transferee or a Pre-Event Transferee, either directly or through one or more intermediate transferees, shall become null and void without any further action and no holder of such Rights shall have any rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise. The Company shall use all reasonable efforts to ensure that the provisions of this Section 7(e) and Section 4(b) hereof are complied with, but shall have no liability to any holder of Rights Certificates or to any other Person as a result of its failure to make any determinations with respect to an Acquiring Person or any of such Acquiring Person's Affiliates, Associates or transferees hereunder.

(f) Notwithstanding anything in this Agreement to the contrary, neither the Rights Agent nor the Company shall be obligated to undertake any action with respect to a registered holder upon the occurrence of any purported exercise as set forth in this Section 7 unless such registered holder shall, in addition to having complied with the requirements of Section 7(a) above, have (i) properly completed and signed the certificate contained in the form of election to purchase set forth on the reverse side of the Rights Certificate surrendered for such exercise and (ii) provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) or Affiliates or Associates thereof as the Company or the Rights Agent shall reasonably request.

Section 8. Cancellation and Destruction of Rights Certificates. All Rights Certificates surrendered for the purpose of exercise, transfer, split up, combination or exchange shall, if surrendered to the Company or to any of its agents, be delivered to the Rights Agent for cancellation or in canceled form, or, if surrendered to the Rights Agent, shall be canceled by it, and no Rights Certificates shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Agreement. The Company shall deliver to the Rights Agent for cancellation and

retirement, and the Rights Agent shall so cancel and retire, any Rights Certificate purchased or acquired by the Company otherwise than upon the exercise thereof. The Rights Agent shall deliver all canceled Rights Certificates to the Company, or shall, at the written request of the Company, destroy such canceled Rights Certificates, and in such case shall deliver a certificate of destruction thereof to the Company.

Section 9. Reservation and Availability of Preferred Shares.

(a) The Company covenants and agrees that it will use its best efforts to cause to be reserved and kept available out of its authorized and unissued Preferred Shares not reserved for another purpose (and, following the occurrence of a Triggering Event, out of its authorized and unissued Common Shares and/or other securities), the number of Preferred Shares of each series (and, following the occurrence of the Triggering Event, Common Shares and/or other securities) that will be sufficient to permit the exercise in full of all outstanding Rights.

(b) If the Company shall hereafter list any of its Preferred Shares on a national securities exchange, then so long as the Preferred Shares (and, following the occurrence of a Triggering Event, Common Shares and/or other securities) issuable and deliverable upon exercise of the Rights may be listed on such exchange, the Company shall use its best efforts to cause, from and after such time as the Rights become exercisable (but only to the extent that it is reasonably likely that the Rights will be exercised), all shares reserved for such issuance to be listed on such exchange upon official notice of issuance upon such exercise. The Company will not so list the Series A Preferred Shares or Series B Preferred Shares without so listing shares of both series.

(c) The Company shall use its best efforts to (i) file, as soon as practicable following the earliest date after the first occurrence of a Triggering Event in which the consideration to be delivered by the Company upon exercise of the Rights is described in Section 11(a)(ii) or Section 11(a)(iii) hereof, or as soon as is required by law following the Distribution Date, as the case may be, a registration statement under the Securities Act with respect to the securities purchasable upon exercise of the Rights on an appropriate form, (ii) cause such registration statement to become effective as soon as practicable after such filing and (iii) cause such registration statement to remain effective (with a prospectus at all times meeting the requirements of the Securities Act) until the earlier of (A) the date as of which the Rights are no longer exercisable for such securities and (B) the date of expiration of the Rights. The Company may temporarily suspend, for a period not to exceed ninety (90) days after the date set forth in clause (i) of the first sentence of this Section 9(c), the exercisability of the Rights in order to prepare and file such registration statement and permit it to become effective. Upon any such suspension, the Company shall issue a public announcement stating, and notify the Rights Agent in writing, that the exercisability of the Rights has been temporarily suspended, as well as a public announcement and written notification to the Rights Agent at such time as the suspension is no longer in effect. The Company will also take such action as may be appropriate under, or to ensure compliance with, the securities or "blue sky" laws of the various states in connection with the exercisability of the Rights. Notwithstanding any provision of this Agreement to the contrary, the Rights shall not be exercisable in any jurisdiction, unless the requisite qualification in such jurisdiction shall have been obtained, or an exemption therefrom shall be available, and until a registration statement has been declared effective.

(d) The Company covenants and agrees that it will take all such action as may be necessary to ensure that all Preferred Shares (or other securities of the Company) delivered upon exercise of Rights shall, at the time of delivery of the certificates for such securities (subject to payment of the Exercise Price), be duly and validly authorized and issued and fully paid and nonassessable shares.

(e) The Company further covenants and agrees that it will pay when due and payable any and all taxes and governmental charges which may be payable in respect of the original issuance or delivery of the Rights Certificates or of any Preferred Shares (or other securities of the Company) upon the exercise of Rights. The Company shall not, however, be required to pay any tax or charge which may be payable in respect of any transfer or delivery of Rights Certificates to a Person other than, or the issuance or delivery of certificates or depositary receipts for the Preferred Shares (or other securities of the Company) in a name other than that of, the registered holder of the Rights Certificate evidencing Rights surrendered for exercise or to issue or to deliver any certificates or depositary receipts for Preferred Shares (or other securities of the Company) upon the exercise of any Rights until any such tax or charge shall have been paid (any such tax or charge being payable by the holder of such Rights Certificate at the time of surrender) or until it has been established to the Company's or the Rights Agent's reasonable satisfaction that no such tax or charge is due.

Section 10. Record Date. Each Person in whose name any certificate for a number of one-thousandths of a Preferred Share (or other securities of the Company) is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of Preferred Shares (or other securities of the Company) represented thereby on, and such certificate shall be dated, the date upon which the Rights Certificate evidencing such Rights was duly surrendered and payment of the Total Exercise Price with respect to which the Rights have been exercised (and any applicable taxes or governmental charges) was made; provided, however, that if the date of such surrender and payment is a date upon which the transfer books of the Company are closed, such Person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding Business Day on which the transfer books of the Company are open. Prior to the exercise of the Rights evidenced thereby, the holder of a Rights Certificate shall not be entitled to any rights of a holder of Preferred Shares (or other securities of the Company) for which the Rights shall be exercisable, including, without limitation, the right to vote, to receive dividends or other distributions or to exercise any preemptive rights, and shall not be entitled to receive any notice of any proceedings of the Company, except as provided herein.

Section 11. Adjustment of Exercise Price, Number of Shares or Number of Rights. The Exercise Price, the number and kind of shares or other property covered by each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 11.

(a) (i) Anything in this Agreement to the contrary notwithstanding, in the event the Company shall at any time after the date of this Agreement (A) declare a dividend on any series of Preferred Shares payable in Preferred Shares, (B) subdivide the outstanding Preferred Shares of any series, (C) combine the outstanding Preferred Shares of any series (by reverse stock split or otherwise) into a smaller number of Preferred Shares, or (D) issue any shares of its capital stock in a reclassification of any series of Preferred Shares (including any such reclassification in

connection with a consolidation or merger in which the Company is the continuing or surviving corporation), then, in each such event, except as otherwise provided in this Section 11 and Section 7(e) hereof: (1) the Exercise Price in effect at the time of the record date for such dividend or of the effective date of such subdivision, combination or reclassification shall be adjusted so that the Exercise Price thereafter shall equal the result obtained by dividing the Exercise Price in effect immediately prior to such time by a fraction (the "Adjustment Fraction"), the numerator of which shall be the total number of Preferred Shares of such series (or shares of capital stock issued in such reclassification of Preferred Shares) outstanding immediately following such time and the denominator of which shall be the total number of Preferred Shares of such series outstanding immediately prior to such time; provided, however, that in no event shall the consideration to be paid upon the exercise of one Right be less than the aggregate par value of the shares of capital stock of the Company issuable upon exercise of such Right; and (2) the number of one-thousandths of a Preferred Share (or share of such other capital stock) issuable upon the exercise of each Right shall equal the number of one-thousandths of a Preferred Share (or share of such other capital stock) as was issuable upon exercise of such Right immediately prior to the occurrence of the event described in clauses (A)- (D) of this Section 11(a)(i), multiplied by the Adjustment Fraction; provided, however, that, no such adjustment shall be made pursuant to this Section 11(a)(i) to the extent that there shall have simultaneously occurred an event described in clause (A), (B), (C) or (D) of Section 11(n) with a proportionate adjustment being made thereunder. Each Class A Common Share that shall become outstanding after an adjustment has been made pursuant to this Section 11(a)(i) shall have associated with it the number of Class A Rights, exercisable at the Exercise Price and for the number of one-thousandths of a Series A Preferred Share (or shares of such other capital stock) as one Class A Common Share has associated with it immediately following the adjustment made pursuant to this Section 11(a)(i) and each Class B Common Share that shall become outstanding after an adjustment has been made pursuant to this Section 11(a)(i) shall have associated with it the number of Class B Rights, exercisable at the Exercise Price and for the number of one-thousandths of a Series B Preferred Share (or shares of such other capital stock) as one Class B Common Share has associated with it immediately following the adjustment made pursuant to this Section 11(a)(i).

(ii) Subject to Section 24 of this Agreement, in the event a Triggering Event shall have occurred, then promptly following such Triggering Event each holder of a Class A Right or a Class B Right, except as provided in Section 7(e) hereof, shall thereafter have the right to receive for each such Right, upon exercise thereof in accordance with the terms of this Agreement and payment of the Total Exercise Price in effect immediately prior to the occurrence of the Triggering Event, in lieu of a number of one-thousandths of a Series A Preferred Share (in the case of the Class A Rights) or one-thousandths of a Series B Preferred Share (in the case of the Class B Rights), such number of Class A Common Shares or Class B Common Shares, respectively, as shall equal the result obtained by multiplying the Exercise Price in effect immediately prior to the occurrence of the Triggering Event by the number of one-thousandths of a Preferred Share for which such Right was exercisable (or would have been exercisable if the Distribution Date had occurred) immediately prior to the first occurrence of a Triggering Event, and dividing that product by 50% of the Current Per Share Market Price for Class A Common Shares (in the case of the Class A Rights) or 50% of the Current Per Share Market Price for Class B Common Shares (in the case of the Class B Rights) on the date of occurrence of the Triggering Event; provided, however, that the Exercise Price and the number of Class A Common Shares or Class B Common Shares of the Company so receivable upon exercise of a Class A Right or Class B Right, respectively, shall be

subject to further adjustment as appropriate in accordance with Section 11(e) hereof to reflect any events occurring in respect of the Common Shares of the Company after the occurrence of the Triggering Event.

(iii) In lieu of issuing Common Shares in accordance with Section 11(a)(ii) hereof, the Company may, if the Company's Board of Directors determines that such action is necessary or appropriate and not contrary to the interest of holders of Rights (and, in the event that the number of Common Shares which are authorized by the Company's Certificate of Incorporation but not outstanding or reserved for issuance for purposes other than upon exercise of the Rights are not sufficient to permit the exercise in full of the Rights, or if any necessary regulatory approval for such issuance has not been obtained by the Company, the Company shall): (A) determine the excess of (1) the value of the Common Shares issuable upon the exercise of a Right (the "Current Value") over (2) the Exercise Price (such excess, the "Spread") and (B) with respect to each Right, make adequate provision to substitute for such Common Shares, upon exercise of the Rights, (1) cash, (2) a reduction in the Exercise Price, (3) other equity securities of the Company (including, without limitation, shares or units of shares of any series of preferred stock which the Company's Board of Directors has deemed to have the same value as Common Shares (such shares or units of shares of preferred stock are herein called "Common Stock Equivalents")), except to the extent that the Company has not obtained any necessary stockholder or regulatory approval for such issuance, (4) debt securities of the Company, except to the extent that the Company has not obtained any necessary stockholder or regulatory approval for such issuance, (5) other assets or (6) any combination of the foregoing, having an aggregate value equal to the Current Value, where such aggregate value has been determined by the Company's Board of Directors based upon the advice of a nationally recognized investment banking firm selected by the Company's Board of Directors; provided, however, if the Company shall not have made adequate provision to deliver value pursuant to clause (B) above within thirty (30) days following the later of (x) the first occurrence of a Triggering Event and (y) the date on which the Company's right of redemption pursuant to Section 23(a) expires (the later of (x) and (y) being referred to herein as the "Section 11(a)(ii) Trigger Date"), then the Company shall be obligated to deliver, upon the surrender for exercise of a Right and without requiring payment of the Exercise Price, Common Shares (to the extent available), except to the extent that the Company has not obtained any necessary stockholder or regulatory approval for such issuance, and then, if necessary, cash, which shares and/or cash have an aggregate value equal to the Spread. If the Company's Board of Directors shall determine in good faith that it is likely that sufficient additional Common Shares could be authorized for issuance upon exercise in full of the Rights or that any necessary regulatory approval for such issuance will be obtained, the thirty (30) day period set forth above may be extended to the extent necessary, but not more than ninety (90) days after the Section 11(a)(ii) Trigger Date, in order that the Company may seek stockholder approval for the authorization of such additional shares or take action to obtain such regulatory approval (such period, as it may be extended, the "Substitution Period"). To the extent that the Company determines that some action need be taken pursuant to the first and/or second sentences of this Section 11(a)(iii), the Company (x) shall provide, subject to Section 7(e) hereof, that such action shall apply uniformly to all outstanding Rights and (y) may suspend the exercisability of the Rights until the expiration of the Substitution Period in order to seek any authorization of additional shares, to take any action to obtain any required regulatory approval and/or to decide the appropriate form of distribution to be made pursuant to such first sentence and to determine the value thereof. In the event of any such suspension, the Company shall issue a public

announcement stating, and notify the Rights Agent in writing, that the exercisability of the Rights has been temporarily suspended, as well as a public announcement and written notification to the Rights Agent at such time as the suspension is no longer in effect. For purposes of this Section 11(a)(iii), the value of the Class A Common Shares shall be the Current Per Share Market Price of the Class A Common Shares on the Section 11(a)(ii) Trigger Date, the value of the Class B Common Shares shall be the Current Per Share Market Price of the Class B Common Shares on the Section 11(a)(ii) Trigger Date, and the value of any Common Stock Equivalent shall be deemed to have the same value as the Common Shares of the relevant class on such date.

(b) In case the Company shall, at any time after the date of this Agreement, fix a record date for the issuance of rights, options or warrants to all holders of Preferred Shares entitling such holders (for a period expiring within forty-five (45) calendar days after such record date) to subscribe for or purchase Preferred Shares or Equivalent Shares or securities convertible into Preferred Shares or Equivalent Shares at a price per share (or having a conversion price per share, if a security convertible into Preferred Shares or Equivalent Shares) less than the then Current Per Share Market Price of the Preferred Shares or Equivalent Shares on such record date, then, in each such case, the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the number of Preferred Shares and Equivalent Shares (if any) outstanding on such record date, plus the number of Preferred Shares or Equivalent Shares, as the case may be, which the aggregate offering price of the total number of Preferred Shares or Equivalent Shares, as the case may be, to be offered or issued (and/or the aggregate initial conversion price of the convertible securities to be offered or issued) would purchase at such current market price, and the denominator of which shall be the number of Preferred Shares and Equivalent Shares (if any) outstanding on such record date, plus the number of additional Preferred Shares or Equivalent Shares, as the case may be, to be offered for subscription or purchase (or into which the convertible securities so to be offered are initially convertible); provided, however, that in no event shall the consideration to be paid upon the exercise of one Right be less than the aggregate par value of the shares of capital stock of the Company issuable upon exercise of one Right. In case such subscription price may be paid in a consideration part or all of which shall be in a form other than cash, the value of such consideration shall be as determined in good faith by the Company's Board of Directors, whose determination shall be described in a statement filed with the Rights Agent and shall be binding and conclusive for all purposes on the Rights Agent and the holders of the Rights. Preferred Shares and Equivalent Shares owned by or held for the account of the Company shall not be deemed outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, and in the event that such rights, options or warrants are not so issued, the Exercise Price shall be adjusted to be the Exercise Price which would then be in effect if such record date had not been fixed. The Company shall not effect any of the foregoing corporate actions set forth in this Section 11(b) with respect to the Series A Preferred Shares or Series B Preferred Shares without taking similar action with respect to each such series.

(c) In case the Company shall, at any time after the date of this Agreement, fix a record date for the making of a distribution to all holders of the Preferred Shares or of any class or series of Equivalent Shares (including any such distribution made in connection with a consolidation or merger in which the Company is the continuing or surviving corporation) of evidences of indebtedness or assets (other than a regular quarterly cash dividend, if any, or a dividend payable in

Preferred Shares) or subscription rights, options or warrants (excluding those referred to in Section 11(b)), then, in each such case, the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the Current Per Share Market Price of a Preferred Share or an Equivalent Share on such record date, less the fair market value per Preferred Share or Equivalent Share (as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent and which shall be conclusive for all purposes) of the portion of the cash, assets or evidences of indebtedness so to be distributed or of such subscription rights or warrants applicable to a Preferred Share or Equivalent Share, as the case may be, and the denominator of which shall be such Current Per Share Market Price of a Preferred Share or Equivalent Share on such record date; provided, however, that in no event shall the consideration to be paid upon the exercise of one Right be less than the aggregate par value of the shares of capital stock of the Company issuable upon exercise of one Right. Such adjustments shall be made successively whenever such a record date is fixed, and in the event that such distribution is not so made, the Exercise Price shall be adjusted to be the Exercise Price which would have been in effect if such record date had not been fixed. The Company shall not effect any of the foregoing corporate actions set forth in this Section 11(c) with respect to the Series A Preferred Shares or Series B Preferred Shares without taking similar action with respect to each such series.

(d) Anything herein to the contrary notwithstanding, no adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price; provided, however, that any adjustments which by reason of this Section 11(d) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 11 shall be made to the nearest cent or to the nearest one-thousandth of a Common Share or other share or one hundred-thousandth of a Preferred Share, as the case may be. Notwithstanding the first sentence of this Section 11(d), any adjustment required by this Section 11 shall be made no later than the earlier of (i) three (3) years from the date of the transaction which requires such adjustment or (ii) the Expiration Date.

(e) If as a result of an adjustment made pursuant to Section 11(a) or 13(a) hereof, the holder of any Right thereafter exercised shall become entitled to receive any shares of capital stock other than Preferred Shares, thereafter the number of such other shares so receivable upon exercise of any Right and, if required, the Exercise Price thereof, shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Preferred Shares contained in this Section 11, and the provisions of Sections 7, 9, 10, 13 and 14 with respect to the Preferred Shares shall apply on like terms to any such other shares.

(f) All Rights originally issued by the Company subsequent to any adjustment made to the Exercise Price hereunder shall evidence the right to purchase, at the adjusted Exercise Price, the number of one-thousandths of a Preferred Share purchasable from time to time hereunder upon exercise of the Rights, all subject to further adjustment as provided herein.

(g) Unless the Company shall have exercised its election as provided in Section 11(h), upon each adjustment of the Exercise Price as a result of the calculations made in Section 11(b) and (c), each Right outstanding immediately prior to the making of such adjustment shall thereafter evidence the right to purchase, at the adjusted Exercise Price, that number of

Series A Preferred Shares (in the case of Class A Rights) or Series B Preferred Shares (in the case of Class B Rights) (calculated to the nearest one hundred-thousandth of a share) obtained by (i) multiplying (x) the number of Preferred Shares covered by such Right immediately prior to this adjustment, by (y) the Exercise Price in effect immediately prior to such adjustment of the Exercise Price, and (ii) dividing the product so obtained by the Exercise Price in effect immediately after such adjustment of the Exercise Price.

(h) The Company may elect on or after the date of any adjustment of the Exercise Price as a result of the calculations made in Section 11(b) or (c) to adjust the number of Rights, in substitution for any adjustment in the number of Preferred Shares purchasable upon the exercise of a Right. Each of the Rights outstanding after such adjustment of the number of Rights shall be exercisable for the number of one-thousandths of a Preferred Share for which the Right was exercisable immediately prior to such adjustment. Each Right held of record prior to such adjustment of the number of Rights shall become that number of Rights (calculated to the nearest one hundred-thousandth) obtained by dividing the Exercise Price in effect immediately prior to adjustment of the Exercise Price by the Exercise Price in effect immediately after adjustment of the Exercise Price. The Company shall make a public announcement of its election to adjust the number of Rights, indicating the record date for the adjustment, and, if known at the time, the amount of the adjustment to be made, with prompt written notice thereof to the Rights Agent. This record date may be the date on which the Exercise Price is adjusted or any day thereafter, but, if the Rights Certificates have been issued, shall be at least ten (10) days later than the date of the public announcement. If Rights Certificates have been issued, upon each adjustment of the number of Rights pursuant to this Section 11(h), the Company shall, as promptly as practicable, cause to be distributed to holders of record of Rights Certificates on such record date Rights Certificates evidencing, subject to Section 14 hereof, the additional Rights to which such holders shall be entitled as a result of such adjustment, or, at the option of the Company, shall cause to be distributed to such holders of record in substitution and replacement for the Rights Certificates held by such holders prior to the date of adjustment, and upon surrender thereof, if required by the Company, new Rights Certificates evidencing all the Rights to which such holders shall be entitled after such adjustment. Rights Certificates so to be distributed shall be issued, executed and countersigned in the manner provided for herein (and may bear, at the option of the Company, the adjusted Exercise Price) and shall be registered in the names of the holders of record of Rights Certificates on the record date specified in the public announcement.

(i) Irrespective of any adjustment or change in the Exercise Price or the number of Preferred Shares issuable upon the exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the Exercise Price per one one-thousandth of a Preferred Share and the number of one-thousandths of a Preferred Share which were expressed in the initial Rights Certificates issued hereunder.

(j) Before taking any action that would cause an adjustment reducing the Exercise Price below the par or stated value, if any, of the number of one-thousandths of a Preferred Share issuable upon exercise of the Rights, the Company shall take any corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue as fully paid and nonassessable shares such number of one-thousandths of a Preferred Share at such adjusted Exercise Price.

(k) In any case in which this Section 11 shall require that an adjustment in the Exercise Price be made effective as of a record date for a specified event, the Company may elect to defer (with prompt written notice thereof to the Rights Agent) until the occurrence of such event the issuing to the holder of any Right exercised after such record date of the number of one-thousandths of a Preferred Share and other capital stock or securities of the Company, if any, issuable upon such exercise over and above the number of one-thousandths of a Preferred Share and other capital stock or securities of the Company, if any, issuable upon such exercise on the basis of the Exercise Price in effect prior to such adjustment; provided, however, that the Company shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional shares (fractional or otherwise) upon the occurrence of the event requiring such adjustment.

(l) Anything in this Section 11 to the contrary notwithstanding, prior to the Distribution Date, the Company shall be entitled to make such reductions in the Exercise Price, in addition to those adjustments expressly required by this Section 11, as and to the extent that it in its sole discretion shall determine to be advisable in order that any (i) consolidation or subdivision of the Preferred or Common Shares, (ii) issuance wholly for cash of any Preferred or Common Shares at less than the current market price, (iii) issuance wholly for cash of Preferred or Common Shares or securities which by their terms are convertible into or exchangeable for Preferred or Common Shares, (iv) stock dividends or (v) issuance of rights, options or warrants referred to in this Section 11, hereafter made by the Company to holders of its Preferred or Common Shares shall not be taxable to such stockholders.

(m) The Company covenants and agrees that, after the Distribution Date, it will not, except as permitted by Sections 23, 24 or 27 hereof, take (or permit to be taken) any action if at the time such action is taken it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights.

(n) In the event the Company shall at any time after the date of this Agreement (A) declare a dividend on the Class A Common Shares or Class B Common Shares payable in Class A Common Shares or Class B Common Shares, (B) subdivide the outstanding Class A Common Shares or Class B Common Shares, (C) combine the outstanding Class A Common Shares or Class B Common Shares (by reverse stock split or otherwise) into a smaller number of Class A Common Shares or Class B Common Shares, or (D) issue any shares of its capital stock in a reclassification of the Class A Common Shares or Class B Common Shares (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing or surviving corporation), then, in each such event, except as otherwise provided in this Section 11(a) and Section 7(e) hereof: (1) each Class A Common Share or Class B Common Share (or shares of capital stock issued in such reclassification of the Common Shares) outstanding immediately following such time shall have associated with it the number of Rights as were associated with one Class A Common Share or Class B Common Share, as the case may be, immediately prior to the occurrence of the event described in clauses (A)-(D) above; (2) the Exercise Price in effect at the time of the record date for such dividend or of the effective date of such subdivision, combination or reclassification shall be adjusted so that the Exercise Price thereafter shall equal the result obtained by multiplying the Exercise Price in effect immediately prior to such time by a fraction, the numerator of which shall be the total number of Class A Common Shares or Class B Common Shares, as the case may be, outstanding immediately prior to the event described

in clauses (A)-(D) above, and the denominator of which shall be the total number of such outstanding immediately after such event; provided, however, that in no event shall the consideration to be paid upon the exercise of one Right be less than the aggregate par value of the shares of capital stock of the Company issuable upon exercise of such Right; and (3) the number of one-thousandths of a Class A Preferred Share or Class B Preferred Share, as the case may be (or shares of such other capital stock), issuable upon the exercise of each Right outstanding after such event shall equal the number of one-thousandths of a Class A Preferred Share or Class B Preferred Share, as the case may be (or shares of such other capital stock) as were issuable with respect to one Right immediately prior to such event. Each Class A Common Share and Class B Common Share that shall become outstanding after an adjustment has been made pursuant to this Section 11(n) shall have associated with it the number of Class A Rights or Class B Rights, as the case may be, exercisable at the Exercise Price and for the number of one-thousandths of a Class A Preferred Share or Class B Preferred Share, as the case may be (or shares of such other capital stock) as one Class A Common Share or Class B Common Share, as the case may be, has associated with it immediately following the adjustment made pursuant to this Section 11(n). If an event occurs which would require an adjustment under both this Section 11(n) and Section 11(a)(ii) hereof, the adjustment provided for in this Section 11(n) shall be in addition to, and shall be made prior to, any adjustment required pursuant to Section 11(a)(ii) hereof.

Section 12. Certificate of Adjusted Exercise Price or Number of Shares. Whenever an adjustment is made as provided in Sections 11 and 13 hereof, the Company shall promptly (a) prepare a certificate setting forth such adjustment and a brief statement of the facts and computations accounting for such adjustment, (b) file with the Rights Agent and with each transfer agent for the Preferred Shares a copy of such certificate and (c) mail a brief summary thereof to each holder of a Rights Certificate in accordance with Section 26 hereof. Notwithstanding the foregoing sentence, the failure of the Company to make such certification or give such notice shall not affect the validity of such adjustment or the force or effect of the requirement for such adjustment. The Rights Agent shall be fully protected in relying on any such certificate and on any adjustment or statement contained therein and shall have no duty or liability with respect to and shall not be deemed to have knowledge of such adjustment unless and until it shall have received such certificate.

Section 13. Consolidation, Merger or Sale or Transfer of Assets or Earning Power.

(a) In the event that, following a Triggering Event, directly or indirectly:

(i) the Company shall consolidate with, or merge with and into, any other Person (other than a wholly-owned Subsidiary of the Company in a transaction the principal purpose of which is to change the state of incorporation of the Company and which complies with Section 11(m) and 11(n) hereof);

(ii) any Person shall consolidate with the Company, or merge with and into the Company and the Company shall be the continuing or surviving corporation of such consolidation or merger and, in connection with such merger, all or part of the Common Shares shall be changed into or exchanged for stock or other securities of any other Person (or of the Company); or

(iii) the Company shall sell or otherwise transfer (or one or more of its Subsidiaries shall sell or otherwise transfer), in one or more transactions, assets or earning power aggregating 50% or more of the assets or earning power of the Company and its Subsidiaries (taken as a whole) to any other Person or Persons (other than the Company or one or more of its wholly-owned Subsidiaries in one or more transactions, each of which individually (and together) complies with Section 11(m) hereof), then, concurrent with and in each such case,

(A) each holder of a Right (except as provided in Section 7(e) hereof) shall thereafter have the right to receive, upon the exercise thereof at a price equal to the Total Exercise Price applicable immediately prior to the occurrence of the Section 13 Event in accordance with the terms of this Agreement, such number of validly authorized and issued, fully paid, nonassessable and freely tradable Common Shares of the Principal Party (as hereinafter defined), free of any liens, encumbrances, rights of first refusal or other adverse claims, as shall be equal to the result obtained by dividing such Total Exercise Price by 50% of the Current Per Share Market Price of the Common Shares of such Principal Party on the date of consummation of such Section 13 Event, provided, however, that the Exercise Price and the number of Common Shares of such Principal Party so receivable upon exercise of a Right shall be subject to further adjustment as appropriate in accordance with Section 11(e) hereof;

(B) such Principal Party shall thereafter be liable for, and shall assume, by virtue of such Section 13 Event, all the obligations and duties of the Company pursuant to this Agreement;

(C) the term "Company" shall thereafter be deemed to refer to such Principal Party, it being specifically intended that the provisions of Section 11 hereof shall apply only to such Principal Party following the first occurrence of a Section 13 Event;

(D) such Principal Party shall take such steps (including, but not limited to, the reservation of a sufficient number of its Common Shares) in connection with the consummation of any such transaction as may be necessary to ensure that the provisions hereof shall thereafter be applicable, as nearly as reasonably may be, in relation to its Common Shares thereafter deliverable upon the exercise of the Rights; and

(E) upon the subsequent occurrence of any consolidation, merger, sale or transfer of assets or other extraordinary transaction in respect of such Principal Party, each holder of a Right shall thereupon be entitled to receive, upon exercise of a Right and payment of the Total Exercise Price as provided in this Section 13(a), such cash, shares, rights, warrants and other property which such holder would have been entitled to receive had such holder, at the time of such transaction, owned the Common Shares of the Principal Party receivable upon the exercise of such Right pursuant to this Section 13(a), and such Principal Party shall take such steps (including, but not limited to, reservation of shares of stock) as may be necessary to permit the subsequent exercise of the Rights in accordance with the terms hereof for such cash, shares, rights, warrants and other property.

(F) For purposes hereof, the "earning power" of the Company and its Subsidiaries shall be determined in good faith by the Company's Board of Directors on the basis

of the operating earnings of each business operated by the Company and its Subsidiaries during the three fiscal years preceding the date of such determination (or, in the case of any business not operated by the Company or any Subsidiary during three full fiscal years preceding such date, during the period such business was operated by the Company or any Subsidiary).

(b) For purposes of this Agreement, the term "Principal Party" shall mean:

(i) in the case of any transaction described in clause (i) or (ii) of Section 13(a) hereof: (A) the Person that is the issuer of the securities into which the Common Shares are converted in such merger or consolidation, or, if there is more than one such issuer, the issuer the Common Shares of which have the greatest aggregate market value of shares outstanding, or (B) if no securities are so issued, (x) the Person that is the other party to the merger, if such Person survives said merger, or, if there is more than one such Person, the Person the Common Shares of which have the greatest aggregate market value of shares outstanding or (y) if the Person that is the other party to the merger does not survive the merger, the Person that does survive the merger (including the Company if it survives) or (z) the Person resulting from the consolidation; and

(ii) in the case of any transaction described in clause (iii) of Section 13(a) hereof, the Person that is the party receiving the greatest portion of the assets or earning power transferred pursuant to such transaction or transactions, or, if more than one Person that is a party to such transaction or transactions receives the same portion of the assets or earning power so transferred and each such portion would, were it not for the other equal portions, constitute the greatest portion of the assets or earning power so transferred, or if the Person receiving the greatest portion of the assets or earning power cannot be determined, whichever of such Persons is the issuer of Common Shares having the greatest aggregate market value of shares outstanding; provided, however, that in any such case described in the foregoing clause (b)(i) or (b)(ii), if the Common Shares of such Person are not at such time or have not been continuously over the preceding 12-month period registered under Section 12 of the Exchange Act, then (1) if such Person is a direct or indirect Subsidiary of another Person the Common Shares of which are and have been so registered, the term "Principal Party" shall refer to such other Person, or (2) if such Person is a Subsidiary, directly or indirectly, of more than one Person, the Common Shares of which are and have been so registered, the term "Principal Party" shall refer to whichever of such Persons is the issuer of Common Shares having the greatest aggregate market value of shares outstanding, or (3) if such Person is owned, directly or indirectly, by a joint venture formed by two or more Persons that are not owned, directly or indirectly by the same Person, the rules set forth in clauses (1) and (2) above shall apply to each of the owners having an interest in the venture as if the Person owned by the joint venture was a Subsidiary of both or all of such joint venturers, and the Principal Party in each such case shall bear the obligations set forth in this Section 13 in the same ratio as its interest in such Person bears to the total of such interests.

(c) The Company shall not consummate any Section 13 Event unless the Principal Party shall have a sufficient number of authorized Common Shares that have not been issued or reserved for issuance to permit the exercise in full of the Rights in accordance with this Section 13 and unless prior thereto the Company and such issuer shall have executed and delivered to the Rights Agent a supplemental agreement confirming that such Principal Party shall, upon consummation of such Section 13 Event, assume this Agreement in accordance with Sections 13(a)

and 13(b) hereof, that all rights of first refusal or preemptive rights in respect of the issuance of Common Shares of such Principal Party upon exercise of outstanding Rights have been waived, that there are no rights, warrants, instruments or securities outstanding or any agreements or arrangements which, as a result of the consummation of such transaction, would eliminate or substantially diminish the benefits intended to be afforded by the Rights and that such transaction shall not result in a default by such Principal Party under this Agreement, and further providing that, as soon as practicable after the date of such Section 13 Event, such Principal Party will:

(i) prepare and file a registration statement under the Securities Act with respect to the Rights and the securities purchasable upon exercise of the Rights on an appropriate form, use its best efforts to cause such registration statement to become effective as soon as practicable after such filing and use its best efforts to cause such registration statement to remain effective (with a prospectus at all times meeting the requirements of the Securities Act) until the Expiration Date, and similarly comply with applicable state securities laws;

(ii) use its best efforts to list (or continue the listing of) the Rights and the securities purchasable upon exercise of the Rights on a national securities exchange or to meet the eligibility requirements for quotation on Nasdaq and list (or continue the listing of) the Rights and the securities purchasable upon exercise of the Rights on Nasdaq; and

(iii) deliver to holders of the Rights historical financial statements for such Principal Party which comply in all respects with the requirements for registration on Form 10 (or any successor form) under the Exchange Act.

In the event that at any time after the occurrence of a Triggering Event some or all of the Rights shall not have been exercised at the time of a transaction described in this Section 13, the Rights which have not theretofore been exercised shall thereafter be exercisable in the manner described in Section 13(a) (without taking into account any prior adjustment required by Section 11(a)(ii)).

(d) In case the "Principal Party" for purposes of Section 13(b) hereof has provision in any of its authorized securities or in its Certificate of Incorporation or by-laws or other instrument governing its corporate affairs, which provision would have the effect of (i) causing such Principal Party to issue (other than to holders of Rights pursuant to Section 13 hereof), in connection with, or as a consequence of, the consummation of a Section 13 Event, Common Shares or Equivalent Shares of such Principal Party at less than the then Current Per Share Market Price thereof or securities exercisable for, or convertible into, Common Shares or Equivalent Shares of such Principal Party at less than such then Current Per Share Market Price, or (ii) providing for any special payment, tax or similar provision in connection with the issuance of the Common Shares of such Principal Party pursuant to the provisions of Section 13 hereof, then, in such event, the Company hereby agrees with each holder of Rights that it shall not consummate any such transaction unless prior thereto the Company and such Principal Party shall have executed and delivered to the Rights Agent a supplemental agreement providing that the provision in question of such Principal Party shall have been canceled, waived or amended, or that the authorized securities shall be redeemed, so that the applicable provision will have no effect in connection with or as a consequence of, the consummation of the proposed transaction.

(e) The Company covenants and agrees that it shall not, at any time after the Distribution Date, effect or permit to occur any Section 13 Event, if (i) at the time or immediately after such Section 13 Event there are any rights, warrants or other instruments or securities outstanding or agreements in effect which would substantially diminish or otherwise eliminate the benefits intended to be afforded by the Rights, (ii) prior to, simultaneously with or immediately after such Section 13 Event, the stockholders of the Person who constitutes, or would constitute, the "Principal Party" for purposes of Section 13(b) hereof shall have received a distribution of Rights previously owned by such Person or any of its Affiliates or Associates or (iii) the form or nature of organization of the Principal Party would preclude or limit the exercisability of the Rights.

(f) The provisions of this Section 13 shall similarly apply to successive mergers or consolidations or sales or other transfers.

Section 14. Fractional Rights and Fractional Shares.

(a) The Company shall not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights. In lieu of such fractional Rights, there shall be paid to the registered holders of the Rights Certificates with regard to which such fractional Rights would otherwise be issuable, an amount in cash equal to the same fraction of the current market value of a whole Right. For the purposes of this Section 14(a), the current market value of a whole Right shall be the closing price of the Rights for the Trading Day immediately prior to the date on which such fractional Rights would have been otherwise issuable, as determined pursuant to the second sentence of Section 1(n) hereof.

(b) The Company shall not be required to issue fractions of Preferred Shares (other than fractions that are integral multiples of one one-thousandth of a Preferred Share) upon exercise of the Rights or to distribute certificates which evidence fractional Preferred Shares (other than fractions that are integral multiples of one one-thousandth of a Preferred Share). Interests in fractions of Preferred Shares in integral multiples of one one-thousandth of a Preferred Share may, at the election of the Company, be evidenced by depositary receipts, pursuant to an appropriate agreement between the Company and a depositary selected by it; provided, that such agreement shall provide that the holders of such depositary receipts shall have all the rights, privileges and preferences to which they are entitled as beneficial owners of the Preferred Shares represented by such depositary receipts. In lieu of fractional Preferred Shares that are not integral multiples of one one-thousandth of a Preferred Share, the Company shall pay to the registered holders of Rights Certificates at the time such Rights are exercised as herein provided an amount in cash equal to the same fraction of the current market value of a Preferred Share. For purposes of this Section 14(b), the current market value of a Preferred Share shall be one thousand times the closing price of a Common Share (as determined pursuant to the second sentence of Section 1(n) hereof) for the Trading Day immediately prior to the date of such exercise.

(c) The Company shall not be required to issue fractions of Common Shares or to distribute certificates which evidence fractional Common Shares upon the exercise or exchange of Rights. In lieu of such fractional Common Shares, the Company shall pay to the registered holders of Rights Certificates at the time such Rights are exercised as herein provided an amount in cash equal to the same fraction of the current market value of a Common Share. For purposes of this

Section 14(c), the current market value of a Common Share shall be the closing price of a Common Share (as determined pursuant to the second sentence of Section 1(n) hereof) for the Trading Day immediately prior to the date of such exercise.

(d) The holder of a Right by the acceptance of the Right expressly waives his or her right to receive any fractional Rights or any fractional shares (other than fractions that are integral multiples of one one-thousandth of a Preferred Share) upon exercise of a Right.

Section 15. Rights of Action. (a) All rights of action in respect of this Agreement, excepting the rights of action given to the Rights Agent under this Agreement, are vested in the respective registered holders of the Rights Certificates (and, prior to the Distribution Date, the registered holders of the Common Shares); and any registered holder of any Rights Certificate (or, prior to the Distribution Date, of the Common Shares), without the consent of the Rights Agent or of the holder of any other Rights Certificate (or, prior to the Distribution Date, of the Common Shares), may, in his or her own behalf and for his or her own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Company to enforce, or otherwise act in respect of, his or her right to exercise the Rights evidenced by such Rights Certificate in the manner provided in such Rights Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach by the Company of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations by the Company of, the obligations of any Person subject to this Agreement.

(b) Notwithstanding anything in this Agreement to the contrary, neither the Company nor the Rights Agent shall have any liability to any holder of a Right or other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, judgment, decree or ruling (whether interlocutory or final) issued by a court or by a governmental, regulatory, self-regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation; provided, however, that the Company must use all reasonable efforts to have any such injunction, order, judgment, decree or ruling lifted or otherwise overturned as soon as possible.

Section 16. Agreement of Rights Holders. Every holder of a Right, by accepting the same, consents and agrees with the Company and the Rights Agent and with every other holder of a Right that:

(a) prior to the Distribution Date, the Rights will be transferable only in connection with the transfer of the Common Shares;

(b) after the Distribution Date, the Rights Certificates are transferable only on the registry books of the Rights Agent if surrendered at the office of the Rights Agent designated for such purposes, duly endorsed or accompanied by a proper instrument of transfer and with the appropriate forms and certificates fully executed; and

(c) subject to Sections 6(a) and 7(f) hereof, the Company and the Rights Agent may deem and treat the Person in whose name the Rights Certificate (or, prior to the Distribution Date, the associated Common Shares certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on the Rights Certificates or the associated Common Shares certificate made by anyone other than the Company or the Rights Agent) for all purposes whatsoever, and neither the Company nor the Rights Agent shall be affected by any notice to the contrary.

Section 17. Rights Certificate Holder Not Deemed a Stockholder. No holder, as such, of any Rights Certificate shall be entitled to vote, receive dividends or be deemed for any purpose to be the holder of the Preferred Shares or any other securities of the Company which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Rights Certificate be construed to confer upon the holder of any Rights Certificate, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in Section 25 hereof), or to receive dividends or subscription rights, or otherwise, until the Right or Rights evidenced by such Rights Certificate shall have been exercised in accordance with the provisions hereof.

Section 18. Concerning the Rights Agent.

(a) The Company agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements incurred in the administration, preparation, delivery, amendment and execution of this Agreement and the exercise and performance of its duties hereunder. The Company also agrees to indemnify the Rights Agent for, and to hold it harmless against, any loss, liability, damage, judgment, fine, penalty, claim, demand, settlement, cost or expense (including, without limitation, the reasonable fees and expenses of legal counsel), incurred without gross negligence, bad faith or willful misconduct as determined by a final, non-appealable order, judgment, decree or ruling of a court of competent jurisdiction on the part of the Rights Agent, for any action taken, suffered or omitted by the Rights Agent in connection with the acceptance, administration, exercise and performance of its duties under this Agreement, including, without limitation, the costs and expenses of defending against any claim of liability in the premises. The provisions of this Section 18 and Section 20 below shall survive the termination of this Agreement and the exercise, termination and the expiration of the Rights and the removal of the Rights Agent. The Company shall pay the costs and expenses incurred in enforcing this right of indemnification. Anything to the contrary notwithstanding, in no event shall the Rights Agent be liable for special, punitive, indirect, consequential or incidental loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Rights Agent has been advised of the likelihood of such loss or damage. Any liability of the Rights Agent under this Agreement will be limited to the amount of fees paid by the Company to the Rights Agent.

(b) The Rights Agent shall be authorized and protected and shall incur no liability for, or in respect of any action taken, suffered or omitted by it in connection with, its acceptance and administration of this Agreement and the exercise and performance of its duties hereunder, in

reliance upon any Rights Certificate or certificate for the Preferred Shares or Common Shares or for other securities of the Company, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons, or otherwise upon the advice of counsel as set forth in Section 20 hereof.

Section 19. Merger or Consolidation or Change of Name of Rights Agent.

(a) Any Person into which the Rights Agent or any successor Rights Agent may be merged or with which it may be consolidated, or any Person resulting from any merger or consolidation to which the Rights Agent or any successor Rights Agent shall be a party, or any Person succeeding to the shareholder services business of the Rights Agent or any successor Rights Agent, shall be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto; provided, however, that such Person would be eligible for appointment as a successor Rights Agent under the provisions of Section 21 hereof. In case at the time such successor Rights Agent shall succeed to the agency created by this Agreement, any of the Rights Certificates shall have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights Certificates shall not have been countersigned, any successor Rights Agent may countersign such Rights Certificates either in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

(b) In case at any time the name of the Rights Agent shall be changed and at such time any of the Rights Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at that time any of the Rights Certificates shall not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

Section 20. Duties of Rights Agent. The Rights Agent undertakes only the duties and obligations expressly imposed by this Agreement (and no implied duties) upon the following terms and conditions, by all of which the Company and the holders of Rights Certificates, by their acceptance thereof, shall be bound:

(a) The Rights Agent may consult with legal counsel (who may be legal counsel for the Company or an employee of the Rights Agent), and the advice or opinion of such counsel shall be full and complete authorization and protection to the Rights Agent and the Rights Agent shall incur no liability for or in respect of any action taken, suffered or omitted by it and in accordance with such advice or opinion.

(b) Whenever in the performance of its duties under this Agreement the Rights Agent shall deem it necessary or desirable that any fact or matter (including, without limitation, the

identity of any Acquiring Person and the determination of Current Per Share Market Price) be proved or established by the Company prior to taking, suffering or omitting any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by any one of the Chairman of the Board, the Chief Executive Officer, the President, any Vice President, the Chief Financial Officer, the Secretary or any Assistant Secretary of the Company and delivered to the Rights Agent; and such certificate shall be full and complete authorization and protection to the Rights Agent and the Rights Agent shall incur no liability for or in respect of any action taken, suffered or omitted by it under the provisions of this Agreement in reliance upon such certificate.

(c) The Rights Agent shall be liable hereunder to the Company and any other Person only for its own gross negligence, bad faith or willful misconduct as determined by a final, non-appealable order, judgment, decree or ruling of a court of competent jurisdiction.

(d) The Rights Agent shall not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the Rights Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and shall be deemed to have been made by the Company only.

(e) The Rights Agent shall not be under any liability or responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution hereof by the Rights Agent) or in respect of the validity or execution of any Rights Certificate (except its countersignature thereof); nor shall it be responsible or liable for any breach by the Company of any covenant or condition contained in this Agreement or in any Rights Certificate; nor shall it be responsible or liable for any change in the exercisability of the Rights or any adjustment in the terms of the Rights (including the manner, method or amount thereof) provided for in Sections 3, 11, 13, 23 or 24, or the ascertaining of the existence of facts that would require any such change or adjustment (except with respect to the exercise of Rights evidenced by Rights Certificates after receipt by the Rights Agent of a certificate furnished pursuant to Section 12 describing such change or adjustment, upon which the Rights Agent may rely); nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any Preferred Shares to be issued pursuant to this Agreement or any Rights Certificate or as to whether any Preferred Shares will, when issued, be validly authorized and issued, fully paid and nonassessable.

(f) The Company agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement.

(g) The Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from any one of the Chairman of the Board, the Chief Executive Officer, the President, any Vice President, the Chief Financial Officer, the Secretary or any Assistant Secretary of the Company, and to apply to such officers for advice or instructions in connection with its duties, and such instructions shall be full authorization and protection to the Rights Agent and it shall not be liable for or in respect of any action taken, suffered or omitted by it in accordance with instructions of any such officer or for any delay in acting while waiting for those

instructions. The Rights Agent shall be fully authorized and protected in relying upon the most recent instructions received by any such officer. Any application by the Rights Agent for written instructions from the Company may, at the option of the Rights Agent, set forth in writing any action proposed to be taken, suffered or omitted by the Rights Agent under this Agreement and the date on and/or after which such action shall be taken or suffered or such omission shall be effective. The Rights Agent shall not be liable for any action taken or suffered by, or omission of, the Rights Agent in accordance with a proposal included in any such application on or after the date specified in such application (which date shall not be less than five (5) Business Days after the date any officer of the Company actually receives such application, unless any such officer shall have consented in writing to an earlier date) unless, prior to taking any such action (or the effective date in the case of an omission), the Rights Agent shall have received written instructions in response to such application specifying the action to be taken, suffered or omitted.

(h) The Rights Agent and any stockholder, director, Affiliate, officer or employee of the Rights Agent may buy, sell or deal in any of the Rights or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not the Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent or any such stockholder, Affiliate, director, officer or employee from acting in any other capacity for the Company or for any other Person.

(i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself (through its directors, officers and employees) or by or through its attorneys or agents, and the Rights Agent shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Company or any other Person resulting from any such act, default, neglect or misconduct absent gross negligence, bad faith or willful misconduct, as determined by a final, non-appealable order, judgment, decree or ruling of a court of competent jurisdiction, in the selection and continued employment thereof.

(j) No provision of this Agreement shall require the Rights Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of its rights if it believes that repayment of such funds or adequate indemnification against such risk or liability is not reasonably assured to it.

(k) If, with respect to any Rights Certificate surrendered to the Rights Agent for exercise or transfer, the certificate attached to the form of assignment or form of election to purchase, as the case may be, has either not been completed or indicates an affirmative response to clause 1 and/or 2 thereof, the Rights Agent shall not take any further action with respect to such requested exercise or transfer without first consulting with the Company.

Section 21. Change of Rights Agent. The Rights Agent or any successor Rights Agent may resign and be discharged from its duties under this Agreement upon thirty (30) days' notice in writing mailed to the Company and to each transfer agent of the Preferred Shares and the Common Shares known to the Rights Agent by registered or certified mail, and to the holders of the Rights Certificates by first-class mail. The Company may remove the Rights Agent or any successor Rights

Agent upon thirty (30) days' notice in writing, mailed to the Rights Agent or successor Rights Agent, as the case may be, and to each transfer agent of the Preferred Shares and the Common Shares by registered or certified mail, and to the holders of the Rights Certificates by first-class mail. If the Rights Agent shall resign or be removed or shall otherwise become incapable of acting, the Company shall appoint a successor to the Rights Agent. If the Company shall fail to make such appointment within a period of thirty (30) days after giving notice of such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of a Rights Certificate (who shall, with such notice, submit his or her Rights Certificate for inspection by the Company), then the registered holder of any Rights Certificate may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Company or by such a court, shall be (i) a Person organized and doing business under the laws of the United States or of any state of the United States, in good standing, which is authorized under such laws to exercise stock transfer powers and is subject to supervision or examination by federal or state authority and which has at the time of its appointment as Rights Agent a combined capital and surplus of at least \$50 million or (ii) an Affiliate of a Person described in (i). After appointment, the successor Rights Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Company shall file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Preferred Shares and the Common Shares, and mail a notice thereof in writing to the registered holders of the Rights Certificates. Failure to give any notice provided for in this Section 21, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

Section 22. Issuance of New Rights Certificates. Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Company may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by its Board of Directors to reflect any adjustment or change in the Exercise Price and the number or kind or class of shares or other securities or property purchasable under the Rights Certificates made in accordance with the provisions of this Agreement. In addition, in connection with the issuance or sale of Common Shares following the Distribution Date and prior to the redemption or expiration of the Rights, the Company (a) shall, with respect to Common Shares so issued or sold pursuant to the exercise of stock options or under any employee plan or arrangement or upon the exercise, conversion or exchange of other securities of the Company outstanding at February 10, 2000 or upon the exercise, conversion or exchange of securities hereinafter issued by the Company and (b) may, in any other case, if deemed necessary or appropriate by the Board of Directors of the Company, issue Rights Certificates representing the appropriate number of Rights in connection with such issuance or sale; provided, however, that (i) no such Rights Certificate shall be issued and this sentence shall be null and void ab initio if, and to the extent that, such issuance or this sentence would create a significant risk of or result in material adverse tax consequences to the Company or the Person to whom such Rights Certificate would be issued or would create a significant risk of or result in such options' or employee plans' or arrangements' failing to qualify for otherwise available special tax treatment

and (ii) no such Rights Certificate shall be issued if, and to the extent that, appropriate adjustment shall otherwise have been made in lieu of the issuance thereof.

Section 23. Redemption.

(a) The Company may, at its option and with the approval of the Board of Directors of the Company, at any time prior to the Close of Business on the earlier of (i) the tenth day following the Shares Acquisition Date (or such later date as may be determined by action of the Company's Board of Directors and publicly announced by the Company) and (ii) the Final Expiration Date, redeem all but not less than all the then outstanding Rights at a redemption price of \$0.001 per Right, appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after February 10, 2000 (such redemption price being herein referred to as the "Redemption Price") and the Company may, at its option, pay the Redemption Price either in Class A Common Shares (with respect to Class A Rights) or Class B Common Shares (with respect to Class B Rights) (based on the Current Per Share Market Price thereof at the time of redemption) or cash. Such redemption of the Rights by the Company may be made effective at such time, on such basis and with such conditions as the Board of Directors of the Company in its sole discretion may establish. The date on which the Board of Directors of the Company elects to make the redemption effective shall be referred to as the "Redemption Date."

(b) Immediately upon the action of the Board of Directors of the Company ordering the redemption of the Rights, evidence of which shall have been filed with the Rights Agent, and without any further action and without any notice, the right to exercise the Rights will terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price. The Company shall promptly give public notice of any such redemption (with a copy of the notice given to the Rights Agent); provided, however, that the failure to give or any defect in, any such notice shall not affect the validity of such redemption. Within ten (10) days after the action of the Board of Directors of the Company ordering the redemption of the Rights, the Company shall give notice of such redemption to the Rights Agent and the holders of the then outstanding Rights by mailing such notice to all such holders at their last addresses as they appear upon the registry books of the Rights Agent or, prior to the Distribution Date, on the registry books of the transfer agent for the Common Shares. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made. Neither the Company nor any of its Affiliates or Associates may redeem, acquire or purchase for value any Rights at any time in any manner other than that specifically set forth in this Section 23 or in Section 24 hereof, and other than in connection with the purchase of Common Shares prior to the Distribution Date.

Section 24. Exchange.

(a) Subject to applicable laws, rules and regulations, and subject to subsection 24(c) below, the Company may, at its option, by action of the Board of Directors of the Company, at any time after the occurrence of a Triggering Event, exchange all or part of the then outstanding and exercisable Class A Rights and Class B Rights (which shall not include Rights that have become null and void pursuant to the provisions of Section 7(e) hereof) for Class A Common Shares and Class B Common Shares, respectively, at an exchange ratio of one Common Share per Right, appropriately

adjusted to reflect any stock split, stock dividend or similar transaction occurring after February 10, 2000 (such exchange ratio being hereinafter referred to as the "Exchange Ratio"). Notwithstanding the foregoing, the Board of Directors shall not be empowered to effect such exchange at any time after any Acquiring Person, together with all Affiliates and Associates of such Person, becomes the Beneficial Owner of 50% or more of the Class A Common Shares or 50% or more of the Class B Common Shares then outstanding.

(b) Immediately upon the action of the Board of Directors of the Company ordering the exchange of any Rights pursuant to subsection 24(a) of this Section 24 and without any further action and without any notice, the right to exercise such Rights shall terminate and the only right thereafter of the holders of such Rights shall be to receive that number of Common Shares equal to the number of such Rights held by such holder multiplied by the Exchange Ratio. The Company shall give public notice of any such exchange with prompt written notice thereof to the Rights Agent; provided, however, that the failure to give, or any defect in, such notice shall not affect the validity of such exchange. The Company shall mail a notice of any such exchange to all of the holders of such Rights at their last addresses as they appear upon the registry books of the Rights Agent. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of exchange will state the method by which the exchange of the Common Shares for Rights will be effected and, in the event of any partial exchange, the number of Rights which will be exchanged. Any partial exchange shall be effected pro rata based on the number of Rights (other than Rights which have become null and void pursuant to the provisions of Section 7(e) hereof) held by each holder of Rights.

(c) In the event that there shall not be sufficient Common Shares issued but not outstanding or authorized but unissued to permit any exchange of Rights as contemplated in accordance with Section 24(a), the Company shall either take such action as may be necessary to authorize additional Common Shares for issuance upon exchange of the Rights or alternatively, at the option of the Board of Directors of the Company, with respect to each Right (i) pay cash in an amount equal to the Current Value (as hereinafter defined), in lieu of issuing Common Shares in exchange therefor, or (ii) issue debt or equity securities or a combination thereof, having a value equal to the Current Value, in lieu of issuing Common Shares in exchange for each such Right, where the value of such securities shall be determined by a nationally recognized investment banking firm selected by majority vote of the Board of Directors of the Company, or (iii) deliver any combination of cash, property, Common Shares and/or other securities having a value equal to the Current Value in exchange for each Right. For purposes of this Section 24(c) only, the Current Value shall mean the product of the Current Per Share Market Price of Common Shares on the date of the occurrence of the event described above in subparagraph (a), multiplied by the number of Common Shares for which the Right otherwise would be exchangeable if there were sufficient shares available. To the extent that the Company determines that some action need be taken pursuant to clauses (i), (ii) or (iii) of this Section 24(c), the Board of Directors of the Company may temporarily suspend the exercisability of the Rights for a period of up to sixty (60) days following the date on which the event described in Section 24(a) shall have occurred, in order to seek any authorization of additional Common Shares and/or to decide the appropriate form of distribution to be made pursuant to the above provision and to determine the value thereof. In the event of any such suspension, the Company shall issue a public announcement stating that the exercisability of the Rights has been temporarily suspended, with prompt written notice thereof to the Rights Agent.

(d) The Company shall not be required to issue fractions of Common Shares or to distribute certificates which evidence fractional Common Shares. In lieu of such fractional Common Shares, there shall be paid to the registered holders of the Rights Certificates with regard to which such fractional Common Shares would otherwise be issuable, an amount in cash equal to the same fraction of the current market value of a whole Common Share (as determined pursuant to the second sentence of Section 1(n) hereof).

(e) The Company may, at its option, by majority vote of the Board of Directors of the Company, at any time before any Person has become an Acquiring Person, exchange all or part of the then outstanding Rights for rights of substantially equivalent value, as determined reasonably and with good faith by the Board of Directors of the Company, based upon the advice of one or more nationally recognized investment banking firms.

(f) Immediately upon the action of the Board of Directors ordering the exchange of any Rights pursuant to subsection 24(e) of this Section 24 and without any further action and without any notice, the right to exercise such Rights shall terminate and the only right thereafter of a holder of such Rights shall be to receive that number of rights in exchange therefor as has been determined by the Board of Directors of the Company in accordance with subsection 24(e) above. The Company shall give public notice of any such exchange and shall provide the Rights Agent with a copy of such notice; provided, however, that the failure to give, or any defect in, such notice shall not affect the validity of such exchange. The Company shall mail a notice of any such exchange to all of the holders of such Rights at their last addresses as they appear upon the registry books of the transfer agent for the Common Shares of the Company, with prompt written notice thereof to the Rights Agent. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of exchange will state the method by which the exchange of the Rights will be effected.

Section 25. Notice of Certain Events.

(a) In case the Company shall propose to effect or permit to occur any Triggering Event or Section 13 Event, the Company shall give notice thereof to the Rights Agent and to each holder of Rights in accordance with Section 26 hereof at least twenty (20) days prior to occurrence of such Triggering Event or such Section 13 Event.

(b) In case any Triggering Event or Section 13 Event shall occur, then, in any such case, the Company shall as soon as practicable thereafter give to the Rights Agent and to each holder of a Rights Certificate, in accordance with Section 26 hereof, a notice of the occurrence of such event, which shall specify the event and the consequences of the event to holders of Rights under Sections 11(a)(ii) and 13 hereof.

Section 26. Notices. Notices or demands authorized by this Agreement to be given or made by the Rights Agent or by the holder of any Rights Certificate to or on the Company shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Rights Agent) as follows:

Gartner, Inc.
56 Top Gallant Road
Stamford, Connecticut 06904
Attn: Chief Executive Officer

with a copy to:

Gartner, Inc.
56 Top Gallant Road
Stamford, Connecticut 06904
Attn: General Counsel

and

Wilson Sonsini Goodrich & Rosati
Professional Corporation
650 Page Mill Road
Palo Alto, California 94304-1050
Attention: Larry Sonsini, Esq.

Subject to the provisions of Section 21 hereof, any notice or demand authorized by this Agreement to be given or made by the Company or by the holder of any Rights Certificate to or on the Rights Agent shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Company) as follows:

Mellon Investor Services LLC
44 Wall Street, 6th Floor
New York, New York 10005
Attention: Relationship Manager

with a copy to:

Mellon Investor Services LLC
85 Challenger Road
Ridgefield Park, New Jersey 07660
Attention: General Counsel

Notices or demands authorized by this Agreement to be given or made by the Company or the Rights Agent to the holder of any Rights Certificate shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed to such holder at the address of such holder as shown on the registry books of the Company.

Section 27. Supplements and Amendments. Prior to the occurrence of a Distribution Date and subject to the penultimate sentence of this Section 27, the Company may supplement or amend this Agreement in any respect without the approval of any holders of Rights and the Rights Agent shall, if the Company so directs, execute such supplement or amendment. From and after the

occurrence of a Distribution Date and subject to the penultimate sentence of this Section 27, the Company and the Rights Agent may from time to time supplement or amend this Agreement without the approval of any holders of Rights in order to (i) cure any ambiguity, (ii) correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions herein, (iii) shorten or lengthen any time period hereunder, or (iv) to change or supplement the provisions hereunder in any manner that the Company may deem necessary or desirable and that shall not adversely affect the interests of the Rights Agent or the holders of Rights (other than an Acquiring Person or an Affiliate or Associate of an Acquiring Person); provided, this Agreement may not be supplemented or amended to lengthen, pursuant to clause (iii) of this sentence, (A) a time period relating to when the Rights may be redeemed at such time as the Rights are not then redeemable or (B) any other time period unless such lengthening is for the purpose of protecting, enhancing or clarifying the rights of, and/or the benefits to, the holders of Rights (other than an Acquiring Person or an Affiliate or Associate of an Acquiring Person). Upon the delivery of a certificate from an appropriate officer of the Company and, if requested by the Rights Agent, an opinion of counsel, that states that the proposed supplement or amendment is in compliance with the terms of this Section 27 and such supplement or amendment does not affect the Rights Agent's own rights, duties, immunities, liabilities or obligations, the Rights Agent shall execute such supplement or amendment. Prior to the Distribution Date, the interests of the holders of Rights shall be deemed coincident with the interests of the holders of Common Shares.

Section 28. Successors. All the covenants and provisions of this Agreement by or for the benefit of the Company or the Rights Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

Section 29. Determinations and Actions by the Board of Directors, etc. For all purposes of this Agreement, any calculation of the number of Common Shares or any other class of capital stock outstanding at any particular time, including for purposes of determining the particular percentage of such outstanding Common Shares of which any Person is the Beneficial Owner, shall be made in accordance with the last sentence of Rule 13d-3(d)(1)(i) of the General Rules and Regulations under the Exchange Act. The Board of Directors of the Company shall have the exclusive power and authority to administer this Agreement and to exercise all rights and powers specifically granted to the Board of Directors of the Company, or the Company, or as may be necessary or advisable in the administration of this Agreement, including, without limitation, the right and power to (i) interpret the provisions of this Agreement and (ii) make all determinations deemed necessary or advisable for the administration of this Agreement (including a determination to redeem or not redeem the Rights or to amend the Agreement). All such actions, calculations, interpretations and determinations (including, for purposes of clause (y) below, all omissions with respect to the foregoing) which are done or made by the Board of Directors of the Company in good faith, shall (x) be final, conclusive and binding on the Company, the Rights Agent, the holders of the Rights Certificates and all other parties and (y) not subject the Board to any liability to the holders of the Rights. The Rights Agent is entitled always to assume the Company's Board of Directors acted in good faith and shall be fully protected and incur no liability in reliance thereon.

Section 30. Benefits of this Agreement. Nothing in this Agreement shall be construed to give to any Person other than the Company, the Rights Agent, successors to such parties and the registered holders of the Rights Certificates (and, prior to the Distribution Date, the Common

Shares) any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Company, the Rights Agent and the registered holders of the Rights Certificates (and, prior to the Distribution Date, the Common Shares).

Section 31. Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated; provided, however, that notwithstanding anything in this Agreement to the contrary, if any such term, provision, covenant or restriction is held by such court or authority to be invalid, void or unenforceable and the Board of Directors of the Company determines in its good faith judgment that severing the invalid language from this Agreement would adversely affect the purpose or effect of this Agreement, the right of redemption set forth in Section 23 hereof shall be reinstated and shall not expire until the Close of Business on the tenth day following the date of such determination by the Board of Directors.

Section 32. Governing Law. This Agreement and each Right and each Rights Certificate issued hereunder shall be deemed to be a contract made under the laws of the State of Delaware and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts to be made and performed entirely within such State; provided, however, that all provisions regarding the rights, duties and obligations of the Rights Agent shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State.

Section 33. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

Section 34. Descriptive Headings. Descriptive headings of the several Sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

"COMPANY" GARTNER, INC.
By: _____
Name: _____
Title: _____

"RIGHTS AGENT" MELLON INVESTOR SERVICES LLC
By: _____
Name: _____
Title: _____

EXHIBIT A

CERTIFICATE OF DESIGNATIONS OF RIGHTS,
PREFERENCES AND PRIVILEGES OF
SERIES A JUNIOR PARTICIPATING PREFERRED STOCK AND SERIES B JUNIOR
PARTICIPATING PREFERRED STOCK
OF GARTNER GROUP, INC.

The undersigned, Michael D. Fleisher and Cathy S. Satz do hereby certify:

1. That they are the duly elected and acting President and Secretary of Gartner Group, Inc., a Delaware corporation (the "Corporation").

2. That pursuant to the authority conferred upon the Board of Directors by the Certificate of Incorporation of the said Corporation, the said Board of Directors on February 9, 2000 adopted the following resolution creating a series of _____ shares of Preferred Stock designated as Series A Junior Participating Preferred Stock and a series of _____ shares of Preferred Stock designated as Series B Junior Participating Preferred Stock .

"RESOLVED, that pursuant to the authority vested in the Board of Directors of the Corporation by the Certificate of Incorporation, the Board of Directors does hereby provide for the issue of Series A Junior Participating Preferred Stock and Series B Junior Participating Preferred Stock of the Corporation (collectively, the "Junior Preferred Stock"), and does hereby fix and herein state and express the designations, powers, preferences and relative and other special rights and the qualifications, limitations and restrictions of such series of such stock as follows (all terms used herein which are defined in the Certificate of Incorporation shall be deemed to have the meanings provided herein):

Section 1. Designation and Amount. The shares of the two series shall be designated as "Series A Junior Participating Preferred Stock" (the "Series A Preferred Stock") and "Series B Junior Participating Preferred Stock" (the "Series B Preferred Stock"), respectively, each such series having par value \$0.01 per share, and the number of shares constituting each such series shall be _____ and _____, respectively.

Section 2. Proportional Adjustment. In the event the Corporation shall at any time after the issuance of any share or shares of Junior Preferred Stock (i) declare any dividend on Common Stock of the Corporation ("Common Stock") payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the Corporation shall simultaneously effect a proportional adjustment to the number of outstanding shares of Series A Preferred Stock and Series B Preferred Stock.

Section 3. Dividends and Distributions.

(a) Subject to the prior and superior right of the holders of any shares of any series of Preferred Stock ranking prior and superior to the shares of Series A Preferred Stock and Series B Preferred Stock with respect to dividends, the holders of shares of Series A Preferred Stock and Series B Preferred Stock shall each be equally entitled to receive when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the last day of March, June, September and December, in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Preferred Stock or Series B Preferred Stock, in an amount per share (rounded to the nearest cent) equal to 1,000 times the aggregate per share amount of all cash dividends, and 1,000 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock or Series B Preferred Stock.

(b) The Corporation shall declare a dividend or distribution on the Junior Preferred Stock as provided in paragraph (a) above immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock) and shall not pay a dividend or make a distribution on the Series A Preferred Stock or the Series B Preferred Stock without paying an equal dividend or distribution on each such series.

(c) Dividends shall begin to accrue on outstanding shares of Junior Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Junior Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Junior Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Junior Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Junior Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 30 days prior to the date fixed for the payment thereof.

Section 4. Voting Rights. The holders of shares of Junior Preferred Stock shall have the following voting rights:

(a) Each share of Junior Preferred Stock shall entitle the holder thereof to 1,000 votes on all matters submitted to a vote of the stockholders of the Corporation, except that with

respect to the election of directors, holders of Junior Preferred Stock, voting together with the holders of Class A Common Stock, shall be entitled to elect that number of directors which constitutes 20% of the authorized number of members of the Board of Directors (or, if such 20% is not a whole number, then the nearest lower whole number of directors that is closest to 20% of such membership).

(b) Except as otherwise provided herein or by law, the holders of shares of Junior Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of the stockholders of the Corporation.

(c) Except as required by law, holders of Junior Participating Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 5. Certain Restrictions.

(a) The Corporation shall not declare any dividend on, make any distribution on, or redeem or purchase or otherwise acquire for consideration any shares of Common Stock after the first issuance of a share or fraction of a share of Junior Preferred Stock unless concurrently therewith it shall declare a dividend on the Junior Preferred Stock as required by Section 3 hereof.

(b) Whenever quarterly dividends or other dividends or distributions payable on the Junior Preferred Stock as provided in Section 3 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Junior Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Junior Preferred Stock;

(ii) declare or pay dividends on, make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with Junior Preferred Stock, except dividends paid ratably on the Junior Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Junior Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Junior Preferred Stock;

(iv) purchase or otherwise acquire for consideration any shares of Junior Preferred Stock, or any shares of stock ranking on a parity with the Junior Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of

Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(c) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (a) of this Section 5, purchase or otherwise acquire such shares at such time and in such manner.

Section 6. Reacquired Shares. Any shares of Junior Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein and, in the Certificate of Incorporation, as then amended.

Section 7. Liquidation, Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the Corporation, the holders of shares of Junior Preferred Stock shall be entitled to receive an aggregate amount per share equal to 1000 times the aggregate amount to be distributed per share to holders of shares of Common Stock plus an amount equal to any accrued and unpaid dividends on such shares of Junior Preferred Stock.

Section 8. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Junior Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share equal to 1,000 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged.

Section 9. No Redemption. The shares of Junior Preferred Stock shall not be redeemable.

Section 10. Ranking. The Junior Preferred Stock shall rank junior to all other series of the Corporation's Preferred Stock as to the payment of dividends and the distribution of assets, unless the terms of any such series shall provide otherwise.

Section 11. Amendment. The Certificate of Incorporation of the Corporation shall not be further amended in any manner which would materially alter or change the powers, preference or special rights of the Junior Preferred Stock so as to affect them adversely without the affirmative vote of the holders of the outstanding shares of Junior Preferred Stock, voting separately as a class.

Section 12. Fractional Shares. Junior Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise

voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Junior Preferred Stock.

RESOLVED FURTHER, that the President or any Vice President and the Secretary or any Assistant Secretary of the Corporation be, and they hereby are, authorized and directed to prepare and file a Certificate of Designations of Rights, Preferences and Privileges in accordance with the foregoing resolution and the provisions of Delaware law and to take such actions as they may deem necessary or appropriate to carry out the intent of the foregoing resolution."

We further declare under penalty of perjury that the matters set forth in the foregoing Certificate of Designations are true and correct of our own knowledge.

Executed at Stamford, Connecticut on February ____, 2000.

President

Secretary

EXHIBIT B

FORM OF CLASS A RIGHTS CERTIFICATE

Certificate No. RA-___ _____ Rights

NOT EXERCISABLE AFTER THE EARLIER OF (i) February 25, 2010, (ii) THE DATE TERMINATED BY THE COMPANY OR (iii) THE DATE THE COMPANY EXCHANGES THE RIGHTS PURSUANT TO THE RIGHTS AGREEMENT. THE RIGHTS ARE SUBJECT TO REDEMPTION, AT THE OPTION OF THE COMPANY, AT \$0.001 PER RIGHT ON THE TERMS SET FORTH IN THE RIGHTS AGREEMENT. UNDER CERTAIN CIRCUMSTANCES, RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR AN AFFILIATE OR ASSOCIATE OF AN ACQUIRING PERSON (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT) AND ANY SUBSEQUENT HOLDER OF SUCH RIGHTS MAY BECOME NULL AND VOID. [THE RIGHTS REPRESENTED BY THIS RIGHTS CERTIFICATE ARE OR WERE BENEFICIALLY OWNED BY A PERSON WHO WAS OR BECAME AN ACQUIRING PERSON OR AN AFFILIATE OR ASSOCIATE OF AN ACQUIRING PERSON (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT). ACCORDINGLY, THIS RIGHTS CERTIFICATE AND THE RIGHTS REPRESENTED HEREBY MAY BECOME NULL AND VOID IN THE CIRCUMSTANCES SPECIFIED IN SECTION 7(e) OF SUCH RIGHTS AGREEMENT.]*

RIGHTS CERTIFICATE

GARTNER, INC.

This certifies that _____, or registered assigns, is the registered owner of the number of Rights set forth above, each of which entitles the owner thereof, subject to the terms, provisions and conditions of the Amended and Restated Rights Agreement dated as of August ____, 2002 (the "Rights Agreement"), between Gartner, Inc., a Delaware corporation (the "Company"), and Mellon Investor Services LLC, as successor Rights Agent of Fleet National Bank (the "Rights Agent"), to purchase from the Company at any time after the Distribution Date (as such term is defined in the Rights Agreement) and prior to 5:00 P.M., Connecticut time, on February 25, 2010, at the office of the Rights Agent designated for such purpose, or at the office of its successor as Rights Agent, one one-thousandth (1/1,000) of a fully

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* The portion of the legend in bracket shall be inserted only if applicable and shall replace the preceding sentence.

paid non-assessable share of Series A Junior Participating Preferred Stock, par value \$0.01 per share, (the "Preferred Shares"), of the Company, at an Exercise Price of Ninety Dollars (\$90.00) per one-thousandth of a Preferred Share (the "Exercise Price"), upon presentation and surrender of this Rights Certificate with the Form of Election to Purchase and related Certificate duly executed. The number of Rights evidenced by this Rights Certificate (and the number of one-thousandths of a Preferred Share which may be purchased upon exercise hereof) set forth above are the number and Exercise Price as of February 10, 2000, based on the Preferred Shares as constituted at such date. As provided in the Rights Agreement, the Exercise Price and the number and kind of Preferred Shares or other securities which may be purchased upon the exercise of the Rights evidenced by this Rights Certificate are subject to modification and adjustment upon the happening of certain events.

This Rights Certificate is subject to all of the terms, provisions and conditions of the Rights Agreement, which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities hereunder of the Rights Agent, the Company and the holders of the Rights Certificates, which limitations of rights include the temporary suspension of the exercisability of such Rights under the specific circumstances set forth in the Rights Agreement. Copies of the Rights Agreement are on file at the principal executive offices of the Company.

Subject to the provisions of the Rights Agreement, the Rights evidenced by this Rights Certificate (i) may be redeemed by the Company, at its option, at a redemption price of \$0.001 per Right or (ii) may be exchanged by the Company in whole or in part for Class A Common Shares, substantially equivalent rights or other consideration as determined by the Company.

This Rights Certificate, with or without other Rights Certificates, upon surrender at the office of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing Rights entitling the holder to purchase a like aggregate amount of securities as the Rights evidenced by the Rights Certificate or Rights Certificates surrendered shall have entitled such holder to purchase. If this Rights Certificate shall be exercised in part, the holder shall be entitled to receive upon surrender hereof another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

No fractional portion of less than one one-thousandth of a Preferred Share will be issued upon the exercise of any Right or Rights evidenced hereby but in lieu thereof a cash payment will be made, as provided in the Rights Agreement.

No holder of this Rights Certificate, as such, shall be entitled to vote or receive dividends or be deemed for any purpose the holder of the Preferred Shares or of any other securities of the Company which may at any time be issuable on the exercise hereof, nor shall anything contained in the Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in the Rights Agreement), or to receive dividends or subscription rights, or otherwise, until

the Right or Rights evidenced by this Rights Certificate shall have been exercised as provided in the Rights Agreement.

This Rights Certificate shall not be valid or obligatory for any purpose until the Rights Agent shall have countersigned it.

WITNESS the facsimile signature of the proper officers of the Company and its corporate seal. Dated as of _____.

ATTEST:

GARTNER, INC.

By: _____
Secretary

By: _____
President

Countersigned:

MELLON INVESTOR SERVICES LLC,
as Rights Agent

By: _____

Its: _____

Form of Reverse Side of Class A Rights Certificate

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Class A Rights Certificate)

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto

(Please print name and address of transferee)

this Class A Rights Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____ Attorney, to transfer the within Class A Rights Certificate on the books of the within-named Company, with full power of substitution.

Dated: _____, _____

Signature

Signature Guaranteed:

Signatures must be guaranteed by an eligible guarantor institution (a bank, stockbroker, savings and loan association or credit union with membership in an approved signature guarantee medallion program) pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended. Guarantees by a notary public are not acceptable.

Form of Reverse Side of Class A Rights Certificate -- continued

NOTICE

The signature in the foregoing Forms of Assignment and Election must conform to the name as written upon the face of this Class A Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.

FORM OF ELECTION TO PURCHASE

(To be executed if holder desires to exercise the Class A Rights Certificate)

To: -----

The undersigned hereby irrevocably elects to exercise Class A Rights represented by this Class A Rights Certificate to purchase the number of one-thousandths of a Preferred Share issuable upon the exercise of such Class A Rights and requests that certificates for such number of one-thousandths of a Preferred Share issued in the name of:

Please insert social security or other identifying number: -----

(Please print name and address)

If such number of Class A Rights shall not be all the Class A Rights evidenced by this Class A Rights Certificate, a new Class A Rights Certificate for the balance remaining of such Class A Rights shall be registered in the name of and delivered to:

Please insert social security or other identifying number: -----

(Please print name and address)

Dated: -----

Signature

Signature Guaranteed:

Signatures must be guaranteed by an eligible guarantor institution (a bank, stockbroker, savings and loan association or credit union with membership in an approved signature guarantee medallion program) pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended. Guarantees by a notary public are not acceptable.

CLASS A CERTIFICATE

The undersigned hereby certifies by checking the appropriate boxes that:

(1) this Class A Rights Certificate [] is [] is not being sold, assigned and transferred by or on behalf of a Person who is or was an Acquiring Person, or an Affiliate or Associate of any such Person (as such terms are defined in the Rights Agreement);

(2) after due inquiry and to the best knowledge of the undersigned, it [] did [] did not acquire the Class A Rights evidenced by this Class A Rights Certificate from any Person who is, was or subsequently became an Acquiring Person or an Affiliate or Associate of any such Person.

Dated: _____, _____

Signature

Signature Guaranteed:

Signatures must be guaranteed by an eligible guarantor institution (a bank, stockbroker, savings and loan association or credit union with membership in an approved signature guarantee medallion program) pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended. Guarantees by a notary public are not acceptable.

EXHIBIT C

FORM OF CLASS B RIGHTS CERTIFICATE

Certificate No. RB-____ Rights _____

NOT EXERCISABLE AFTER THE EARLIER OF (i) FEBRUARY 25, 2010 (ii) THE DATE TERMINATED BY THE COMPANY OR (iii) THE DATE THE COMPANY EXCHANGES THE RIGHTS PURSUANT TO THE RIGHTS AGREEMENT. THE RIGHTS ARE SUBJECT TO REDEMPTION, AT THE OPTION OF THE COMPANY, AT \$0.001 PER RIGHT ON THE TERMS SET FORTH IN THE RIGHTS AGREEMENT. UNDER CERTAIN CIRCUMSTANCES, RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR AN AFFILIATE OR ASSOCIATE OF AN ACQUIRING PERSON (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT) AND ANY SUBSEQUENT HOLDER OF SUCH RIGHTS MAY BECOME NULL AND VOID. [THE RIGHTS REPRESENTED BY THIS RIGHTS CERTIFICATE ARE OR WERE BENEFICIALLY OWNED BY A PERSON WHO WAS OR BECAME AN ACQUIRING PERSON OR AN AFFILIATE OR ASSOCIATE OF AN ACQUIRING PERSON (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT). ACCORDINGLY, THIS RIGHTS CERTIFICATE AND THE RIGHTS REPRESENTED HEREBY MAY BECOME NULL AND VOID IN THE CIRCUMSTANCES SPECIFIED IN SECTION 7(e) OF SUCH RIGHTS AGREEMENT.]*

RIGHTS CERTIFICATE

GARTNER, INC.

This certifies that _____, or registered assigns, is the registered owner of the number of Rights set forth above, each of which entitles the owner thereof, subject to the terms, provisions and conditions of the Amended and Restated Rights Agreement dated as of August ____, 2002 (the "Rights Agreement"), between Gartner, Inc., a Delaware corporation (the "Company"), and Mellon Investor Services LLC, as successor Rights Agent of Fleet National Bank (the "Rights Agent"), to purchase from the Company at any time after the Distribution Date (as such term is defined in the Rights Agreement) and prior to 5:00 P.M., Connecticut time, on February, 25, 2010, at the office of the Rights Agent designated for such purpose, or at the office of its successor as Rights Agent, one one-thousandth (1/1,000) of a fully

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* The portion of the legend in bracket shall be inserted only if applicable and shall replace the preceding sentence.

paid non-assessable share of Series B Junior Participating Preferred Stock, par value \$0.01 per share, (the "Preferred Shares"), of the Company, at an Exercise Price of Ninety Dollars (\$90.00) per one-thousandth of a Preferred Share (the "Exercise Price"), upon presentation and surrender of this Rights Certificate with the Form of Election to Purchase and related Certificate duly executed. The number of Rights evidenced by this Rights Certificate (and the number of one-thousandths of a Preferred Share which may be purchased upon exercise hereof) set forth above are the number and Exercise Price as of February 10, 2000, based on the Preferred Shares as constituted at such date. As provided in the Rights Agreement, the Exercise Price and the number and kind of Preferred Shares or other securities which may be purchased upon the exercise of the Rights evidenced by this Rights Certificate are subject to modification and adjustment upon the happening of certain events.

This Rights Certificate is subject to all of the terms, provisions and conditions of the Rights Agreement, which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities hereunder of the Rights Agent, the Company and the holders of the Rights Certificates, which limitations of rights include the temporary suspension of the exercisability of such Rights under the specific circumstances set forth in the Rights Agreement. Copies of the Rights Agreement are on file at the principal executive offices of the Company.

Subject to the provisions of the Rights Agreement, the Rights evidenced by this Rights Certificate (i) may be redeemed by the Company, at its option, at a redemption price of \$0.001 per Right or (ii) may be exchanged by the Company in whole or in part for Class B Common Shares, substantially equivalent rights or other consideration as determined by the Company.

This Rights Certificate, with or without other Rights Certificates, upon surrender at the office of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing Rights entitling the holder to purchase a like aggregate amount of securities as the Rights evidenced by the Rights Certificate or Rights Certificates surrendered shall have entitled such holder to purchase. If this Rights Certificate shall be exercised in part, the holder shall be entitled to receive upon surrender hereof another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

No fractional portion of less than one one-thousandth of a Preferred Share will be issued upon the exercise of any Right or Rights evidenced hereby but in lieu thereof a cash payment will be made, as provided in the Rights Agreement.

No holder of this Rights Certificate, as such, shall be entitled to vote or receive dividends or be deemed for any purpose the holder of the Preferred Shares or of any other securities of the Company which may at any time be issuable on the exercise hereof, nor shall anything contained in the Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in the Rights Agreement), or to receive dividends or subscription rights, or otherwise, until

the Right or Rights evidenced by this Rights Certificate shall have been exercised as provided in the Rights Agreement.

This Rights Certificate shall not be valid or obligatory for any purpose until the Rights Agent shall have countersigned it.

WITNESS the facsimile signature of the proper officers of the Company and its corporate seal. Dated as of _____.

ATTEST:

GARTNER, INC.

By: _____
Secretary

By: _____
President

Countersigned:

MELLON INVESTOR SERVICES LLC,
as Rights Agent

By: _____

Its: _____

Form of Reverse Side of Class B Rights Certificate

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Class B Rights Certificate)

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto

(Please print name and address of transferee)

this Class B Rights Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____ Attorney, to transfer the within Class B Rights Certificate on the books of the within-named Company, with full power of substitution.

Dated: _____, _____
Signature

Signature Guaranteed:

Signatures must be guaranteed by an eligible guarantor institution (a bank, stockbroker, savings and loan association or credit union with membership in an approved signature guarantee medallion program) pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended. Guarantees by a notary public are not acceptable.

NOTICE

The signature in the foregoing Forms of Assignment and Election must conform to the name as written upon the face of this Class B Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.

FORM OF ELECTION TO PURCHASE

(To be executed if holder desires to exercise the Class B Rights Certificate)

To: -----

The undersigned hereby irrevocably elects to exercise _____ Class B Rights represented by this Class B Rights Certificate to purchase the number of one-thousandths of a Preferred Share issuable upon the exercise of such Class B Rights and requests that certificates for such number of one-thousandths of a Preferred Share issued in the name of:

Please insert social security or other identifying number: -----

(Please print name and address of transferee)

If such number of Class B Rights shall not be all the Class B Rights evidenced by this Class B Rights Certificate, a new Class B Rights Certificate for the balance remaining of such Class B Rights shall be registered in the name of and delivered to:

Please insert social security or other identifying number: -----

(Please print name and address of transferee)

Dated: _____, _____

Signature

Signature Guaranteed:

Signatures must be guaranteed by an eligible guarantor institution (a bank, stockbroker, savings and loan association or credit union with membership in an approved signature guarantee medallion program) pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended. Guarantees by a notary public are not acceptable.

CLASS B CERTIFICATE

The undersigned hereby certifies by checking the appropriate boxes that:

(1) the Class B Rights evidenced by this Class B Rights Certificate [] are [] are not being exercised by or on behalf of a Person who is or was an Acquiring Person or an Affiliate or Associate of any such Person (as such terms are defined in the Rights Agreement);

(2) after due inquiry and to the best knowledge of the undersigned, it [] did [] did not acquire the Class B Rights evidenced by this Class B Rights Certificate from any Person who is, was or subsequently became an Acquiring Person or an Affiliate or Associate of any such Person.

Dated: _____, _____

Signature

Signature Guaranteed:

Signatures must be guaranteed by an eligible guarantor institution (a bank, stockbroker, savings and loan association or credit union with membership in an approved signature guarantee medallion program) pursuant to Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended. Guarantees by a notary public are not acceptable.

EXHIBIT D
RIGHTS PLAN
GARTNER, INC.

Summary of Rights

Distribution and Transfer of Rights,
Rights Certificate:

The Board of Directors of Gartner, Inc. (the "Company") has declared a dividend of one Class A Right and one Class B Right, respectively, for each share of Class A Common Stock and Class B Common Stock (the "Rights") outstanding. Prior to the Distribution Date referred to below, the Rights will be evidenced by and trade with the certificates for the Common Stock. (You will not receive a new certificate evidencing the Rights). After the Distribution Date, the Company will mail Rights certificates to the Company's stockholders and the Rights will become transferable apart from the Common Stock.

Distribution Date:

Class A Rights and Class B Rights, respectively, will separate from the Class A Common Stock and Class B Common Stock and become exercisable on the eleventh day after (a) a person or group (with certain exceptions) acquires beneficial ownership of (i) 20% or more of the Company's Class A Common Stock, (ii) 20% or more of the Company's Class B Common Stock, or (iii) 15% of the Company's Common Stock (each, a "Threshold Amount"), or (b) a person or group announces a tender or exchange offer, the consummation of which would result in ownership by a person or group of a Threshold Amount. The Board of Directors may extend the date on which the Rights become exercisable.

Stockholders who own in excess of a Threshold Amount on the date of this Agreement will not cause the Rights to become exercisable based on their current ownership.

Preferred Stock Purchasable Upon Exercise of Rights:

After the Distribution Date, (i) each Class A Right will entitle the holder to purchase for \$90, one one-thousandth of a share of the Company's Series A Preferred Stock with economic terms similar to that of one share of the Company's Class A Common Stock; and (ii) each Class B Right will entitle the holder to purchase for \$90, one one-thousandth of a share of the Company's Series B Preferred Stock with economic terms similar to that of one share of the Company's Class B Common Stock.

Flip-In:

If an "Acquiring Person" (as defined in the Rights Agreement) obtains a Threshold Amount, then each Right (other than Rights owned by an Acquiring Person or its affiliates) will entitle the holder thereof to purchase, for the Exercise Price, a number of corresponding shares of the Company's Class A Common Stock or Class B Common Stock having a then current market value of twice the Exercise Price. For example, if the stock is trading at a price of \$30.00 per share, the Right will enable the holder to purchase \$180.00 of stock (or 6 shares) for the \$90.00 exercise price. Alternatively, the board of directors may elect to exchange Rights held by persons other than the proposed acquirer for Common Stock.

Flip-Over:

If, after an Acquiring Person obtains a Threshold Amount, (a) the Company merges into another entity, (b) an acquiring entity merges into the Company or (c) the Company sells more than 50% of the Company's assets or earning power, then each Right (other than Rights owned by an Acquiring Person or its affiliates) will entitle the holder thereof to purchase, for the Exercise Price, a number of shares of Common Stock of the Person engaging in the transaction having a then current market value of twice the Exercise Price. For example, if the stock is

trading at a price of \$30.00 per share, the Right will enable the holder to purchase \$180.00 of stock (or 6 shares) for the \$90.00 exercise price. Alternatively, the board of directors may elect to exchange Rights held by persons other than the proposed acquirer for Common Stock.

Exchange Provision:

At any time after the date an Acquiring Person obtains a Threshold Amount and prior to the acquisition by the Acquiring Person of 50% of the outstanding Class A Common Stock or 50% of the outstanding Class B Common Stock, the Board of Directors of the Company may exchange the Rights (other than Rights owned by the Acquiring Person or its affiliates), in whole or in part, for shares of Common Stock of the Company at an exchange ratio of one share of Class A Common Stock per Class A Right and one share of Class B Common Stock per Class B Right (in each case subject to adjustment).

Redemption of the Rights:

Rights will be redeemable at the Company's option for \$0.001 per Right at any time on or prior to the tenth day (or such later date as may be determined by the Board of Directors) after public announcement that a Person has acquired beneficial ownership of a Threshold Amount.

Expiration of the Rights:

The Rights expire on the earliest of (a) February 25, 2010, (b) exchange or redemption of the Rights as described above.

Amendment of Terms of Rights:

The terms of the Rights and the Rights Agreement may be amended in any respect without the consent of the Rights holders on or prior to the Distribution Date; thereafter, the terms of the Rights and the Rights Agreement may be amended without the consent of the Rights holders in order to cure any ambiguities or to make changes which do not adversely affect the interests of Rights holders (other than the Acquiring Person).

Voting Rights:

Rights will not have any voting rights.

Anti-Dilution Provisions:

Rights will have the benefit of certain customary anti-dilution provisions.

Taxes:

The Rights distribution should not be taxable for federal income tax purposes. However, following an event which renders the Rights exercisable or upon redemption of the Rights, stockholders may recognize taxable income.

The foregoing is a summary of certain principal terms of the Stockholder Rights Plan only and is qualified in its entirety by reference to the detailed terms of the Amended and Restated Rights Agreement dated as of August __, 2002, between the Company and Mellon Investor Services LLC, as Rights Agent.

AMENDMENT NO. 3, dated as of May 30, 2002 (this "Amendment"), in respect of the Credit Agreement dated as of July 16, 1999, as amended and restated as of July 17, 2000 (as heretofore amended, the "Credit Agreement" and, as amended by this Amendment, the "Amended Credit Agreement"), among Gartner, Inc. (the "Borrower"), the Lenders party thereto and JPMorgan Chase Bank, as Administrative Agent (in such capacity, the "Administrative Agent").

The Borrower has requested that the Credit Agreement be amended to effect the amendments set forth below, and the parties hereto are willing so to amend the Credit Agreement. Each Capitalized term used but not defined herein has the meaning assigned thereto in the Amended Credit Agreement.

In consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto hereby agree, on the terms and subject to the conditions set forth herein, as follows:

SECTION 1. Amendments. Upon the effectiveness of this Amendment as provided in Section 3 below, the Credit Agreement shall be amended as follows:

(a) Section 6.01(f) (A) of the Credit Agreement is hereby amended by replacing the amount "\$10 million" therein with the amount "\$15 million".

(b) Section 6.05 of the Credit Agreement is hereby amended by deleting "and" from the end of clause (c) thereof, replacing the period at the end of clause (d) thereof with "; and", and inserting the following clause at the end thereof:

"(e) the sale by the Borrower of its ownership interest in the SI Venture Fund."

(c) Section 6.08 of the Credit Agreement is hereby amended by replacing the phrase "after the Initial Effective Date does not exceed \$50 million" in clause (vii) therein with the phrase "after May 29, 2002 does not exceed \$50 million".

SECTION 2. Representations and Warranties. The Borrower represents and warrants as of the date hereof to each of the Lenders that:

(a) Before and after giving effect to this Amendment, the representations and warranties set forth in the Credit Agreement and the other Loan Documents are true and correct in all material respects with the same effect as if made on the date hereof, except to the extent such representations and warranties expressly relate to an earlier date.

(b) Immediately before and after giving effect to this Amendment, no Event of Default or Default has occurred and is continuing.

SECTION 3. Conditions to Effectiveness. The amendments set forth in Section 1 of this Amendment shall become effective, as of the date hereof, on the date (the "Amendment Closing Date") on which the Administrative Agent shall have received (a) counterparts of this Amendment that, when taken together, bear the signatures of the Borrower, the Administrative Agent, the Subsidiary Loan Parties and the Required Lenders, (b) an amendment fee, for distribution to each Lender that has returned a signed counterpart of this Amendment to the Administrative Agent or its counsel by 5:00 p.m. New York City time on May 30, 2002, equal to 0.125% of the aggregate Commitments of each such signing Lender and (c) payment of all fees and expenses (to the extent invoiced prior to the Amendment Closing Date) payable to JPMorgan Chase Bank and J.P. Morgan Securities Inc. in connection with this Amendment. The provisions of Section 1 shall terminate and cease to be of any force or effect if the Amendment Closing Date shall not have occurred on or prior to June 5, 2002.

SECTION 4. Agreement Except as specifically stated herein, the provisions of the Credit Agreement are and shall remain in full force and effect. As used therein, the terms "Credit Agreement", "herein", "hereunder", "hereinafter", "hereto", "hereof" and words of similar import shall, unless the context otherwise requires, refer to the Amended Credit Agreement. The Subsidiary Loan Parties are executing this Amendment to confirm that their obligations under the Guarantee Agreement, the Pledge Agreement and the Indemnity, Subrogation and Contribution Agreement remain in full force and effect with respect to the Amended Credit Agreement and all references in the Guarantee Agreement, the Pledge Agreement and the Indemnity, Subrogation and Contribution Agreement to the Credit

Agreement shall hereafter be deemed to refer to the Amended Credit Agreement.

SECTION 5. APPLICABLE LAW. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 6. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract.

SECTION 7. Expenses. The Borrower agrees to reimburse the Administrative Agent for all reasonable out-of-pocket expenses incurred by it in connection with this Amendment, including the reasonable fees, charges and disbursements of Cravath, Swaine & Moore, counsel for the Administrative Agent.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first written above.

GARTNER, INC.,

by /s/ CATHY SATZ

Name: Cathy Satz
Title: Assistant Secretary

COMPUTER AND COMMUNICATION
INFORMATION GROUP, INC.,

by /s/ CATHY SATZ

Name: Cathy Satz
Title: Secretary

DATAQUEST INCORPORATED,

by /s/ CATHY SATZ

Name: Cathy Satz
Title: Secretary

GARTNER (KOREA) INC.,

by /s/ CATHY SATZ

Name: Cathy Satz
Title: Secretary

DECISION DRIVERS, INC,

by /s/ CATHY SATZ

Name: Cathy Satz
Title: Secretary

GARTNER FUND I, INC.,

by /s/ CATHY SATZ

Name: Cathy Satz
Title: Assistant Secretary

GARTNER ENTERPRISES LTD.,

by /s/ CATHY SATZ

Name: Cathy Satz
Title: Secretary

GARTNER SHAREHOLDINGS INC.,

by /s/ CATHY SATZ

Name: Cathy Satz
Title: Secretary

G.G. GLOBAL HOLDINGS, INC.,

by /s/ CATHY SATZ

Name: Cathy Satz
Title: Assistant Secretary

G.G. CREDIT INC.,

by /s/ CATHY SATZ

Name: Cathy Satz
Title: Assistant Secretary

G.G. WEST CORPORATION,

by /s/ CATHY SATZ

Name: Cathy Satz
Title: Assistant Secretary

GRIGGS-ANDERSON, INC.,

by /s/ CATHY SATZ

Name: Cathy Satz
Title: Assistant Secretary

THE RESEARCH BOARD, INC.,

by /s/ CATHY SATZ

Name: Cathy Satz
Title: Secretary

THE WARNER GROUP,

by /s/ CATHY SATZ

Name: Cathy Satz
Title: Secretary

VISION EVENTS INTERNATIONAL,
INC.,

by /s/ CATHY SATZ

Name: Cathy Satz
Title: Secretary

G.G. CANADA, INC.,

by /s/ CATHY SATZ

Name: Cathy Satz
Title: Assistant Secretary

JPMORGAN CHASE BANK,
individually and as
Administrative Agent,

by /s/ T. DAVID SHORT

Name: T. David Short
Title: Vice President

Signature Page to GARTNER, INC.
Amendment No. 3 dated as of
May 30, 2002

CREDIT SUISSE FIRST BOSTON

By /s/ ROBERT HETU

Name: ROBERT HETU
Title: DIRECTOR

By /s/ MARK HERON

Name: MARK HERON
Title: ASSOCIATE

Signature Page to GARTNER, INC.
Amendment No. 3 dated as of
May 30, 2002

Name of Institution

Fleet National Bank

by /s/ LARISA B. CHILTON

Name: LARISA B. CHILTON
Title: VICE PRESIDENT

Signature Page to GARTNER, INC.
Amendment No. 3 dated as of
May 30, 2002

Name of Institution

The Bank of New York

by /s/ MELINDA A. WHITE

Name: Melinda A. White
Title: Vice President

Signature Page to GARTNER, INC.
Amendment No. 3 dated as of
May 24, 2002

Name of Institution

Wachovia Bank, NA

by /s/ ELIZABETH WITHERSPOON

Name: Elizabeth Witherspoon
Title: Vice President

Signature Page to GARTNER, INC.
Amendment No. 3 dated as of
May 30, 2002

Name of Institution

IBM Credit Corporation

by /s/ THOMAS S. CUCCIO

Name: Thomas S. Cuccio
Title: Manager of Credit

Signature Page to GARTNER, INC.
Amendment No. 3 dated as of
May 30, 2002

Name of Institution

[ILLEGIBLE]

by /s/ RONNIE PALMER

Name: Ronnie Palmer
Title: Bank Officer

by /s/ MICHAELA KLEIN, 212

Name: MICHAELA KLEIN, 212
Title: SENIOR VICE PRESIDENT

Signature Page to GARTNER, INC.
Amendment No. 3 dated as of
May 30, 2002

Name of Institution

Bank One, NA (Main Office Chicago)

by /s/ JEFFREY LEDBETTER

Name: Jeffrey Ledbetter
Title: Director

Signature Page to GARTNER, INC.
Amendment No. 3 dated as of
May 30, 2002

Name of Institution

COMERICA BANK

by /s/ JOHN M. COSTA

Name: John M. Costa

Title: First Vice President

Signature Page to GARTNER, INC.
Amendment No. 3 dated as of
May 30, 2002

Name of Institution

MIZUHO CORPORATE BANK, Ltd.

by /s/ ANDREAS PANTELI

Name: Andreas Panteli
Title: SVP

Signature Page to GARTNER, INC.
Amendment No. 3 dated as of
May 30, 2002

Name of Institution

SunTrust Bank

by /s/ KAREN C. COPELAND

Name: Karen C. Copeland
Title: Vice President

Signature Page to GARTNER, INC.
Amendment No. 3 dated as of
May 30, 2002

DEUTSCHE BANK AG NEW YORK BRANCH
AND/OR CAYMAN ISLANDS BRANCH

by /s/ DAVID G. DICKINSON, JR.

Name: David G. Dickinson, Jr.
Title: Vice President

/s/ CHRISTOPHER S. HALL

Name: Christopher S. Hall
Title: Managing Director

Signature Page to GARTNER, INC.
Amendment No. 3 dated as of
May 30, 2002

Name of Institution

CITIZENS BANK OF MASSACHUSETTS

by /s/ WILLIAM M. CLOSSEY

Name: William M. Clossey

Title: Assistant Vice President

Signature Page to GARTNER, INC.
Amendment No. 3 dated as of
May 30, 2002

Name of Institution

THE BANK OF NOVA SCOTIA

by /s/ TODD S. MELLER

Name: TODD S. MELLER
Title: MANAGING DIRECTOR

Signature Page to GARTNER, INC.
Amendment No. 3 dated as of
May 30, 2002

Name of Institution

PEOPLE'S BANK

by /s/ DAVID K. SHERRILL

Name: David K. Sherrill
Title: Vice President

Signature Page to GARTNER, INC.
Amendment No. 3 dated as of
May 30, 2002

Banco Espirito Santo S.A., Nassau Branch

By /s/ ANDREW M. ORSEN

Name: Andrew M. Orsen
Title: Vice President

By /s/ TERRY R. HULL

Name: Terry R. Hull
Title: Senior Vice President

AMENDED AND RESTATED
6.0% CONVERTIBLE JUNIOR SUBORDINATED PROMISSORY NOTE

\$ _____ (original principal amount) NEW YORK, NEW YORK
ORIGINAL ISSUANCE AS OF APRIL 17, 2000
AMENDED AND RESTATED AS OF JULY 12, 2002

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND MAY NOT BE OFFERED OR SOLD EXCEPT IN COMPLIANCE THEREWITH. THIS NOTE IS ALSO SUBJECT TO RESTRICTIONS ON TRANSFER SET FORTH IN THE AMENDED AND RESTATED SECURITYHOLDERS AGREEMENT DATED JULY 12, 2002, AS SUCH AGREEMENT MAY BE AMENDED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME.

FOR VALUE RECEIVED, the undersigned, GARTNER, INC., (formerly Gartner Group, Inc.), a Delaware corporation (the "Company"), promises to pay to _____, a _____ (the "Investor"), in lawful money of the United States and in immediately available funds, the principal amount of \$ _____ (together with increases to such amount pursuant to Section 1 below, the "Face Amount") together with interest thereon calculated from the original issuance date in accordance with the provisions of this Note.

This Note was issued pursuant to the Securities Purchase Agreement, dated as of March 21, 2000, as amended (the "Agreement"), among Silver Lake Partners, L.P., Silver Lake Investors, L.P., Silver Lake Technology Investors, L.L.C. and the other parties thereto. Unless the context otherwise requires, as used herein, "Note" means any of the 6.0% Convertible Junior Subordinated Promissory Notes issued pursuant to the Agreement and any other similar Convertible Junior Subordinated Promissory Notes issued by the Company in exchange for, or to effect a transfer of, any Note and "Notes" means all such Notes in the aggregate.

Pursuant to the Letter Agreement, dated as of September 6, 2001 (the "Settlement Letter"), between the Company and the Investor, the parties thereto have agreed, for good and valuable consideration referred to therein, to amend and restate this Note as follows:

1. **Accrual of Interest.** Except as otherwise expressly provided in Section 5 hereof, interest shall accrue, on a semi-annual basis, at the rate of six percent (6.0%) per annum (based on a year of 360 days, consisting of twelve (12) months of 30 days each) on the Face Amount and shall result, on each Interest Payment Date (as hereinafter defined), in a corresponding increase in the then outstanding Face Amount of the Notes.

2. Payment of Principal and Interest on Note.

(a) Scheduled Payment of Principal. The Company shall pay the Face Amount, together with all accrued and unpaid interest thereon, if any, in cash to the holder of this Note on April 17, 2005.

(b) Payment of Interest. The Company shall pay interest on this Note semiannually in arrears on March 15 and September 15 of each year, or if any such day is not a business day, on the next succeeding business day (each an "Interest Payment Date") to holders of record on the immediately preceding March 1 and September 1, respectively. Any interest payable on this Note shall be paid by adding an amount equal to the interest payable on such Interest Payment Date to the then outstanding Face Amount of this Note on such Interest Payment Date. Immediately following each Interest Payment Date, the Company shall deliver a written notice to the holder of this Note specifying (i) the amount of the increase to the Face Amount of this Note as a result of the interest payment on the immediately preceding Interest Payment Date and (ii) the aggregate Face Amount of this Note immediately following such Interest Payment Date.

(c) Pro Rata Payment. The Company agrees that any payments to the holders of the Notes (including, without limitation, upon acceleration pursuant to Section 6) (whether for principal, interest or otherwise) shall be made pro rata among all such holders based upon the aggregate unpaid principal amount of the Notes held by each such holder. If any holder of a Note obtains any payment (whether voluntary, involuntary, by application of offset or otherwise) of principal or interest on such Note in excess of such holder's pro rata share of payments obtained by all holders of the Notes, such holder shall make payments to the other holders of the Notes such participation in the Notes held by them as is necessary to cause such holders to share the excess payment ratably among each of them as provided in this Section.

3. Optional Redemption.

(a) Optional Redemption. From and after April 17, 2003, the Company, at its option, may redeem the Notes, in whole but not in part, to the extent it has funds legally available therefor and such redemption is not prohibited by the terms of its outstanding indebtedness, at the redemption price of 100% of the Face Amount thereof, plus an amount equal to the accrued and unpaid interest thereon, if any, to the redemption date; provided (i) the Current Market Price of the A Common Stock (as defined below) on the date of the notice of redemption (described below) equals or exceeds 150% of the Conversion Price (as adjusted); (ii) the Closing Price of the A Common Stock on the trading day immediately preceding the date of such notice of redemption equals or exceeds 150% of the Conversion Price (as adjusted); (iii) the Company is permitted (without the necessity of any further approvals or action) by law and under the rules of any securities exchange on which the A Common Stock is traded to convert all the Notes into shares of A Common Stock and the Company intends and has the financial resources and ability to repurchase all of the outstanding Notes; and (iv) the Company has agreed not to exercise its Cash Out Right (as defined below). As used herein, the "Current Market Price" for a given date shall mean the average Closing Price of the A Common Stock as reported in The Wall Street Journal or, at the election of the Company, other reputable financial news

source, for the 20 consecutive trading days immediately preceding the date the redemption notice is given. As used herein, the "Closing Price" of the A Common Stock on any day means the last reported sale price regular way on such day or, in the case no such sale takes place on such day, the average of the reported closing bid and asked prices regular way of the A Common Stock, in each case on the NYSE or, if not listed or admitted to trading on such exchange, as quoted on AMEX or Nasdaq.

(b) Payment of Redemption Price.

(i) The amount of the redemption price on the Notes redeemed, on any redemption set forth herein, shall be paid to the holders of the Notes in cash (to the extent funds are legally available therefor and such redemption is not prohibited by the terms of its outstanding indebtedness).

(ii) Not less than 15 days nor more than 45 days (such date as fixed by the board of directors of the Company is referred to herein as the "Redemption Record Date") prior to the date fixed for any redemption of the Notes pursuant to this Section 3, a notice specifying the time and place of the redemption of the Notes shall be given by first class mail, postage prepaid, to the holders of record on the Redemption Record Date of the Notes to be redeemed at their respective addresses as the same shall appear on the books of the Company, calling upon each holder of record to surrender to the Company on the redemption date at the place designated in the notice the Notes owned by such holder. Neither failure to mail such notice, nor any defect therein or in the mailing thereof, to any particular holder shall affect the sufficiency of the notice or the validity of the proceedings for redemption with respect to the other holders. On or after the redemption date, each holder of Notes to be redeemed shall present and surrender such holder's Notes to the Company at the place designated in the redemption notice and thereupon the redemption price of the Notes, and any unpaid interest thereon to the redemption date, shall be paid to or on the order of the person whose name appears in the Note Register (as herein defined) as the owner thereof, and each surrendered Note shall be canceled by the Company.

(iii) If a notice of redemption has been given pursuant to this Section 3 and if, on or before the redemption date, the funds necessary for such redemption (including all interest on the Notes to be redeemed that will accrue to the redemption date) shall have been set aside by the Company, separate and apart from its other funds, in trust for the benefit of the holders of all the Notes, then, notwithstanding that any Notes have not been surrendered for cancellation, on the redemption date interest shall cease to accrue on the Notes to be redeemed, and at the close of business on the date on which such funds have been segregated and set aside by the Company as provided in this Subsection 3(b)(iii), the holders of the Notes shall have no rights with respect thereto, except the conversion rights provided in Subsection (iv) of this Section 3(b) and Section 4 below and the right to receive the moneys payable upon such redemption, without interest thereon, upon surrender of their Notes.

(iv) If a notice of redemption has been given pursuant to this Section 3 and any holder of Notes shall, prior to the close of business on the business day immediately preceding the redemption date, give written notice to the Company pursuant to Section 4 below of the conversion of any or all of the Notes to be redeemed held by the holder (accompanied by the

Note or Notes), then such redemption shall not become effective as to such Notes to be converted and such conversion shall become effective as provided in Section 4 below, whereupon any funds deposited by the Company for the redemption of such notes shall (subject to any right of the holder of such Notes to receive the interest payable thereon as provided in Section 4 below) immediately upon such conversion be returned to the Company or, if then held in trust by the Company, shall automatically and without further corporate action or notice be discharged from the trust.

4. Conversion Rights. The holders of the Notes shall have conversion rights as follows (the "Conversion Rights"):

(a) Right to Convert.

(i) Following April 17, 2003 and provided that all filings made under the Hart-Scott-Rodino Anti-Trust Improvements Act of 1976, as amended, as required by Section 6.1 of the Securityholders Agreement originally dated April 17, 2000 (the "Original Securityholders Agreement"), as amended and restated pursuant to the Amended and Restated Securityholders Agreement dated July 12, 2002 (as such agreement may be amended, supplemented or otherwise modified from time to time, the "Securityholders Agreement") have been made and all related waiting periods have expired or have been terminated early, the Face Amount of this Note plus all accrued and unpaid interest thereon shall be convertible, in whole or in part, at the option of the holder thereof, at any time and from time to time, subject to compliance with this Section 4, into fully paid and nonassessable shares of the Company's Class A Common Stock, par value \$.005 per share (the "A Common Stock"; and together with Company's Class B Common Stock, par value \$.005 per share, the "Common Stock") at the then effective Conversion Rate (as defined below) (each such conversion, an "Optional Conversion").

The "Conversion Rate", as of any date of determination, shall equal an amount determined by dividing (i) the Face Amount outstanding on such date, plus any accrued and unpaid interest on such Notes, by (ii) the Conversion Price (as defined below) in effect as of any date of determination. The Conversion Price at which shares of A Common Stock shall be deliverable upon conversion of the Notes without the payment of additional consideration by the holder thereof (the "Conversion Price") shall, as of April 17, 2001, be \$7.45. Such Conversion Price and the rate at which the Notes may be converted to shares of A Common Stock, shall thereafter be subject to adjustment as provided below.

(ii) Notwithstanding a holder's request to convert all or part of his or her Notes into A Common Stock pursuant to a Conversion Notice (as defined below), the Company shall (except following the Company's exercise of its option pursuant to Section 3 or any conversion of the Notes pursuant to Subsection 5(a), and subject to the procedures described below), have the right (the "Cash Out Right") after such request and on or prior to the twentieth (20th) business day following the date of the Conversion Notice (the "Cash Out Right Expiration Date") to redeem all, but not part of, such Notes for cash in an amount (the "Cash Out Consideration") equal to the product of (x) the quotient of (i) the Face Amount of the Notes to be converted, plus all accrued and unpaid interest thereon, through the Cash Out Date (defined below), and (ii) the Conversion Price and (y) the average Closing Price over the five (5) trading

days immediately preceding the date of the Conversion Notice. If the Company elects to exercise the Cash Out Right, it shall be required to provide written notice to the holder of such election (the "Cash Out Notice"), which Cash Out Notice shall specify the date (the "Cash Out Date") on which the Company will pay the Cash Out Consideration; provided, however, the Cash Out Date shall in no event be later than the Cash Out Right Expiration Date. The Company shall deliver the Cash Out Notice to the holder as promptly as practicable, but in no event more than ten (10) business days after delivery of the Conversion Notice by the holder. If no such notice is received by the holder, or if the Company notifies the holder of its intention not to exercise the Cash Out Right, then, notwithstanding anything in this Section 4 to the contrary, the Face Amount of Notes, plus all accrued and unpaid interest thereon, which the holder originally sought to convert pursuant to the Conversion Notice shall be automatically converted on the Conversion Date (as defined below) into shares of A Common Stock at the then effective Conversion Rate (subject to the holder's right to revoke the Conversion Notice and to continue to hold the Notes, as described in section 4(c)(i)). Except as otherwise provided in this Section 4(a)(ii), if the Company delivers a Cash Out Notice but fails to deliver the Cash Out Consideration on the Cash Out Date, then (i) the Company shall forfeit the Cash Out Right in connection with all subsequent conversions of all or part of the Notes and (ii) the Face Amount of Notes, plus all accrued and unpaid interest thereon, which the holder originally sought to convert pursuant to the Conversion Notice shall be automatically converted at the close of business on the later of the Conversion Date or the Cash Out Date into shares of A Common Stock at the then effective Conversion Rate (subject to the holder's right to revoke the Conversion Notice and to continue to hold the Notes, as described in Section 4(c)(i)). Notwithstanding the foregoing, if a Conversion Notice is delivered in connection with an underwritten offering of securities registered pursuant to the Securities Act of 1933 (an "Underwritten Conversion"), then the holders of Notes requesting conversion shall not be deemed to have converted such Notes until immediately prior to the closing of the sale of A Common Stock in the underwriting.

(b) Fractional Shares. No fractional shares of A Common Stock shall be issued upon conversion of the Notes. In lieu of fractional shares, the Company shall pay cash equal to such fraction multiplied by the Closing Price for shares of A Common Stock on the trading date immediately preceding the related Conversion Date.

(c) Mechanics of Conversion.

(i) In order to convert Notes into shares of A Common Stock, the holder shall deliver written notice to the Company (such notice, the "Conversion Notice") that such holder elects to convert all or part of the Face Amount, plus all accrued and unpaid interest thereon, represented by such Note or Notes into shares of A Common Stock no less than ten (10) business days prior to the date on which the holder desires to effect such conversion (such date, the "Conversion Date"). The Conversion Notice shall state the Conversion Date, the Face Amount of Notes, plus all accrued and unpaid interest thereon, which the holder seeks to convert and shall be revocable, at the option of the holder, at all times prior to the close of business on the later of the Conversion Date or the Cash Out Date; provided, however, that if the Company elects to exercise its Cash Out Right, a Conversion Notice that is not delivered in connection with an Underwritten Conversion shall be irrevocable for the three (3) business day period

ending on (and including) the Cash Out Date. The holders shall deliver to the Company the Note or Notes that are being converted on or prior to the later of the Conversion Date or the Cash Out Date. As soon as practicable, but no later than two days after the later of the Conversion Date or the Cash Out Date, the Company shall (at its own expense) promptly issue and deliver to such holder, at a location directed by such holder, a certificate or certificates for the number of shares of A Common Stock to which such holder is entitled and, in the case where only part of a Note is converted, a new Note of any authorized denomination (as requested by a holder) in an aggregate principal amount equal to and in exchange for the unconverted portion of the principal amount of the Note so surrendered. Such conversion shall be deemed to have been made at the close of business on the later of the Conversion Date or the Cash Out Date, and the holder entitled to receive the shares of A Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of A Common Stock on such date.

(ii) The Company shall at all times during which the Notes shall be outstanding, reserve and keep available out of its authorized but unissued stock, for the purpose of effecting the conversion of the Notes, such number of its duly authorized shares of A Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Notes. In addition, the Company shall at all times during which the Notes shall be outstanding, reserve and keep available out of its authorized but unissued stock, for the purpose of effecting the conversion of the Notes, such number of its duly authorized shares of preferred stock as shall from time to time be sufficient to effect the conversion of all outstanding Notes into Preferred Stock, if necessary. Before taking any action which would cause an adjustment reducing the Conversion Price below the then par value of the shares of A Common Stock issuable upon conversion of the Notes, the Company will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue fully paid and nonassessable shares of A Common Stock at such adjusted Conversion Price.

(iii) All Notes which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such Notes, including the rights, if any, to receive interest, notices and consent rights shall immediately cease and terminate at the close of business on the later of the Conversion Date or the Cash Out Date, except only the right of the holders thereof to receive shares of A Common Stock, cash or Preferred Stock, as the case may be, in exchange therefor, and, if applicable, cash for any fractional shares of A Common Stock. Any Notes so converted shall be retired and canceled.

(iv) If the conversion is in connection with an underwritten offering of securities registered pursuant to the Securities Act of 1933, as amended, the conversion may, at the option of any holder tendering Notes for conversion, be conditioned upon the closing with the underwriter of the sale of securities pursuant to such offering, in which event the holders entitled to receive the A Common Stock issuable upon such conversion of the Notes shall not be deemed to have converted such Notes until immediately prior to the closing of the sale of securities.

(d) Adjustments to Conversion Price for Diluting Issues.

(i) Special Definitions. For purposes of this Subsection 4(d), the following definitions shall apply:

(A) "Option" shall mean Rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities, other than such Rights, options or warrants granted to employees, directors or consultants of the Company pursuant to plans or arrangements approved by the Company's board of directors.

(B) "Convertible Securities" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock.

(C) "Additional Shares of Common Stock" shall mean all shares of Common Stock issued (or, pursuant to Subsection 4(d)(ii) below, deemed to be issued) by the Company after April 17, 2000 (the "Issue Date").

(D) "Rights to Acquire Common Stock" (or "Rights") shall mean all rights issued by the Company to acquire Common Stock whether by exercise of a warrant, option or similar call, or conversion of any existing instruments, in either case for consideration fixed, in amount or by formula, as of the date of issuance.

(ii) Issue of Securities Deemed Issue of Additional Shares of Common Stock. If the Company at any time or from time to time after the Issue Date issues any Options or Convertible Securities or Rights to Acquire Common Stock, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options, Rights to Acquire Common Stock or, in the case of Convertible Securities, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue; provided, however, that in any such case:

(A) No further adjustment in the Conversion Price shall be made upon the subsequent issue of shares of Common Stock upon the exercise of such Options, Rights or conversion or exchange of such Convertible Securities;

(B) Upon the expiration or termination of any unexercised Option, Right or Convertible Security, the Conversion Price shall be adjusted immediately to reflect the applicable Conversion Price which would have been in effect had such Option, Right or Convertible Security (to the extent outstanding immediately prior to such expiration or termination) never been issued; and

(C) In the event of any change in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any Option, Right or Convertible Security, including, but not limited to, a change resulting from the anti-

dilution provisions thereof, the Conversion Price then in effect shall forthwith be readjusted to such Conversion Price as would have obtained had the Conversion Price adjustment that was originally made upon the issuance of such Option, Right or Convertible Security which were not exercised or converted prior to such change been made upon the basis of such change, but no further adjustment shall be made for the actual issuance of Common Stock upon the exercise or conversion of any such Option, Right or Convertible Security.

(iii) Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock.

(A) If the Company shall at any time after the Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 4(d)(ii), but excluding shares issued as a dividend or distribution as provided in Subsection 4(f) or upon a stock split or combination as provided in Subsection 4(e) or in respect of which an adjustment is made pursuant to Subsection 4(g), (h) or (i)), without consideration, or for a consideration per share less than the Fair Market Value per share of Common Stock on the date of and immediately prior to such issue, then and in such event, the Conversion Price shall be reduced, concurrently with such issuance, to a price (calculated to the nearest cent) determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the sum of (A) the number of shares of Common Stock outstanding, on a fully diluted basis, immediately prior to such issuance plus (B) the number of shares of Common Stock which the aggregate consideration received by the Company for the total number of Additional Shares of Common Stock so issued would purchase at the Fair Market Value per share of Common Stock and the denominator of which shall be the sum of (1) the number of shares of Common Stock outstanding, on a fully diluted basis, immediately prior to such issuance plus (2) the number of such Additional Shares of Common Stock so issued.

(B) If the Company shall at any time after the Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 4(d)(ii), but excluding shares issued as a dividend or distribution as provided in Subsection 4(f) or upon a stock split or combination as provided in Subsection 4(e) or in respect of which an adjustment is made pursuant to Subsection 4(g), (h) or (i)) for a consideration per share less than the Conversion Price (as adjusted) on the date of and immediately prior to such issue, then and in such event, the Conversion Price shall be reduced, concurrently with such issuance, to a price (calculated to the nearest cent) determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the sum of (A) the number of shares of Common Stock outstanding, on a fully diluted basis, immediately prior to such issuance plus (B) the number of shares of Common Stock which the aggregate consideration received by the Company for the total number of Additional Shares of Common Stock so issued would purchase if the amount paid per share for such shares was equal to the Conversion Price and the denominator of which shall be

the sum of (1) the number of shares of Common Stock outstanding, on a fully diluted basis, immediately prior to such issuance plus (2) the number of such Additional Shares of Common Stock so issued.

(C) If the Company shall at any time after the Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 4(d)(ii), but excluding shares issued as a dividend or distribution as provided in Subsection 4(f) or upon a stock split or combination as provided in Subsection 4(e) or in respect of which an adjustment is made pursuant to Subsection 4(g), (h) or (i)) for a consideration per share that is less than the Fair Market Value and less than the Conversion Price (as adjusted), in each case on the date of and immediately prior to such issue, then and in such event, the Conversion Price shall be reduced, to equal the lesser of (A) the Conversion Price as adjusted pursuant to Section 4(d)(iii)(A) or (B) the Conversion Price as adjusted pursuant to Section 4(d)(iii)(B).

Notwithstanding the foregoing, the applicable Conversion Price shall not be reduced if the amount of such reduction would be an amount less than \$.01, but any such amount shall be carried forward and reduction with respect thereto made at the time of and together with any subsequent reduction which, together with such amount and any other amount or amounts so carried forward, shall aggregate \$.01 or more.

(iv) Determination of Consideration. For purposes of this Subsection 4(d), "Fair Market Value" of the consideration received by the Company for the issue of any Additional Shares of Common Stock shall be computed as follows:

(A) Cash and Property. Such consideration shall:

(1) insofar as it consists of cash, be computed at the aggregate of cash received by the Company, excluding amounts paid or payable for accrued interest or accrued dividends;

(2) insofar as it consists of property other than cash, be computed at the Fair Market Value thereof at the time of such issue, as determined in good faith by the Board (absent manifest error); and

(3) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Company for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (1) and (2) above, as determined in good faith by the Board (absent manifest error).

(B) Options, Rights and Convertible Securities. The consideration per share received by the Company for Additional Shares of Common Stock deemed to have been issued pursuant to Subsection 4(d)(ii), relating to Options, Rights and Convertible Securities, shall be determined by dividing

(1) the total amount, if any, received or receivable by the Company as consideration for the issue of such Options, Rights or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Company upon the exercise of such Options, Rights or the conversion or exchange of such Convertible Securities, by

(2) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options, Rights or the conversion or exchange of such Convertible Securities.

(e) Adjustment for Stock Splits and Combinations. If the Company shall at any time or from time to time after the Issue Date effect a subdivision of the outstanding Common Stock, the Conversion Price then in effect immediately before that subdivision shall be proportionately decreased. If the Company shall at any time or from time to time after the Issue Date combine the outstanding shares of Common Stock, the Conversion Price then in effect immediately before the combination shall be proportionately increased. Any adjustment under this paragraph shall become effective at the close of business on the date the subdivision or combination becomes effective.

(f) Adjustment for Certain Dividends and Distributions. In the event the Company at any time or from time to time after the Issue Date shall make or issue a dividend or other distribution payable in Additional Shares of Common Stock, then and in each such event the Conversion Price shall be decreased as of the time of such issuance, by multiplying such Conversion Price by a fraction, the numerator of which shall be the total number of shares of Common Stock outstanding, on a fully diluted basis, immediately prior to such issuance and the denominator of which shall be the total number of shares of Common Stock outstanding, on a fully diluted basis, immediately prior to such issuance plus the number of such Additional Shares of Common Stock issuable in payment of such dividend or distribution.

(g) Adjustments for Other Dividends and Distributions. In the event the Company at any time or from time to time after the Issue Date shall make or issue a dividend or other distribution payable in securities of the Company (other than shares of Common Stock) or other assets or properties, then and in each such event provision shall be made so that the holders of the Notes shall receive in addition to the number of shares of A Common Stock receivable upon conversion of the Notes, the amount of securities of the Company or other assets or properties that they would have received had their Notes been converted into A Common Stock on the date of such event and had thereafter, during the period from the date of such event to and including the Conversion Date, retained such securities or other assets or properties receivable by them as aforesaid during such period giving application to all adjustments called for during such period, under this paragraph with respect to the rights of the holders of the Notes; provided that, in the event rights or benefits under such securities, assets or properties shall terminate prior to the time that the holder of this Note may elect to convert this Note into shares of A Common Stock, such amount of securities, assets or properties that the holder would have received had

such holder converted his or her Notes immediately prior to the distribution shall be distributed to the holder of this Note on the date the securities, assets or properties are distributed to the holders of Common Stock.

(h) Adjustment for Reclassification, Exchange or Substitution.

If the A Common Stock issuable upon the conversion of the Notes shall be changed into the same or a different number of shares of any class or classes of stock, whether by capital reorganization, reclassification, or otherwise (other than a subdivision or combination of shares, stock dividend or reorganization, reclassification, merger, consolidation, asset sale or other event provided for elsewhere in this Section 4), then and in each such event the holder of each Note (whether then outstanding or thereafter issued) shall have the right thereafter to convert such Note into the kind and amount of shares of stock and other securities and property receivable upon such reorganization, reclassification, or other change, by holders of the number of shares of A Common Stock into which all such Notes might have been converted immediately prior to such reorganization, reclassification, or change, all subject to further adjustment as provided herein or with respect to such other securities or property by the terms thereof.

(i) Reorganizations, Mergers, Consolidations or Asset Sale. If

at any time after the Issue Date there is a merger, consolidation, recapitalization, sale of all or substantially all of the Company's assets or reorganization involving the A Common Stock (collectively, a "Capital Reorganization") (other than a merger, consolidation, sale of assets, recapitalization, subdivision, combination, reclassification, exchange, substitution or other event of shares provided for elsewhere in this Section 4), as part of such Capital Reorganization, provision shall be made so that the holders of Notes (whether then outstanding or thereafter issued) will thereafter be entitled to receive upon conversion of the Notes the number of shares of stock or other securities or property of the Company to which a holder of the number of shares of A Common Stock deliverable upon conversion would have been entitled on such Capital Reorganization, subject to adjustment in respect to such stock or securities by the terms thereof. In any such case, appropriate adjustment will be made in the application of the provisions of this Section 4 with respect to the rights of the holders of Notes after the Capital Reorganization to the end that the provisions of this Section 4 (including adjustment of the Conversion Price then in effect and the number of shares issuable upon conversion of the Notes) will be applicable after that event and be as nearly equivalent as practicable. In the event that the Company is not the surviving entity of any such Capital Reorganization, each Note shall become Notes of such surviving entity, with the same powers, rights and preferences as provided herein.

(j) Reserved.

(k) No Impairment. The Company will not, by amendment of its

Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Section 4 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Notes against impairment to the extent

required hereunder. Nothing in this Section 4 shall affect the continued accrual of interest on the Notes in accordance with the terms of this Note.

(l) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section 4, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder, if any, of Notes outstanding a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based and shall file a copy of such certificate with its corporate records. The Company shall, upon the reasonable written request of any holder of Notes, furnish or cause to be furnished to such holder a similar certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price then in effect and (iii) the number of shares of A Common Stock and the amount, if any, of other property which then would be received upon the conversion of Notes. Despite such adjustment or readjustment, the form of each or all Notes, if the same shall reflect the initial or any subsequent Conversion Price, need not be changed in order for the adjustments or readjustments to be valid in accordance with the provisions of this Note, which shall control.

(m) Notice of Record Date. In the event:

(i) that the Company declares a dividend (or any other distribution) on its Common Stock payable in Common Stock or other securities of the Company;

(ii) that the Company subdivides or combines its outstanding shares of Common Stock;

(iii) of any reclassification of the Common Stock of the Company (other than a subdivision or combination of its outstanding shares of Common Stock or a stock dividend or stock distribution thereon);

(iv) of any Capital Reorganization; or

(v) of the involuntary or voluntary dissolution, liquidation or winding up of the Company,

then the Company shall cause to be filed at its principal office, and shall cause to be mailed to the holders of the Notes at their last addresses as shown on the records of the Company, at least 10 days prior to the record date specified in (A) below or 20 days prior to the date specified in (B) below, a notice stating

(A) the record date of such dividend, distribution, subdivision or combination, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution, subdivision or combination are to be determined, or

(B) the date on which such reclassification, Capital Reorganization, dissolution, liquidation or winding up is expected to become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to

exchange their shares of Common Stock for securities or other property deliverable upon such reclassification, Capital Reorganization, dissolution or winding up.

5. Rights Upon a Change of Control.

(a) Conversion upon Certain Changes in Control.

(i) Mandatory Conversion. Notwithstanding the 3-year nonconversion period in Subsection 4(a)(i), in the event of a Change in Control (as herein defined) of the Company in which its public stockholders receive cash, or other consideration or a combination thereof ("Consideration") from any Person (as herein defined) in respect of their shares of A Common Stock (a "Specified Change in Control"), which Specified Change in Control (x) satisfies the Price Threshold (as specified herein) and (y) is not an Impaired Tax-Free Change in Control Transaction as defined in Subsection 5(a)(iii) (such Specified Change in Control, a "Mandatory Conversion Change in Control"), then automatically and without any action required by the holders thereof, the Face Amount of the Notes, plus all accrued and unpaid interest thereon, shall be converted immediately prior to the closing of the Mandatory Conversion Change in Control into fully paid and nonassessable shares of A Common Stock at the then effective Conversion Rate and the holders will be entitled to receive in respect of such shares of A Common Stock the same per share Consideration paid to holders of A Common Stock in the Mandatory Conversion Change in Control. A Specified Change in Control shall be deemed to satisfy the Price Threshold if the sum of the Fair Market Value of the non-cash component of the Consideration (if any) and the cash component of the Consideration (if any) equals or exceeds each and all of the following (adjusted for stock splits and the like): (x) \$15.00 per share of A Common Stock as of the close of business on the day on which the Specified Change in Control is publicly announced, (y) an average of \$15.00 per share of A Common Stock measured (as of the close of business each day) over the ten (10) trading day period immediately following such public announcement, and (z) an average of \$12.00 per share of A Common Stock measured (as of the close of business each day) over the ten (10) trading day period ending three trading days immediately prior to the closing of the Specified Change in Control.

"Fair Market Value" means, for purposes of this Section 5(a)(i), (A) with respect to any security that is publicly held, listed or traded, the closing price of such security on a specified date, which shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the security is not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the security is listed or admitted to trading or, if the security is not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotations System ("NASDAQ") or such other system then in use and (B) with respect to any other security or other property other than cash, the fair value per share of such Consideration as determined in good faith by a majority of the Company's Board of Directors at or before the date on which the Specified

Change in Control is publicly announced, absent manifest error, and after considering such Consideration's credit, liquidity, and other terms.

(ii) Optional Conversion. In the event of a Specified Change in Control (other than a Mandatory Conversion Change in Control) (such Specified Change in Control, an "Optional Conversion Change in Control") and notwithstanding the 3-year nonconversion period in Subsection 4(a)(i), each holder will have the right but not the obligation, at its election, to convert immediately prior to the closing of the Optional Conversion Change in Control, in whole or in part, the Face Amount of the Notes plus all accrued and unpaid interest thereon at the then effective Conversion Rate into fully paid and nonassessable A Common Stock and the holders will be entitled to receive in respect of such shares of A Common Stock the same per share consideration paid to holders of A Common Stock in the Optional Conversion Change in Control.

(iii) Impaired Tax-free Change in Control Transaction. If, in connection with a Specified Change of Control which is to be a tax-free exchange for the Company's stockholders, the Note holders' exercise of their Resale Registration Rights (as defined in Section 4.3 of the Securityholders Agreement) for the securities to be received upon the conversion of the Notes would be the sole cause of that tax-free Specified Change in Control transaction becoming a taxable transaction (such transaction, an "Impaired Tax-Free Change in Control Transaction"), then following the good faith efforts of the Company, the acquiring entity and the holders to implement reasonable changes to the proposed transaction structure to achieve a tax-free exchange, in the case of a Specified Change in Control that would otherwise be a Mandatory Change in Control the Notes will not automatically convert pursuant to Subsection 5(a)(i) and the transaction will be treated as an Optional Conversion Change in Control. In the event of an Impaired Tax-Free Change in Control Transaction that would have otherwise been a Mandatory Conversion Change in Control, in connection with which the holders elect to convert the Notes into A Common Stock (or otherwise enter into an arrangement to receive consideration from such Impaired Tax-Free Change in Control Transaction), the holders will not be entitled, without the written consent of the Company, to receive consideration directly or indirectly from the acquiring entity that is (x) greater in value than the product of (A) the quotient of (1) the Face Amount, plus all accrued and unpaid interest thereon, divided by (2) the then effective Conversion Price times (B) the value of the per share consideration received in such transaction by public stockholders of the Company or (y) different in form than the per share consideration received in such transaction by public stockholders of the Company.

(iv) Further Assurances. In connection with any Specified Change in Control in which all or any portion of the Notes are to be converted (automatically or otherwise), the Company shall take, or use reasonable best efforts to cause the acquiring entity to take, all actions that are reasonably necessary to assure that the holders of the Notes will timely receive, if required by any acting exchange or paying agent, duly issued shares of A Common Stock in exchange for their converted Notes to enable such holders to participate, on the same basis as the Company's public stockholders, in such Specified Change in Control. The Company agrees and, by the acceptance hereof, each holder agrees that prior to any conversion of the Notes pursuant to this Subsection 5(a) and the closing of any Specified Change of Control transaction, to the

extent required under applicable laws, rules and regulations, including those of the stock exchange or markets on which the shares of A Common Stock are then listed: (A) all filings under the Hart-Scott-Rodino Anti-Trust Improvements Act of 1976, as amended, as required by Section 6.1 of the Securityholders Agreement, shall have been made and all related waiting periods have expired or have been terminated early; and (B) all necessary stockholder approvals to permit the conversion of the Notes shall have been obtained.

(b) Repurchase Right Upon a Change of Control.

(i) In the event of a Change in Control (as herein defined, and other than a Mandatory Conversion Change in Control), each holder shall have the right (the "Repurchase Right"), at the holder's option to require the Company to repurchase, and upon the exercise of such right the Company shall repurchase, all of such holder's Notes, or any portion of the principal amount thereof that is equal to \$1,000 or any integral multiple thereof, on the date (the "Repurchase Date") that is 30 days after the date of the Company Notice (as defined in Subsection 5(b)(ii)) at a purchase price equal to 101% of the Face Amount to be repurchased plus accrued and unpaid interest thereon, if any, to the Repurchase Date (the "Repurchase Price"). "Change in Control" means (A) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of Rule 13d-5 under the Securities Exchange Act of 1934 as in effect on the date hereof) of shares representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding Common Stock; (B) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Company by Persons who were neither (1) nominated by the board of directors of the Company nor (2) appointed by directors so nominated; or (C) the hiring or firing of the Company's chief executive officer without the prior approval of holders representing a majority of the outstanding Face Amount of the Notes. "Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or other entity.

(ii) On or before the 20th day after the occurrence of a Change in Control, the Company shall give to all holders of Notes notice (the "Company Notice"), of the occurrence of the Change in Control and of the Repurchase Right set forth herein arising as a result thereof. Each notice of a repurchase right shall be mailed to the holders of the Notes at their last address as shown on the records of the Company and shall state:

(A) the Repurchase Date;

(B) the date by which the repurchase right must exercised;

(C) the Repurchase Price;

(D) a description of the procedure which a holder must follow to exercise a repurchase right and the place or places where such Notes are to be surrendered for payment of the Repurchase Price;

(E) that on the Repurchase Date the Repurchase Price will become due and payable upon each such Note designated by the holder to be repurchased, and that interest thereon shall cease to accrue on and after said date; and

(F) the Conversion Rate then in effect, the date on which the right to convert the principal amount of the Notes to be repurchased will terminate and the place where such Notes may be surrendered for conversion.

No failure of the Company to give the foregoing notices or defect therein shall limit any holder's right to exercise a Repurchase Right or affect the validity of the proceedings for the repurchase of the Notes.

If any of the foregoing provisions or other provisions of this Section 5(b) are inconsistent with applicable law, such law shall govern.

(iii) To exercise a Repurchase Right, a holder shall deliver to the Company on or before the 30th day after the date of the Company Notice (A) written notice of the holder's exercise of such right, which notice shall set forth the name of the holder, the principal amount of the Notes to be repurchased (and, if any Note is to be repurchased in part, the serial number thereof and the portion of the principal amount thereof that is to be repurchased) and a statement that an election to exercise the Repurchase Right is being made thereby, and (B) the Notes with respect to which the Repurchase Right is being exercised. Such written notice shall be irrevocable, except that the right of the holder to convert the Notes with respect to which the Repurchase Right is being exercised shall continue until the close of business on the business day immediately preceding the Repurchase Date.

(iv) In the event a Repurchase Right shall be exercised in accordance with the terms hereof, the Company shall pay or cause to be paid to the holders of Notes the Repurchase Price in cash as promptly after the Repurchase Date as practicable, together with accrued and unpaid interest to the Repurchase Date payable with respect to the Notes as to which the repurchase right has been exercised.

(v) If any Note (or portion thereof) surrendered for repurchase shall not be so paid on the Repurchase Date, the principal amount of such Note (or portion thereof, as the case may be) shall, until paid, bear interest to the extent permitted by applicable law from the Repurchase Date at the rate of 9% per annum, and each Note shall remain convertible into A Common Stock until the principal of such Note (or portion thereof, as the case may be) shall have been paid or duly provided for.

(vi) Any Note which is to be repurchased only in part shall be surrendered to the Company and the Company shall execute and make available for delivery to the holder of such Note without service charge, a new Note or Notes, containing identical terms and conditions, each in an authorized denomination in aggregate principal amount equal to and in exchange for the unrepurchased portion of the principal of the Note so surrendered.

6. Events of Default.

(a) Definition. For purposes of this Note, an "Event of Default" shall be deemed to have occurred if:

(i) the Company fails to pay when due (whether at maturity or otherwise) the full amount of interest then accrued hereon or the full amount of any principal payment hereon;

(ii) (A) the Company or any of its material Subsidiaries makes an assignment for the benefit of creditors, (B) an order, judgment or decree is entered adjudicating the Company or any of its material Subsidiaries bankrupt or insolvent, (C) any order for relief with respect to the Company or any of its material Subsidiaries is entered under the Bankruptcy Reform Act, Title 11 of the United States Code, (D) the Company or any of its material Subsidiaries petitions or applies to any tribunal for the appointment of a custodian, trustee, receiver or liquidator of the Company or any of its material Subsidiaries or of any substantial part of the assets of the Company or any of its material Subsidiaries, or commences any proceeding relating to the Company or any of its material Subsidiaries under any bankruptcy reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, or (E) any such petition or application is filed, or any such proceeding is commenced, against the Company or any of its material Subsidiaries and either (1) the Company or any of its material Subsidiaries by any act indicates its approval thereof, consent thereto or acquiescence therein or (2) such petition, application or proceeding is not dismissed within 60 days;

(iii) a judgment in excess of \$30,000,000 is rendered against the Company and, within 60 days after entry thereof, such judgment is not discharged or execution thereof stayed pending appeal, or within 60 days after the expiration of any such stay, such judgment is not discharged or paid;

(iv) the Company or any of its material Subsidiaries defaults in the performance of any indebtedness if the effect of such default is to cause an amount exceeding \$30,000,000 to become due prior to its stated maturity;

(v) for any reason any Designated Senior Indebtedness (as defined in Section 11(h), hereof) shall have become due prior to its stated maturity; or

(vi) the failure to comply with the terms of this Note or the applicable provisions of the Agreement or the Settlement Letter for a period of 30 days following notice of such failure from holders of the Notes.

Notwithstanding the foregoing, no Event of Default under clauses (iii), (iv), (v) or (vi) above shall occur or shall be deemed to have occurred (unless the indebtedness under the Credit Agreement (as defined in Section 11(g) hereof) shall have become due prior to its stated maturity and such acceleration shall not have been rescinded or annulled within 30 days thereafter) so

long as any Senior Indebtedness (as defined in Section 11(g) hereof) remains outstanding or the Credit Agreement is otherwise "in effect." Nothing in this Section 6 shall prevent a holder of Senior Indebtedness (as defined in Section 11(g) hereof) from exercising its right to enforce the applicable provisions of this Note against the holder of this Note in any proceeding of a type described in Section 6(a)(ii) above or any similar proceeding.

(b) Consequences of Events of Default.

(i) Subject to the provisions of Section 11 of this Note, if an Event of Default of the type described in Subsections 6(a)(i), (iii), (iv), (v) and (vi) has occurred and continued for 15 days or any other Event of Default has occurred, the holder or holders of the Notes representing a majority of the aggregate principal amount then outstanding of the Notes may declare all or any portion of the outstanding principal amount of the Notes due and payable and demand immediate payment of all or any portion of the outstanding principal amount of the Notes owned by such holder or holders; provided that in an Event of Default specified in Subsection 6(a)(ii), all of the outstanding principal amount of the Notes shall automatically and immediately become due and payable. The Company shall give prompt written notice of any such demand to the other holders, if any, of any portion of the Notes, each of which may demand immediate payment of all or any portion of such holder's portion of the Notes. If any holder or holders of the Notes demand immediate payment of all or any portion of such holder's portion of the Notes, the Company shall, subject to the other provisions of this Note (including Section 11), immediately pay in cash to such holder or holders the principal amount of the Notes requested to be paid plus accrued interest thereon.

(ii) Subject to the other provisions of this Note (including Section 11), each holder of any portion of this Note shall also have, upon the occurrence and continuance of an Event of Default, any other rights which such holder may have pursuant to applicable law.

7. Amendment and Waiver. Except as otherwise expressly provided herein, the provisions of this Note may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the holders of at least a majority of the aggregate principal amount then outstanding of the Notes; provided that no such action shall change (i) the rate at which or the manner in which interest accrues on the Notes or is payable or the times at which such interest becomes payable, or (ii) any provision relating to the scheduled payment of principal on the Notes without the consent of the applicable holder if such change is adverse to such holder.

8. Place of Payments. Payments of principal and interest and all notices and other communications to the Investor hereunder or with respect hereto are to be delivered to the Investor at the following address:

2725 Sand Hill Road
Building C, Suite 150
Menlo Park, CA 94025
Attn: Karl Detweiler

or to such other address or to the attention of such other person as specified by prior written notice to the Company, including any transferee of this Note.

9. Costs of Collection. In the event that the Company fails to pay when due (including, without limitation upon acceleration in connection with an Event of Default) the full amount of principal and/or interest hereunder, the Company shall indemnify and hold harmless the holder of any portion of this Note from and against all reasonable costs and expenses incurred in connection with the enforcement or collection of such principal and interest, including, without limitation, reasonable attorneys' fees and expenses.

10. Waivers. The Company hereby waives presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note.

11. Subordination. The Company agrees, and by the acceptance hereof each holder agrees, as follows:

(a) Subordination of Liabilities. The Company, for itself, its successors and assigns, covenants and agrees, and each holder of this Note (together with its successors and assigns, the "holder of this Note") by its acceptance hereof likewise covenants and agrees, that the payment of the principal of, interest on, and all other amounts owing in respect of, this Note (the "Subordinated Indebtedness") is hereby expressly subordinated, to the extent and in the manner hereinafter set forth, to the prior payment in full in cash of all Senior Indebtedness. The provisions of this Section 11, and the provisions of Sections 2 and 6 of this Note, each shall constitute a continuing offer to all persons or other entities who, in reliance upon such provisions, become holders of, or continue to hold, Senior Indebtedness, and such provisions are made for the benefit of the holders of Senior Indebtedness, and such holders are hereby made obligees hereunder the same as if their names were written herein as such and they and/or each of them may proceed to enforce such provisions.

(b) Company Not to Make Payments with Respect to Subordinated Indebtedness in Certain Circumstances. (i) In the event of a Senior Payment Default (as hereinafter defined), then, upon receipt by the Company and the holders of Subordinated Indebtedness of written notice of such Senior Default (a "Senior Payment Default Notice") from either (i) the Administrative Agent (as defined in the Credit Agreement) if such Senior Payment Default relates to the Credit Agreement or any replacement thereof or (ii) the holders of at least a majority in principal amount of outstanding Senior Indebtedness to which such Senior Payment Default relates or any duly authorized representative of such holders, no payment (other than a payment in the form of any other indebtedness of the Company which is subordinated to the payment of the Senior Indebtedness to the same extent as this Note is subordinated to the Senior Indebtedness or payments made in equity securities of the Company, including as a result of the conversion of the Notes into shares of A Common Stock) shall be made by the Company on account of principal of (or premium, if any) or interest on the Subordinated Indebtedness unless and until (i) such Senior Payment Default shall have been cured or

waived or shall have ceased to exist or (ii) all amounts then due and payable in respect of Senior Indebtedness shall have been paid in full in cash, or provision shall have been made for such payment and all commitments to make further loans, advances and other credit accommodations under the Credit Agreement or such other Senior Indebtedness have been terminated (such period during which a Senior Default continues being, a "Payment Default Blockage Period").

(ii) In the event that any Senior Nonmonetary Default (as hereinafter defined) shall have occurred and be continuing, then, upon the receipt by the Company and the holders of Subordinated Indebtedness of written notice of such Senior Nonmonetary Default (a "Senior Nonmonetary Default Notice") from either (i) the Administrative Agent if such Senior Nonmonetary Default relates to the Credit Agreement or any replacement thereof or (ii) the holders of a majority in principal amount of outstanding Senior Indebtedness to which such Senior Nonmonetary Default relates or any duly authorized representative of such holders, no payment (other than a payment in the form of any other indebtedness of the Company which is subordinated to the payment of the Senior Indebtedness to the same extent as the Note is subordinated to the Senior Indebtedness or payments made in equity interests of the company, including as a result of the conversion of the Notes into shares of A Common Stock) shall be made by the Company on account of principal of (or premium, if any) or interest on the Subordinated Indebtedness during the period (the "Nonmonetary Default Blockage Period") commencing on the date of receipt of such Senior Nonmonetary Default Notice and ending on the earlier of (a) the date on which such Senior Nonmonetary Default shall have been cured or waived or shall have ceased to exist and any acceleration of Senior Indebtedness shall have been rescinded or annulled or the Senior Indebtedness to which such Senior Nonmonetary Default relates shall have been discharged or (b) the 179th day after the date of receipt of such written notice; provided, however, that not more than one Senior Nonmonetary Default Notice shall be given during any period of 360 consecutive days, regardless of the number of defaults with respect to Senior Indebtedness during such 360-day period. For all purposes of this Section 11(b)(ii), no event of default which existed or was continuing on the date of commencement of any Nonmonetary Default Blockage Period with respect to any Senior Indebtedness shall be, or be made, the basis for the commencement of a another Nonmonetary Default Blockage Period by the holders (or any duly authorized agent or other representative thereof) of such Senior Indebtedness whether or not within a period of 360 consecutive days, unless such event of default shall have been cured or waived for a period of not less than 90 consecutive days (it being acknowledged that any subsequent action, or any breach of any financial covenants for a period commencing after the date of commencement of such Nonmonetary Default Blockage Period that, in either case, would give rise to an event of default pursuant to any provisions under which an event of default previously existed or was continuing shall constitute a new event of default for this purpose).

(iii) If an Event of Default shall occur and be continuing at any time during the continuance of a Payment Default Blockage Period or a Nonmonetary Default Blockage Period, no holder of Subordinated Indebtedness shall ask, demand or sue for

any payment or distribution or seek any other remedy in respect of the Subordinated Indebtedness or commence or join in with any other creditor (other than the agent for the holders of Senior Indebtedness) in commencing any bankruptcy, insolvency, receivership or similar proceedings prior to the earliest to occur of (i) acceleration of any Senior Indebtedness or any other exercise of remedies by the Administrative Agent or the Lenders (as defined in the Credit Agreement) or the other holders of Senior Indebtedness, including without limitation, any realization on collateral or any reduction of commitments as a result of the occurrence and continuance of any event of default under the Credit Agreement or any agreement or instrument evidencing Senior Indebtedness, (ii) the occurrence of an Event of Default specified in Section 6(a)(ii) hereof or (iii) the earlier to occur of (x) 179 days after the commencement of such Payment Blockage Period or Nonmonetary Blockage Period or (y) the expiration of such Payment Blockage Period or Nonmonetary Default Blockage Period.

(iv) Except as contemplated by Section 2(b) and Section 4, the Company may not, directly or indirectly, make any payment of any kind or character of any Subordinated Indebtedness and may not acquire any Subordinated Indebtedness for cash or property until all Senior Indebtedness has been paid in full in cash if such payment is prohibited by the terms of any Senior Indebtedness or if any default or event of default under any Senior Indebtedness is then in existence or would result therefrom.

(v) In the event that, notwithstanding the other provisions of this Section 11(b), the Company shall make (or any other person or entity on behalf of the Company shall make) any payment on account of the Subordinated Indebtedness (other than as contemplated by Section 2(b) and Section 4) or shall acquire any Subordinated Indebtedness for cash or property at a time when payment is not permitted by such provisions, such payment shall be held by the holder of this Note, in trust for the benefit of, and shall be paid forthwith over and delivered to, the holders of Senior Indebtedness or their representative, agent or trustee under the loan agreement, indenture or other agreement pursuant to which any instruments evidencing any Senior Indebtedness may have been issued, as their respective interests may appear, for application pro rata to the payment of all Senior Indebtedness remaining unpaid to the extent necessary to pay all Senior Indebtedness in full in cash in accordance with the terms of such Senior Indebtedness, after giving effect to any concurrent payment or distribution to or for the holders of Senior Indebtedness. Without in any way modifying the provisions of this Section 11 or affecting the subordination effected hereby, if notice has not been previously given, the Company shall give the holder of this Note prompt written notice of any event which would prevent payments under this Section 11(b).

(c) Subordination to Prior Payment of All Senior Indebtedness on Dissolution Liquidation or Reorganization of the Company. Upon any payment or distribution of assets of the Company of any kind or character (whether in cash, properties or securities) upon any total or partial dissolution, winding up, liquidation or reorganization of the Company (whether in bankruptcy, insolvency, receivership or similar proceedings or upon an assignment for the benefit of creditors, marshaling of assets of the Company or otherwise):

(i) the holders of all Senior Indebtedness shall first be entitled to receive payment in full in cash of all Senior Indebtedness (including, without limitation, post-petition interest at the rate provided in the documentation with respect to such Senior Indebtedness, whether or not such post-petition interest is an allowed claim against the debtor in any bankruptcy or similar proceeding) before the holder of this Note is entitled to receive any payment of any kind or character on account of the Subordinated Indebtedness other than equity securities of the Company or debt securities that are subordinated to the Senior Indebtedness to substantially the same extent as, or to a greater extent than, the Notes are subordinated to Senior Indebtedness;

(ii) any payment or distribution of assets of the Company of any kind or character (other than equity securities of the Company or debt securities that are subordinated to the Senior Indebtedness to substantially the same extent as, or to a greater extent than, the Notes are subordinated to Senior Indebtedness), whether in cash, property or securities to which the holder of this Note would be entitled except for the provisions of this Section 11, shall be paid by the liquidating trustee or agent or other person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or other trustee or agent, directly to the holders of Senior Indebtedness or their representative, agent or trustee under any loan agreement, indenture or other agreement under which any instruments evidencing any such Senior Indebtedness may have been issued, to the extent necessary to make payment in full in cash of all Senior Indebtedness remaining unpaid, after giving effect to any concurrent payment or distribution to the holders of such Senior Indebtedness; and

(iii) in the event that, notwithstanding the foregoing provisions of this Section 11(c), any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, shall be received in violation hereof by the holder of this Note on account of Subordinated Indebtedness before all Senior Indebtedness is paid in full in cash, such payment or distribution shall be received and held in trust for and shall be paid over to the holders of the Senior Indebtedness remaining unpaid or their representative, agent or trustee under any loan agreement, indenture or other agreement under which any instruments evidencing any of such Senior Indebtedness may have been issued, for application to the payment of such Senior Indebtedness until all such Senior Indebtedness shall have been paid in full in cash after giving effect to any concurrent payment or distribution to the holders of such Senior Indebtedness.

To the extent any payment of Senior Indebtedness (whether by or on behalf of the Company, as proceeds of security or enforcement of any right of setoff or otherwise) is declared to be fraudulent or preferential, set aside or required to be paid to any receiver, trustee in bankruptcy, liquidating trustee, agent or other similar person under any bankruptcy, insolvency, receivership, fraudulent conveyance or similar law, then, if such payment is recovered by, or paid over to, such receiver, trustee in bankruptcy, liquidating trustee, agent or other similar person, the Senior Indebtedness or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding as if such payment has not occurred. If the holder of this Note does not file a proper claim or proof of debt in the form required in any bankruptcy, insolvency, receivership, reorganization or similar proceeding prior to 30 days before the

expiration of the time to file such claim or claims, then any of the holders of the Senior Indebtedness or their representative, agent or trustee is hereby authorized to file an appropriate claim for and on behalf of the holder of this Note.

(d) Subrogation. Subject to the prior payment in full in cash of all Senior Indebtedness, the holder of this Note shall be subrogated to the rights of the holders of Senior Indebtedness to receive payments or distributions of assets of the Company applicable to the Senior Indebtedness until all amounts owing on this Note shall be paid in full, and for the purpose of such subrogation no payments or distributions to the holders of the Senior Indebtedness by or on behalf of the Company or by or on behalf of the holder of this Note by virtue of this Section 11 which otherwise would have been made to the holder of this Note shall, as between the Company, its creditors other than the holders of Senior Indebtedness, and the holder of this Note, be deemed to be payment by the Company to or on account of the Senior Indebtedness, it being understood that the provisions of this Section 11 are and are intended solely for the purpose of defining the relative rights of the holder of this Note, on the one hand, and the holders of the Senior Indebtedness, on the other hand.

(e) Obligation of the Company Unconditional. Nothing contained in this Section 11 or in this Note is intended to or shall impair, as between the Company and the holder of this Note, the obligation of the Company, which is absolute and unconditional, to pay to the holder of this Note the principal of and interest on this Note as and when the same shall become due and payable in accordance with its terms, or is intended to or shall affect the relative rights of the holder of this Note and creditors of the Company other than the holders of the Senior Indebtedness, nor shall anything herein or therein prevent the holder of this Note from exercising all remedies otherwise permitted by applicable law upon an event of default under this Note, subject to the provisions of this Section 11 and Section 6 of this Note, including the rights of the holders of Senior Indebtedness in respect of assets of the Company received upon the exercise of any such remedy. Upon any distribution of assets of the Company referred to in this Section 11, the holder of this Note shall be entitled to rely upon any order or decree made by any court of competent jurisdiction in which such dissolution, winding up, liquidation or reorganization proceedings are pending, or a certificate of the liquidating trustee or agent or other person making any distribution to the holder of this Note, for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of the Senior Indebtedness and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Section 11.

(f) Subordination Rights Not Impaired by Acts or Omissions of Company or Holders of Senior Indebtedness. No right of any present or future holders of any Senior Indebtedness to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any act or failure to act by any such holder, or by any noncompliance by the Company with the terms and provisions of this Note, regardless of any knowledge thereof which any such holder may have or be otherwise charged with. The holders of the Senior Indebtedness may, without in any way affecting the obligations of the holder of this Note with respect hereto, at any time or from time to time and in their absolute discretion, change the manner, place or terms of payment of, change or extend the time of payment of, or renew, alter or increase, any Senior Indebtedness or amend,

modify or supplement any agreement or instrument governing or evidencing such Senior Indebtedness or any other document referred to therein, or exercise or refrain from exercising any other of their rights under the Senior Indebtedness including, without limitation, the waiver of default thereunder and the release or impairment of any collateral securing such Senior Indebtedness, all without notice to or assent from the holder of the Note.

(g) Senior Indebtedness. The term "Senior Indebtedness" shall mean all Obligations (i) of the Company under, or in respect of, the Credit Agreement (as amended, modified, supplemented, extended, restated, refinanced, replaced or refunded from time to time, the "Credit Agreement"), dated as of July 16, 1999, among the Company and the other parties thereto, and (ii) of the Company under, or in respect of, any other indebtedness, whether outstanding on the date hereof or hereafter created, incurred or assumed, which the Company specifically designates in writing as "Senior Indebtedness" for purposes of this Note; provided, however, that no such other Senior Indebtedness described in this clause (ii) shall by its terms prohibit the repayment of the principal amount outstanding under this Note and accrued interest thereon at maturity unless an event of default has occurred and is continuing thereunder. As used herein, the term "Obligation" shall mean any principal, interest, premium, penalties, fees, expenses, indemnities, reimbursements and other liabilities and obligations (including any guaranties of the foregoing liabilities and obligations) payable under the documentation governing any indebtedness (including interest after the commencement of any bankruptcy, insolvency, receivership or similar proceeding at the rate provided for in the respective issue of Senior Indebtedness, whether or not such interest is an allowed claim against the debtor in any such proceeding).

(h) Designated Senior Indebtedness. The term Designated Senior Indebtedness means any Senior Indebtedness which, at the date of determination, has an aggregate principal amount outstanding of, or under which, at the date of determination, the holders thereof are committed to lend up to, at least \$10 million.

(i) Other Defined Terms. The term "Senior Payment Default" shall mean any default in the payment of principal (or premium, if any) or interest on, or other amount payable in respect of, any Senior Indebtedness when due that, by the terms of any instrument pursuant to which any Senior Indebtedness is outstanding, permits one or more holders of such Senior Indebtedness (or a trustee or agent or behalf of the holders thereof) to declare such Senior Indebtedness due and payable prior to the date on which it would otherwise become due and payable, other than a Senior Nonmonetary Default. The term "Senior Nonmonetary Default" shall mean the occurrence or existence of any event, circumstance, condition or state of facts that, by the terms of any instrument pursuant to which any Senior Indebtedness is outstanding, permits one or more holders of such Indebtedness (or a trustee or agent on behalf of the holders thereof) to declare such Senior Indebtedness due and payable prior to the date on which it would otherwise become due and payable, other than a Senior Payment Default.

12. Benefits of the Agreement. The Investor and all transferees (to the extent permitted in the Agreement) shall be entitled to the rights and benefits granted to them in the Agreement.

13. Registration of Transfer and Exchange Generally.

(a) Registration, Registration of Transfer and Exchange Generally. The Company shall keep at its principal executive offices a register (the register maintained in such place being herein sometimes collectively referred to as the "Note Register") in which the Company shall provide for the registration of Notes and of transfers and exchanges of Notes.

Subject to the provisions of the Securityholders Agreement regarding restrictions on transfer, upon surrender for registration of transfer of any Note at its principal executive office, the Company shall execute and deliver, in the name of the designated transferee or transferees, one or more new Notes in denominations of \$1,000 or integral multiples thereof, of a like aggregate principal amount and bearing such restrictive legends as may be required by law.

At the option of a holder, Notes may be exchanged for other Notes of any authorized denominations, of a like aggregate principal amount and bearing such restrictive legends as may be required by law upon surrender of the Notes to be exchanged at the Company's principal executive offices. Whenever any Notes are so surrendered for exchange, the Company shall execute and make available for delivery the Notes which the holder making the exchange is entitled to receive.

All Notes issued upon any registration of transfer or exchange of Notes shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits as the Notes surrendered upon such registration of transfer or exchange.

Every Note presented or surrendered for registration of transfer or for exchange shall (if so required by the Company) be duly endorsed, or be accompanied by a written instrument of transfer, in form satisfactory to the Company, duly executed by the holder thereof or his attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Notes.

(b) Mutilated, Destroyed, Lost and Stolen Notes. If any mutilated Note is surrendered to the Company, the Company shall execute and make available for delivery in exchange therefor a new Note of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company (i) evidence to its satisfaction of the destruction, loss or theft of any Note and (ii) such security or indemnity as may be required by the Company to save itself harmless, then, in the absence of notice to the Company that such Note has been acquired by a protected purchaser, the Company shall execute and make available for delivery, in lieu of any such destroyed, lost or stolen Note, a new Note of like tenor and principal amount and bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Note has become or is about to-become due and payable, the Company in its discretion may, instead of issuing a new Note, pay such Note, subject to the holders' conversion rights pursuant to Section 4 hereof.

Every new Note issued pursuant to this Section in lieu of any mutilated, destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Note shall be at any time enforceable by anyone.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

14. Governing Law. This Note shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the Company originally executed and delivered this Note as of the date first written above.

GARTNER, INC.

By:

Name:

Title:

=====

AMENDED AND RESTATED
SECURITYHOLDERS AGREEMENT

AMONG

GARTNER, INC.,

SILVER LAKE PARTNERS, L.P.

AND

THE SECURITYHOLDERS SIGNATORY HERETO

ORIGINALLY DATED AS OF APRIL 17, 2000
AND
AMENDED AND RESTATED AS OF JULY 12, 2002

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TABLE OF CONTENTS

Page ---- ARTICLE I

DEFINITIONS.....1

SECTION 1.1 Certain Defined Terms.....1 SECTION 1.2

Other Definitional Provisions.....6 ARTICLE II CORPORATE

GOVERNANCE.....7 SECTION

2.1 Board Representation.....7 SECTION 2.2

Committees.....7 SECTION 2.3 Consent

Rights.....7 SECTION 2.4 Available Financial

Information.....9 SECTION 2.5 Board

Expenses.....10 SECTION 2.6 Termination of

Director Designees and Related Rights.....10 ARTICLE III

TRANSFERS.....10

SECTION 3.1 Investor Securityholder Transferees.....10 SECTION 3.2

Transfer Restrictions.....10 SECTION 3.3

Legends.....11 ARTICLE IV REGISTRATION

RIGHTS.....11 SECTION 4.1

Incidental Registrations.....11 SECTION 4.2 Registration

on Request.....12 SECTION 4.3 Registration on Change in

Control.....15 SECTION 4.4 Registration

Procedures.....16 SECTION 4.5 Information

Supplied.....19 SECTION 4.6 Restrictions on

Disposition.....19 SECTION 4.7

Indemnification.....19 SECTION 4.8 Required

Reports.....22 SECTION 4.9 Selection of

Counsel.....22 SECTION 4.10 Holdback

Agreement.....22 SECTION 4.11 No Inconsistent

Agreements.....23 ARTICLE V EQUITY PURCHASE

RIGHTS.....23 SECTION 5.1

Subsidiary Purchase Rights.....23 SECTION 5.2 Acquisition

of Additional Shares of Common Stock.....23 ARTICLE VI CERTAIN

COVENANTS.....24 SECTION

6.1 HSR Approval.....24 SECTION 6.2

Convertible Preferred Stock.....25 SECTION 6.3 Common Stock

Repurchases.....25

MISCELLANEOUS.....25
SECTION 7.1 Silver Lake Indemnification.....25 SECTION
7.2 Termination.....26 SECTION 7.3
Amendments and Waivers.....26 SECTION 7.4
Successors, Assigns and Transferees.....27 SECTION 7.5
Notices.....27 SECTION 7.6 Further
Assurances.....27 SECTION 7.7 Entire
Agreement.....27 SECTION 7.8 Delays or
Omissions.....27 SECTION 7.9 Governing Law;
Jurisdiction; Waiver of Jury Trial.....28 SECTION 7.10
Severability.....28 SECTION 7.11 Effective
Date.....28 SECTION 7.12
Enforcement.....28 SECTION 7.13 Titles
and Subtitles.....28 SECTION 7.14 No
Recourse.....28 SECTION 7.15
Counterparts; Facsimile Signatures.....29

THIS AMENDED AND RESTATED SECURITYHOLDERS AGREEMENT (this "Agreement") is entered into as of July 12, 2002 and amends and restates the Securityholders Agreement (the "Original Securityholders Agreement") originally entered as of April 17, 2000, among GARTNER, INC., (formerly Gartner Group, Inc.), a Delaware corporation (the "Company"), Silver Lake Partners, L.P., a Delaware limited partnership, Silver Lake Investors, L.P., a Delaware limited partnership, and Silver Lake Technology Investors, L.L.C., a Delaware limited liability company (together with successor entities, "Silver Lake"), and Integral Capital Partners IV, L.P., a Delaware limited partnership, and Integral Capital Partners IV MS Side Fund, L.P., a Delaware limited partnership.

RECITALS

WHEREAS, the Company, Silver Lake and certain other Investor Securityholders (as defined below) have entered into a Securities Purchase Agreement, dated as of March 21, 2000, as amended, supplemented or otherwise modified from time to time (the "Securities Purchase Agreement"), pursuant to which Silver Lake and other Investor Securityholders purchased \$300.0 million original aggregate principal amount of 6% convertible subordinated notes due 2005 of the Company (the "Notes") and the Spin Right (as defined below), for an aggregate purchase price of \$300.0 million; and

WHEREAS, the parties hereto have previously entered into certain arrangements relating to the Company, the Notes, the Class A Common Stock and the Convertible Preferred Stock (each as defined below), pursuant to the Original Securityholders Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual promises hereinafter set forth, the parties hereby amend and restate the Original Securityholders Agreement as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1 Certain Defined Terms. As used herein, the following terms shall have the following meanings:

"Affiliate" means, with respect to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, such specified Person, for so long as such Person remains so associated to the specified Person; provided that beneficial ownership of 10% or more of voting interests of a Person shall be deemed "control".

"as converted" means, with respect to any Equity Securities owned by any Investor Securityholder and its Affiliates that are convertible into, or exchangeable or exercisable for Class A Common Stock, such Equity Securities on an as converted, exchanged or exercised basis.

"beneficial owner" or "beneficially own" has the meaning given such term in Rule 13d-3 under the Exchange Act and a Person's beneficial ownership of Common Stock or Preferred Stock or other Voting Securities of the Company shall be calculated in accordance with the provisions of such Rule; provided, however, that for purposes of determining beneficial ownership, (i) a Person shall be deemed to be the beneficial owner of any security which may be acquired by such Person whether within 60 days or thereafter, upon the conversion, exchange or exercise of any warrants, options, rights or other securities and (ii) no Person shall be deemed to beneficially own any security solely as a result of such Person's execution of this Agreement.

"Board" means the Board of Directors of the Company.

"Business Day" means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in The City of New York.

"Bylaws" means the Bylaws of the Company, as in effect on the date hereof and as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof and the terms of the Restated Certificate.

"Capital Stock" means, with respect to any Person at any time, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of capital stock, partnership interests (whether general or limited) or equivalent ownership interests in or issued by such Person, and with respect to the Company includes, without limitation, any and all shares of Common Stock and preferred stock.

"Certificate of Designation" means the Certificate of Designation with respect to the Company's Convertible Preferred Stock.

"Claims" has the meaning assigned to such term in Section 4.6(a).

"Class A Common Stock" means the Common Stock, Class A, par value \$0.0005 per share, of the Company and any securities issued in respect thereof, or in substitution therefor, in connection with any stock split, dividend or combination, or any reclassification, recapitalization, merger, consolidation, exchange or other similar reorganization.

"Class B Common Stock" means the Common Stock, Class B, par value \$0.0005 per share, of the Company and any securities issued in respect thereof, or in substitution therefor, in connection with any stock split, dividend or combination, or any reclassification, recapitalization, merger, consolidation, exchange or other similar reorganization.

"Closing" and "Closing Date" have the meanings assigned to such terms in the Securities Purchase Agreement.

"Common Stock" means, collectively, the Class A Common Stock and the Class B Common Stock.

"control" (including the terms "controlled by" and "under common control with"), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or

management of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise.

"Convertible Preferred Stock" means the Company's Series C Junior Convertible Participating Preferred Stock, into which the Notes may be convertible and having the designations set forth in the Certificate of Designations (as defined in the Letter Agreement).

"Credit Agreement" has the meaning assigned to such term in the Notes.

"Demand Party" has the meaning assigned to such term in Section 4.2(a).

"Director" means any member of the Board.

"Divestiture" has the meaning assigned to such term in Section 2.3(vi).

"Equity Securities" means any and all shares of Capital Stock of the Company, securities of the Company convertible into, or exchangeable or exercisable for, such shares, and options, warrants or other rights to acquire such shares (including the Notes and the Convertible Preferred Stock).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Exempt Acquisition" means any acquisition (whether through merger, consolidation or otherwise) which has a purchase price (including any assumed indebtedness and valuing any non-cash consideration at its Fair Market Value) of less than \$75.0 million.

"Exempt Divestiture" means any Divestiture pursuant to which the value of the assets being divested (including any assumed indebtedness and valuing any non-cash consideration at its Fair Market Value) is less than \$75.0 million.

"Fair Market Value" has the meaning assigned to such term in Section 4(d)(iv) of the Note.

"Fully-Diluted Basis" with respect to Voting Securities means the number of shares of Voting Securities which are issued and outstanding or owned or held, as applicable, at the date of determination plus the number of shares of Voting Securities issuable pursuant to any securities (other than Voting Securities), warrants, rights or options then outstanding, convertible into or exchangeable or exercisable for (whether or not subject to contingencies or passage of time, or both), Voting Securities (including the Convertible Preferred Stock and the Notes).

"GAAP" means generally accepted accounting principles, as in effect in the United States of America from time to time.

"Group" has the meaning assigned to such term in Section 13(d)(3) of the Exchange Act.

"Holder" means Silver Lake and any other holder of Registrable Securities (including any direct or indirect Transferees of Silver Lake or its Affiliates) entitled to the rights, and bound by the obligations, under this Agreement in accordance with Section 3.1(b).

"HSR Act" means the Hart-Scott Rodino Antitrust Improvements Act of 1976, as amended.

"Impaired Tax-free Change in Control Transaction" has the meaning assigned to such term in Section 4.3.

"incur" means, directly or indirectly, to incur, refinance, create, assume, guarantee or otherwise become liable with respect to.

"Indemnified Parties" has the meaning assigned to such term in Section 4.6(a).

"Investor Securityholder" means Silver Lake, each other securityholder that purchased Notes from the Company on the Closing Date and any Transferee of the foregoing.

"Issuance Notice" has the meaning assigned to such term in Section 5.1(b).

"Law" has the meaning assigned to such term in the Securities Purchase Agreement.

"Letter Agreement" shall mean the letter agreement dated the date hereof with respect to the possible issuance of the Convertible Preferred Stock.

"Losses" has the meaning assigned to such term in Section 7.1.

"NASD" means the National Association of Securities Dealers, Inc.

"Notes" means the Company's 6% convertible subordinated notes due 2005.

"NYSE" means the New York Stock Exchange, Inc.

"Other Holders" means Persons other than Holders who, by virtue of agreements with the Company, are entitled to include their securities in certain registrations hereunder.

"Other Securities" means securities of the Company, other than Registrable Securities which, by virtue of agreements between Other Holders and the Company, are entitled to be included in certain registrations hereunder.

"Permitted Transferee" means, with respect to each Investor Securityholder (A) such Investor Securityholder's officers, employees or consultants, (B) any corporation or corporations, partnership or partnerships (or other entity for collective investment, such as a fund) which is (and continues to be) an Affiliate of such Investor Securityholder and (C) the partners of such Investor Securityholder and the general or limited partners of such partners in the case of a distribution by such Investor Securityholder. In addition, with respect to Silver Lake, Permitted Transferee shall include one or more limited partners of Silver Lake who may

purchase up to \$100 million aggregate principal amount of Notes, subject to the prior approval of the Company (which approval may not be unreasonably withheld).

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or other entity.

"Registrable Securities" means (i) any shares of Class A Common Stock issuable upon conversion of (x) the Notes or (y) the Convertible Preferred Stock, (ii) the shares of Convertible Preferred Stock and (iii) any securities received by the Holders in connection with any Specified Change in Control, in each case held by any Holder. As to any particular Registrable Securities, once issued, such Registrable Securities shall cease to be Registrable Securities when (a) a registration statement with respect to the sale by the Holder of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (b) such securities shall have been distributed to the public pursuant to Rule 144 (or any successor provision) under the Securities Act, or (c) such securities shall have ceased to be outstanding. For purposes of this Agreement, any required calculation of the amount of, or percentage of, Registrable Securities shall be based on the number of shares of Common Stock or Convertible Preferred Stock, as the case may be, which are Registrable Securities, including shares issuable upon the conversion, exchange or exercise of any security convertible, exchangeable or exercisable into Common Stock or Convertible Preferred Stock, as the case may be.

"Registration Expenses" means any and all expenses incident to performance of or compliance with Article IV of this Agreement, including (a) all SEC and securities exchange or NASD registration and filing fees (including, if applicable, the fees and expenses of any "qualified independent underwriter," as such term is defined in Schedule E to the bylaws of the NASD, and of its counsel), (b) all fees and expenses of complying with securities or blue sky laws (including fees and disbursements of counsel for the underwriters in connection with blue sky qualifications of the Registrable Securities), (c) all printing, messenger and delivery expenses, (d) all fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange or NASD pursuant to Section 4.4(h)(i) and all rating agency fees, (e) the fees and disbursements of counsel for the Company and of its independent public accountants, including the expenses of any special audits and/or "cold comfort" letters required by or incident to such performance and compliance, (f) the reasonable fees and disbursements of counsel selected pursuant to Section 4.9, (g) any fees and disbursements of underwriters customarily paid by the issuers or sellers of securities, including liability insurance if the Company so desires or if the underwriters so require, and the reasonable fees and expenses of any special experts retained in connection with the requested registration, but excluding underwriting discounts and commissions and transfer taxes, if any, and (h) expenses incurred in connection with any road show (including the reasonable out-of-pocket expenses of any Investor Securityholder).

"Required Company Vote" means the affirmative vote of holders of shares of Common Stock representing a majority of the total votes cast at a meeting of the holders of outstanding shares of Common Stock.

"Resale Registration Rights" has the meaning assigned to such term in Section 4.3.

"Restated Certificate" means the Amended and Restated Certificate of Incorporation of the Company, as in effect on the date of the Original Securityholders Agreement, as amended and restated and supplemented to date, and as the same may be amended, supplemented or otherwise modified from time to time hereafter in accordance with the terms thereof and the terms of this Agreement.

"SEC" means the U.S. Securities and Exchange Commission or any other federal agency then administering the Securities Act or the Exchange Act and other federal securities laws.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Silver Lake Director" means any Director nominated for election to the Board by Silver Lake pursuant to Section 2.1 of this Agreement.

"Silver Lake Indemnitee" has the meaning assigned to such term in Section 7.1.

"Specified Change in Control" has the meaning assigned to such term in Section 5(a)(i) of the Notes.

"Subsidiary" means (i) any corporation of which a majority of the securities entitled to vote generally in the election of directors thereof, at the time as of which any determination is being made, are owned by another entity, either directly or indirectly, and (ii) any joint venture, general or limited partnership, limited liability company or other legal entity in which an entity is the record or beneficial owner, directly or indirectly, of a majority of the voting interests or the general partner.

"Transfer" means, directly or indirectly, to sell, transfer, assign, pledge, encumber, hypothecate or similarly dispose of, either voluntarily or involuntarily, or to enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, assignment, pledge, encumbrance, hypothecation or similar disposition of, any shares of Equity Securities beneficially owned by a Person or any interest in any shares of Equity Securities beneficially owned by a Person.

"Transferee" means any Person to whom any Investor Stockholder or any of its Affiliates or any Transferee thereof Transfers Equity Securities of the Company in accordance with the terms hereof.

"Voting Securities" means, at any time, shares of any class of Equity Securities of the Company which are then entitled to vote in the election of Directors.

SECTION 1.2 Other Definitional Provisions. (a) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to

this Agreement as a whole and not to any particular provision of this Agreement, and Article and Section references are to this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

ARTICLE II

CORPORATE GOVERNANCE

SECTION 2.1 Board Representation. (a) The Board comprises ten (10) Directors, of which two (2) are individuals nominated by Silver Lake.

(b) Reserved.

(c) In the event that a vacancy is created at any time by the death, disability, retirement, resignation or removal (with or without cause) of any Silver Lake Director, Silver Lake may recommend another person to be elected to fill the vacancy created thereby, and the Company hereby agrees to take, at any time and from time to time, all actions necessary to accomplish the same. The Company shall also take such action as may be required under applicable law, the Restated Certificate and the Bylaws to cause nominees of Silver Lake who are elected to the Board to be divided as equally as practicable among each class of Directors.

(d) Without the prior written consent of Silver Lake, the Company agrees not to take any action that would cause the number of Directors constituting the entire Board to be other than ten (10) at any time hereafter.

SECTION 2.2 Committees. If requested by Silver Lake, the Company shall cause any executive committee, compensation committee, audit committee, investment committee, governance committee, nominating committee or other committee of the Board to include at least one Silver Lake Director.

SECTION 2.3 Consent Rights. So long as Silver Lake, together with its Affiliates, shall own Notes, shares of Convertible Preferred Stock or shares of Class A Common Stock that, on an as converted basis, represent more than 20% of the shares of Class A Common Stock into which the Notes purchased by Silver Lake, together with its Affiliates, were convertible on the Closing Date, in addition to any vote or consent of the Board or the stockholders of the Company required by law or the Restated Certificate, the Notes or the Certificate of Designation, the consent in writing of Silver Lake shall be necessary for authorizing, effecting or validating the following actions by the Company:

(i) entering into any direct or indirect transaction by the Company or any of its Subsidiaries with an Affiliate of the Company (including without limitation, the purchase, sale, lease or exchange of any property, or rendering of any service or modification or amendment of any existing agreement or arrangement) except (a) transactions in the ordinary course of business that are on terms and conditions no less favorable to the Company or such Subsidiary than could be obtained on an arm's length

basis from unrelated third parties, (b) transactions between the Company and any of its wholly-owned Subsidiaries not involving any other Affiliate, (c) any transactions between the Company or any Subsidiary of the Company and SI Ventures that are currently required by existing written agreements;

(ii) any increase in the number of Directors or any change in the composition or structure of the Board if such change would adversely affect the rights of Silver Lake;

(iii) any amendment, alteration or change to the rights, preferences, privileges or powers of the Notes, the Convertible Preferred Stock or the Class A Common Stock;

(iv) any increase or decrease in the (x) aggregate principal amount of Notes authorized or issued or (y) the total number of authorized or issued shares of Convertible Preferred Stock other than in accordance with the terms thereof;

(v) any acquisition of securities or assets of another Person by the Company or any Subsidiary (whether any such acquisition was effectuated by merger, consolidation or otherwise) whether in a single transaction or series of related transactions, other than Exempt Acquisitions;

(vi) any sale, lease, transfer or disposition (a "Divestiture") of securities or assets of the Company or any of its Subsidiaries (including any spin-off or in-kind distribution to stockholders of the Company), whether in a single transaction or series of related transactions, other than Exempt Divestitures (it being agreed and acknowledged by the parties that the sale by the Company of its Tech Republic Holdings, Inc. subsidiary on July 3, 2001 was effected in compliance with this section 2.3);

(vii) any incurrence by the Company or any Subsidiary of additional indebtedness for borrowed money in excess of \$100 million, except (a) indebtedness incurred under the Credit Agreement in amounts not to exceed \$500.0 million in the aggregate or (b) any refinancing of existing indebtedness or existing commitments thereunder, provided that (i) the aggregate principal amount of "refinancing indebtedness" or commitments does not exceed the principal amount or commitment amount of the indebtedness refinanced, (ii) the "refinancing indebtedness" has a final maturity and "average life" later than that of the indebtedness being refinanced and (iii) the refinancing indebtedness is on terms (taken as a whole) that are as favorable to the holders of the Notes as those governing the refinanced indebtedness;

(viii) the dissolution or liquidation of, or filing for bankruptcy by, the Company or any significant Subsidiary (as defined in Rule 1-02(w) of Regulation S-X promulgated under the Exchange Act);

(ix) (A) declaring or paying any dividend or making any distribution to the holders of the capital stock of the Company (other than dividends or distributions payable in shares of Common Stock) or (B) purchasing, redeeming or otherwise acquiring or retiring for value any capital stock of the Company or any Subsidiary (other than pursuant to employee plans) or (C) paying, redeeming, repurchasing or defeasing or otherwise retiring for value prior to any scheduled maturity, scheduled sinking fund or

mandatory redemption payment, indebtedness of the Company or any Subsidiary which is subordinate (whether pursuant to its terms or by operation of law) in right of payment to the Notes and which was scheduled to mature on or after the maturity of the Notes, except to the extent permitted under the Credit Agreement as in effect on the date hereof; or

(x) any arrangement or contract to do any of the foregoing.

SECTION 2.4 Available Financial Information. (a) The Company will deliver, or will cause to be delivered, the following to each Silver Lake Director (or, if no Silver Lake Directors are then serving on the Board, to Silver Lake): an annual budget, a business plan and financial forecasts for the Company for the next fiscal year of the Company, no later than thirty (30) days before the beginning of the Company's next fiscal year, in such manner and form as approved by the Board, which shall include at least a projection of income and a projected cash flow statement for each fiscal quarter in such fiscal year and a projected balance sheet as of the end of each fiscal quarter in such fiscal year. Any material changes in such business plan shall be delivered to the Silver Lake Directors or Silver Lake, as the case may be, as promptly as practicable after such changes have been approved by the Board.

(b) The Company will promptly deliver to each Investor Securityholder when available one copy of each annual report on Form 10-K and quarterly report on Form 10-Q of the Company, as filed with the SEC. In the event an annual report on Form 10-K or quarterly report on Form 10-Q is unavailable, the Company may, in lieu of the requirements of the preceding sentence, deliver, or cause to be delivered, the following to each Investor Securityholder:

(i) as soon as practicable after the end of each fiscal year of the Company, and in any event within ninety (90) days thereafter, a consolidated balance sheet of the Company and its Subsidiaries as of the end of such fiscal year, and consolidated statements of income and cash flows of the Company and its Subsidiaries for such year, prepared in accordance with GAAP and setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and followed promptly thereafter (to the extent not available) such financial statements accompanied by the opinion of independent public accountants of recognized national standing selected by the Company, and a Company-prepared comparison to the Company's business plan for such year as approved by the Board; and

(ii) as soon as practicable after the end of the first, second and third quarterly accounting periods in each fiscal year of the Company, and in any event within forty-five (45) days thereafter, a consolidated balance sheet of the Company and its Subsidiaries as of the end of each such quarterly period, and consolidated statements of income and cash flows of the Company and its Subsidiaries for such period and for the current fiscal year to date, prepared in accordance with GAAP and setting forth in comparative form the figures for the corresponding periods of the previous fiscal year and to the Company's business plan then in effect and approved by the Board, subject to changes resulting from normal year-end audit adjustments, all in reasonable detail and certified by the principal financial or accounting officer of the Company, except that such financial statements need not contain the notes required by GAAP.

SECTION 2.5 Board Expenses. The Company shall reimburse the Silver Lake Directors for their reasonable out-of-pocket expenses incurred by them for the purpose of attending meetings of the Board or committees thereof in accordance with the Company's current reimbursement policy.

SECTION 2.6 Termination of Director Designees and Related Rights. Notwithstanding Sections 2.1 and 2.3, at such time as Silver Lake, together with its Affiliates, shall cease to own Notes, shares of Convertible Preferred Stock or shares of Class A Common Stock that, on an as converted basis, represent 20% or more of the shares of Class A Common Stock into which the Notes purchased by Silver Lake, together with its Affiliates, were convertible on the Closing Date, Silver Lake and its Affiliates shall cease to have the right to (i) nominate for election any Directors pursuant to Section 2.1 or (ii) consent to certain corporate actions provided in Section 2.3.

ARTICLE III

TRANSFERS

SECTION 3.1 Investor Securityholder Transferees. (a) Subject to Section 3.1(b), no Transferee of any Investor Securityholder shall be obligated, or entitled to rights, under this Agreement.

(b) No Transferee shall have any rights or obligations under this Agreement, except that an Investor Securityholder may assign all or a portion of the rights and obligations of the Investor Securityholder under Article IV to any Transferee (and such rights shall be further transferable to any further Transferee subject to this Section 3.1).

(c) Prior to the consummation of a Transfer from an Investor Securityholder, to the extent rights and obligations are to be assigned, and as a condition thereto, the applicable Transferee shall (i) agree in writing with the other parties hereto to be bound by the terms and conditions of this Agreement to the extent described in Section 3.1(b) and (ii) provide the Company and the other parties to this Agreement at such time complete information for notices under this Agreement.

SECTION 3.2 Transfer Restrictions. (a) On or before the third anniversary of the Closing, no Investor Securityholder shall Transfer any Notes other than as expressly permitted by, and in compliance with, the terms and conditions of, this Agreement. Any attempt to transfer any Notes in violation of the preceding sentence shall be null and void.

(b) Notwithstanding anything to the contrary in this Agreement, any transfer permitted or required by this Agreement shall be in compliance with federal and state securities laws, including without limitation the Securities Act.

(c) Notwithstanding Section 3.2(a), an Investor Securityholder may Transfer any or all of its Notes to any Permitted Transferee of such Investor Securityholder, provided that the rights granted to Silver Lake pursuant to Article II and Section 5 may not be assigned by Silver Lake. As a condition precedent to any such transfer, the Permitted Transferee shall

execute an instrument pursuant to which such Permitted Transferee agrees to be bound by and to comply with the terms of this Agreement, and obtains the rights and benefits that inure to, the transferor Investor Securityholder as though the Permitted Transferee were such transferor. Upon execution of such instrument, the Permitted Transferee shall be deemed an Investor Securityholder hereunder with respect to such Notes. Any transfer to a Permitted Transferee not made in full compliance with this Section 3.2(c) shall be void and of no effect.

SECTION 3.3 Legends. Each certificate representing shares of Class A Common Stock and the Convertible Preferred Stock into which the Notes are convertible will bear a legend on the face thereof substantially to the following effect (with such additions thereto or changes therein as the Company may be advised by counsel are required by law or necessary to give full effect to this Agreement, the "Legend"):

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR ANY STATE SECURITIES OR BLUE SKY LAWS. THESE SECURITIES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR A VALID EXEMPTION THEREFROM UNDER SAID ACT OR LAWS. THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO CERTAIN RESTRICTIONS AS MORE PARTICULARLY DESCRIBED IN THAT CERTAIN AMENDED AND RESTATED SECURITYHOLDERS AGREEMENT DATED AS OF JULY 12, 2002 (AS SUCH AGREEMENT MAY BE AMENDED, MODIFIED OR OTHERWISE SUPPLEMENTED FROM TIME TO TIME, THE "SECURITYHOLDERS AGREEMENT") AMONG THE ISSUER OF SUCH SECURITIES (THE "ISSUER") AND THE OTHER PARTIES THERETO. A COPY OF SUCH SECURITYHOLDERS AGREEMENT WILL BE FURNISHED WITHOUT CHARGE BY THE ISSUER TO THE HOLDER HEREOF UPON WRITTEN REQUEST."

The Legend will be removed by the Company by the delivery of substitute certificates without such Legend in the event the legend is no longer required for purposes of applicable securities laws.

ARTICLE IV

REGISTRATION RIGHTS

SECTION 4.1 Incidental Registrations. (a) If the Company at any time after the date hereof proposes to register Equity Securities under the Securities Act (other than a registration on Form S-4 or S-8, or any successor or other forms promulgated for similar purposes), whether or not for sale for its own account, in a manner which would permit registration of Registrable Securities for sale to the public under the Securities Act, it will, at each such time, give prompt written notice to all Holders of its intention to do so and of such Holders' rights under this Article IV. Upon the written request of any such Holder made within 15 days after the receipt of any such notice (which request shall specify the Registrable

Securities intended to be disposed of by such Holder), the Company will use its reasonable best efforts to effect the registration under the Securities Act of all Registrable Securities which the Company has been so requested to register by the Holders thereof; provided, that (i) if, at any time after giving written notice of its intention to register any securities, the Company shall determine for any reason not to proceed with the proposed registration of the securities to be sold by it, the Company may, at its election, give written notice of such determination to each Holder and, thereupon, shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay the Registration Expenses in connection therewith), and (ii) if such registration involves an underwritten offering, all Holders requesting to be included in the Company's registration must sell their Registrable Securities to the underwriters selected by the Company on the same terms and conditions as apply to the Company, with such differences, including any with respect to indemnification and liability insurance, as may be customary or appropriate in combined primary and secondary offerings. If a registration requested pursuant to this Section involves an underwritten public offering, any Holder requesting to be included in such registration may elect, in writing prior to the effective date of the registration statement filed in connection with such registration, not to register all or any part of such securities in connection with such registration. Nothing in this Section shall operate to limit the right of any Holder to request the registration of Common Stock issuable upon conversion, exchange or exercise of securities held by such Holder notwithstanding the fact that at the time of request such Holder does not hold the Common Stock underlying such securities. The registrations provided for in this Section 4.1 are in addition to, and not in lieu of, registrations made upon the request of any Investor Securityholder in accordance with Sections 4.2 and 4.3.

(b) Expenses. The Company will pay all Registration Expenses in connection with each registration of Registrable Securities requested pursuant to this Section 4.1.

(c) Priority in Incidental Registrations. If a registration pursuant to this Section 4.1 involves an underwritten offering and the managing underwriter advises the Company in writing that, in its opinion, the number of Registrable Securities requested to be included in such registration would be likely to have an adverse effect on the price, timing or distribution of the securities to be offered in such offering as contemplated by the Company (other than the Registrable Securities), then the Company shall include in such registration (a) first, 100% of the securities the Company proposes to sell, (b) second, any Other Securities requested to be registered by any Other Holders exercising a demand registration right, and (c) third, to the extent of the amount of Registrable Securities and Other Securities requested to be included in such registration which, in the opinion of such managing underwriter, can be sold without having the adverse effect referred to above, the amount of Registrable Securities and Other Securities which the Holders and the Other Holders have requested to be included in such registration, such amount to be allocated pro rata among all requesting Holders and the Other Holders on the basis of the relative amount of Registrable Securities and Other Securities then held by each such Holder and Other Holder (provided, that any such amount thereby allocated to any such Holder or Other Holder that exceeds such Holder's or Other Holder's request shall be reallocated among the remaining requesting Holders and Other Holders in like manner).

SECTION 4.2 Registration on Request. (a) At any time after the date hereof, upon the written request of Silver Lake or any Transferee of Silver Lake; provided that no

Transferee of Silver Lake or its Affiliates or of any Transferee shall be permitted to request a registration pursuant to this Section 4.2 unless the right to make such a request was transferred to such Transferee pursuant to Section 3.1(b) (the "Demand Party") requesting that the Company effect the registration under the Securities Act of all or part of such Demand Party's Registrable Securities and specifying the amount and intended method of disposition thereof, including without limitation, pursuant to a shelf registration statement utilizing Rule 415 under the Securities Act, the Company will promptly give written notice of such requested registration to all other Holders, and thereupon will, as expeditiously as possible, use its reasonable best efforts to effect the registration under the Securities Act of:

(i) the Registrable Securities which the Company has been so requested to register by the Demand Party; and

(ii) all other Registrable Securities which the Company has been requested to register by any other Holder thereof by written request given to the Company within 15 days after the giving of such written notice by the Company (which request shall specify the amount and intended method of disposition of such Registrable Securities), all to the extent necessary to permit the disposition (in accordance with the intended method thereof as aforesaid) of the Registrable Securities so to be registered; provided, that in no event shall the Company be required to effect more than three registrations pursuant to this Section 4.2 (which number shall be increased to four in the event any shares of Convertible Preferred Stock are issued); and provided, further, that, in the event the Company shall not have postponed the filing of a registration statement required by this Section 4.2 pursuant to Section 4.2(g) hereof within a period of 360 days from the date of a demand notice under Section 4.2(a), the Company shall not be obligated to file a registration statement relating to any registration request under this Section 4.2 (other than a registration statement on Form S-3 or any successor or similar short-form registration statement) within a period of 90 days after the effective date of any other registration statement relating to any registration request under this Section 4.2 or to any registration effected under Section 4.1, in either case which was not effected on Form S-3 (or any successor or similar short-form registration statement). Nothing in this Section 4.2 shall operate to limit the right of any Holder to request the registration of Common Stock issuable upon conversion of the Notes or the Convertible Preferred Stock or the conversion, exchange or exercise of any other securities held by such Holder notwithstanding the fact that at the time of request such Holder does not hold the Common Stock underlying such securities.

(b) Registration Statement Form. The Company shall select the registration statement form for any registration pursuant to this Section 4.2; provided, that if any registration requested pursuant to this Section 4.2 which is proposed by the Company to be effected by the filing of a registration statement on Form S-3 (or any successor or similar short-form registration statement) shall be in connection with an underwritten public offering, and if the managing underwriter shall advise the Company in writing that, in its opinion, the use of another form of registration statement is of material importance to the success of such proposed offering, then such registration shall be effected on such other form.

(c) Expenses. The Company will pay all Registration Expenses in connection with registrations of each class or series of Registrable Securities pursuant to this Section 4.2.

(d) Effective Registration Statement. A registration requested pursuant to this Section 4.2 will not be deemed to have been effected unless it has become effective and all of the Registrable Securities registered thereunder have been sold.

(e) Selection of Underwriters. If a requested registration pursuant to this Section 4.2 involves an underwritten offering, the investment banker(s), underwriter(s) and manager(s) for such registration shall be selected by the Holders of a majority of the Registrable Securities which the Company has been requested to register; provided, however, that such investment banker(s), underwriter(s) and manager(s) shall be reasonably satisfactory to the Company.

(f) Priority in Requested Registrations. If a requested registration pursuant to this Section 4.2 involves an underwritten offering and the managing underwriter advises the Company in writing that, in its opinion, the number of securities to be included in such registration (including securities of the Company which are not Registrable Securities) would be likely to have an adverse effect on the price, timing or distribution of the securities to be offered in such offering as contemplated by the Holders (an "Adverse Effect"), then the Company shall include in such registration (a) first, 100% of the Registrable Securities requested to be included in such registration by the Demand Party and all other Holders of Registrable Securities pursuant to this Section 4.2 (to the extent that the managing underwriter believes that all such Registrable Securities can be sold in such offering without having an Adverse Effect; provided, that if they cannot and the Demand Party does not exercise its right set forth in the second succeeding sentence of this clause (f), such lesser number of Registrable Securities as specified by the Demand Party) and (b) second, to the extent the managing underwriter believes additional securities can be sold in the offering without having an Adverse Effect, the amount of Other Securities requested to be included by Other Holders in such registration, allocated pro rata among all requesting Other Holders on the basis of the relative amount of all Other Securities then held by each such Other Holder (provided, that any such amount thereby allocated to any such Other Holder that exceeds such Other Holder's request shall be reallocated among the remaining requesting Other Holders in like manner). In the event that the number of Registrable Securities and Other Securities to be included in such registration is less than the number which, in the opinion of the managing underwriter, can be sold without having an Adverse Effect, the Company may include in such registration the securities the Company proposes to sell up to the number of securities that, in the opinion of such managing underwriter, can be sold without having an Adverse Effect. If the managing underwriter of any underwritten offering shall advise the Holders participating in a registration pursuant to this Section 4.2 that the Registrable Securities covered by the registration statement cannot be sold in such offering within a price range acceptable to the Demand Party, then the Demand Party shall have the right to notify the Company that it has determined that the registration statement be abandoned or withdrawn, in which event the Company shall abandon or withdraw such registration statement.

(g) Postponements in Requested Registrations. Notwithstanding Section 4.2(f), (i) if the Board determines, in its good faith judgment, that the registration and offering otherwise required by this Section 4.2 would have an adverse effect on a then contemplated

public offering of the Company's Equity Securities, the Company may postpone the filing (but not the preparation) of a registration statement required by this Section 4.2, during the period starting with the 30th day immediately preceding the date of the anticipated filing of, and ending on a date 60 days following the effective date of, the registration statement relating to such other public offering and (ii) if the Company shall at any time furnish to the Holders a certificate signed by its chairman of the board, chief executive officer, president or any other of its authorized officers stating that the Company or any Subsidiary of the Company has pending or in process a material transaction, the disclosure of which would, in the good faith judgment of the Board, after consultation with its outside securities counsel, materially and adversely affect the Company or such Subsidiary, the Company may postpone the filing (but not the preparation) of a registration statement required by this Section 4.2 for up to 90 days; provided, that, the Company shall at all times in good faith use its reasonable best efforts to cause any registration statement required by this Section 4.2 to be filed as soon as possible thereafter and; provided, further, that, the Company shall not be permitted to postpone registration pursuant to this Section 4.2(g) more than once in any 360-day period. The Company shall promptly give the Holders requesting registration thereof pursuant to this Section 4.2 written notice of any postponement made in accordance with the preceding sentence. If the Company gives the Holders such a notice, the Holders shall have the right, within 15 days after receipt thereof, to withdraw their request in which case, such request will not be counted for purposes of this Section 4.2.

(h) Additional Rights. If the Company at any time grants to any other holders of capital stock any rights to request the Company to effect the registration under the Securities Act of any such shares of capital stock on terms more favorable to such holders than the terms set forth in this Article IV, the terms of this Article IV shall be deemed amended or supplemented to the extent necessary to provide the Holders such more favorable rights and benefits. The Company shall provide the Holders prior written notice of any such deemed amendment or supplement to the terms of this Article IV.

SECTION 4.3 Registration on Change in Control. The parties agree and acknowledge that upon a Specified Change in Control in respect of which (x) the Notes convert into Class A Common Stock and (y) the Company's stockholders (including the Holders) receive securities of the acquiring entity, each Holder will be entitled (upon its request therefor) to be designated as a "selling stockholder" in any registration statement filed by or on behalf of the acquiring entity for the registration of the securities being issued to the Company's stockholders in such Specified Change in Control, with such Holder being entitled to immediately sell all such securities that it receives in such transaction (such Holder's "Resale Registration Rights"), provided that no Holder shall be permitted to exercise its Resale Registration Rights if the proposed Specified Change in Control is an Impaired Tax-Free Change in Control Transaction (as defined in Subsection 5(a)(iii) of the Notes); and provided further that, for the avoidance of doubt, following an Impaired Tax-Free Change in Control Transaction, nothing contained herein will in any way otherwise limit a Holder's right to transfer the securities such Holder receives in such transaction pursuant to non-registered sales (including Rule 144 sales) or pursuant to such Holder's registration rights under Section 4.1 or 4.2. In connection with any registration pursuant to the Resale Registration Rights, the Company and any acquiring entity will keep the registration statement effective for a period of at least 180 days (or such longer period as may be reasonably requested by holders of a majority in interest of the securities registered by the Holders pursuant to these Resale Registration Rights), subject to the ability of the issuer to toll

the rights of such Holders to sell the securities received in such transaction for up to two periods of up to 45 days each (with at least 45 days transpiring between the issuer's two tolling periods and which periods may not in any event be exercised for a 45-day period following the closing of the Specified Change in Control transaction) upon notice to such Holders. The issuer may so toll the rights of the Holders to sell their securities only in the event that the Board of Directors of the issuer determines that it would be materially detrimental to the issuer for such Holder to effect sales during such period, in which case the effectiveness of the registration statement will be extended to the extent of the tolled period. The Company and the acquiring entity will also in connection with any such registration (x) take all actions that are comparable to the registration procedures required to be taken by the Company for registrations hereunder and (y) pay all Registration Expenses related to such registration (other than commissions to be paid by the Holders as selling stockholders in respect of their securities). The parties agree and acknowledge that, if any of the time and filing requirements set forth in this Section 4.3 conflict or are inconsistent with any other time and filing requirements contained elsewhere in this Article IV, including without limitation the registration procedures set forth in Section 4.4, then the time and filing requirements in this Section 4.3 shall govern.

SECTION 4.4 Registration Procedures. If and whenever the Company (and, in the case of a registration pursuant to Section 4.3, an acquiring entity in a Specified Change in Control) is required to effect or use its reasonable best efforts to effect or cause the registration of any Registrable Securities under the Securities Act as provided in this Agreement, the Company (and, if applicable, an acquiring entity in a Specified Change in Control, with all necessary and appropriate changes being deemed made below to apply to such acquiring entity) will promptly:

(a) prepare and, in any event within 45 days after the end of the period within which a request for registration may be given to the Company, file with the SEC a registration statement with respect to such Registrable Securities and use its reasonable best efforts to cause such registration statement to become effective within 90 days of the initial filing;

(b) prepare and file with the SEC such amendments and supplements to such registration statement (including Exchange Act documents incorporated by reference into the registration statement) and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for a period not in excess of 180 days (or such longer period as may be requested by the Holders in the event of a shelf registration statement) and to comply with the provisions of the Securities Act and the Exchange Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registration statement; provided, that before filing a registration statement or prospectus, or any amendments or supplements thereto in accordance with Sections 4.4(a) or (b), the Company will furnish to counsel selected pursuant to Section 4.9 hereof copies of all documents proposed to be filed, which documents will be subject to the review of such counsel;

(c) furnish to each seller of such Registrable Securities such number of copies of such registration statement and of each amendment and supplement thereto (in each case including all exhibits filed therewith, including any documents incorporated by reference), such number of copies of the prospectus included in such registration statement (including each

preliminary prospectus and summary prospectus), in conformity with the requirements of the Securities Act, and such other documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities by such seller;

(d) use its reasonable best efforts to register or qualify such Registrable Securities covered by such registration in such jurisdictions as each seller shall reasonably request, and do any and all other acts and things which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller, except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction where, but for the requirements of this subsection (d), it would not be obligated to be so qualified, to subject itself to taxation in any such jurisdiction or to consent to general service of process in any such jurisdiction;

(e) use its reasonable best efforts to cause such Registrable Securities covered by such registration statement to be registered with or approved by such other governmental authorities as may be necessary to enable the seller or sellers thereof to consummate the disposition of such Registrable Securities;

(f) notify each seller of any such Registrable Securities covered by such registration statement, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the Company's becoming aware that the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and at the request of any such seller, prepare and furnish to such seller a reasonable number of copies of an amended or supplemental prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(g) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders, as soon as reasonably practicable (but not more than 18 months) after the effective date of the registration statement, an earnings statement which shall satisfy the provisions of Section 11(a) of the Securities Act;

(h) (i) use its reasonable best efforts to list such Registrable Securities on any securities exchange on which the Common Stock is then listed if such Registrable Securities are not already so listed and if such listing is then permitted under the rules of such exchange; and (ii) use its best efforts to provide a transfer agent and registrar for such Registrable Securities covered by such registration statement not later than the effective date of such registration statement;

(i) enter into such customary agreements (including an underwriting agreement in customary form), which may include indemnification provisions in favor of underwriters and other Persons in addition to, or in substitution for the provisions of Section 4.6

hereof, and take such other actions as sellers of a majority of shares of such Registrable Securities or the underwriters, if any, reasonably requested in order to expedite or facilitate the disposition of such Registrable Securities;

(j) obtain a "cold comfort" letter or letters from the Company's independent public accounts in customary form and covering matters of the type customarily covered by "cold comfort" letters as the seller or sellers of a majority of shares of such Registrable Securities shall reasonably request;

(k) make available for inspection by any seller of such Registrable Securities covered by such registration statement, by any underwriter participating in any disposition to be effected pursuant to such registration statement and by any attorney, accountant or other agent retained by any such seller or any such underwriter, all pertinent financial and other records, pertinent corporate documents and properties of the Company, and cause all of the Company's officers, directors and employees to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement;

(l) notify counsel (selected pursuant to Section 4.9 hereof) for the Holders of Registrable Securities included in such registration statement and the managing underwriter or agent, immediately, and confirm the notice in writing (i) when the registration statement, or any post-effective amendment to the registration statement, shall have become effective, or any supplement to the prospectus or any amendment to the prospectus shall have been filed, (ii) of the receipt of any comments from the SEC, (iii) of any request of the SEC to amend the registration statement or amend or supplement the prospectus or for additional information, and (iv) of the issuance by the SEC of any stop order suspending the effectiveness of the registration statement or of any order preventing or suspending the use of any preliminary prospectus, or of the suspension of the qualification of the registration statement for offering or sale in any jurisdiction, or of the institution or threatening of any proceedings for any of such purposes;

(m) make reasonable best efforts to prevent the issuance of any stop order suspending the effectiveness of the registration statement or of any order preventing or suspending the use of any preliminary prospectus and, if any such order is issued, to obtain the withdrawal of any such order as soon as practicable;

(n) if requested by the managing underwriter or agent or any Holder of Registrable Securities covered by the registration statement, promptly incorporate in a prospectus supplement or post-effective amendment such information as the managing underwriter or agent or such Holder reasonably requests to be included therein, including, with respect to the number of Registrable Securities being sold by such Holder to such underwriter or agent, the purchase price being paid therefor by such underwriter or agent and with respect to any other terms of the underwritten offering of the Registrable Securities to be sold in such offering; and make all required filings of such prospectus supplement or post-effective amendment as soon as practicable after being notified of the matters incorporated in such prospectus supplement or post-effective amendment;

(o) cooperate with the Holders of Registrable Securities covered by the registration statement and the managing underwriter or agent, if any, to facilitate the timely

preparation and delivery of certificates (not bearing any restrictive legends) representing securities to be sold under the registration statement, and enable such securities to be in such denominations and registered in such names as the managing underwriter or agent, if any, or such Holders may request;

(p) obtain for delivery to the Holders of Registrable Securities being registered and to the underwriter or agent an opinion or opinions from counsel for the Company in customary form and in form, substance and scope reasonably satisfactory to such Holders, underwriters or agents and their counsel;

(q) cooperate with each seller of Registrable Securities and each underwriter or agent participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the NASD;

(r) use its reasonable best efforts to make available the executive officers of the Company to participate with the Holders of Registrable Securities and any underwriters in any "road shows" or other selling efforts that may be reasonably requested by the Holders in connection with the methods of distribution for the Registrable Securities; and

(s) if at any time a shelf registration statement requested to be used by the Holders to dispose of the Registrable Securities ceases to be effective, use its reasonable best efforts to file and cause to become effective a new "evergreen" shelf registration statement providing for an offering to be made on a continuous basis of the Registrable Securities.

SECTION 4.5 Information Supplied. The Company may require each seller of Registrable Securities as to which any registration is being effected to furnish the Company with such information regarding such seller and pertinent to the disclosure requirements relating to the registration and the distribution of such securities as the Company may from time to time reasonably request.

SECTION 4.6 Restrictions on Disposition. Each Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 4.4(f), such Holder will forthwith discontinue disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until such Holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 4.4(f), and, if so directed by the Company, such Holder will deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holder's possession, of the prospectus covering such Registrable Securities current at the time of receipt of such notice. In the event the Company shall give any such notice, the period mentioned in Section 4.4(b) shall be extended by the number of days during the period from and including the date of the giving of such notice pursuant to Section 4.4(f) and to and including the date when each seller of Registrable Securities covered by such registration statement shall have received the copies of the supplemented or amended prospectus contemplated by Section 4.4(f).

SECTION 4.7 Indemnification. (a) In the event of any registration of any securities of the Company under the Securities Act pursuant to Section 4.1 or 4.2 (or any securities of the Company or any acquiring entity in the case of a Specified Change in Control

pursuant to Section 4.3), the Company shall, and it hereby does (and the Company shall require the acquiring entity in such Specified Change in Control to), indemnify and hold harmless, to the extent permitted by law, the seller of any Registrable Securities covered by such registration statement, each Affiliate of such seller and their respective directors, officers, members or general and limited partners (and any director, officer, and controlling Person of any of the foregoing), each Person who participates as an underwriter in the offering or sale of such securities and each other Person, if any, who controls such seller or any such underwriter within the meaning of the Securities Act (collectively, the "Indemnified Parties"), against any and all losses, claims, damages or liabilities, joint or several, actions or proceedings (whether commenced or threatened) in respect thereof ("Claims") and expenses (including reasonable attorney's fees and reasonable expenses of investigation) to which such Indemnified Party may become subject under the Securities Act, common law or otherwise, insofar as such Claims or expenses arise out of, relate to or are based upon (a) any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary, final or summary prospectus contained therein, or any amendment or supplement thereto, or (b) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in light of the circumstances under which they were made) not misleading; provided, that the Company (or, if applicable, the acquiring entity in a Specified Change in Control) shall not be liable to any Indemnified Party in any such case to the extent that any such Claim or expense arises out of, relates to or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement or amendment or supplement thereto or in any such preliminary, final or summary prospectus in reliance upon and in conformity with written information furnished to the Company (or such acquiring entity) by or behalf of such seller specifically stating that it is for use in the preparation thereof. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of any Indemnified Party and shall survive the transfer of securities by any seller.

(b) The Company (or, if applicable, the acquiring entity in a Specified Change in Control) may require, as a condition to including any Registrable Securities in any registration statement filed in accordance with Section 4.2, 4.3 or 4.4 herein, that the Company (or such acquiring entity) shall have received an undertaking reasonably satisfactory to it from the prospective seller of such Registrable Securities or any underwriter to indemnify and hold harmless (in the same manner and to the same extent as set forth in Section 4.7(a)) the Company (or such acquiring entity) and all other prospective sellers or any underwriter, as the case may be, with respect to any untrue statement or alleged untrue statement in or omission or alleged omission from such registration statement, any preliminary, final or summary prospectus contained therein, or any amendment or supplement thereto, if such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company (or such acquiring entity) by or on behalf of such seller or underwriter specifically stating that it is for use in the preparation of such registration statement, preliminary, final or summary prospectus or amendment or supplement, or a document incorporated by reference into any of the foregoing. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Company (or such acquiring entity) or any of the prospective sellers, or any of their respective Affiliates, directors, officers or controlling Persons and shall survive the transfer of securities by any seller.

In no event shall the liability of any selling Holder of Registrable Securities hereunder be greater in amount than the dollar amount of the proceeds received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Promptly after receipt by an indemnified party hereunder of written notice of the commencement of any action or proceeding with respect to which a claim for indemnification may be made pursuant to this Section 4.7, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action or proceeding; provided, that the failure of the indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under Section 4.7, except to the extent that the indemnifying party is materially prejudiced by such failure to give notice. In case any such action or proceeding is brought against an indemnified party, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such action or proceeding (in which case the indemnified party shall have the right to assume or continue its own defense and the indemnifying party shall be liable for any reasonable expenses therefor, but in no event will bear the expenses for more than one firm of counsel for all indemnified parties in each jurisdiction who shall be approved by the majority of the participating Holders in the registration in respect of which such indemnification is sought), the indemnifying party will be entitled to participate in and to assume the defense thereof (at its expense), jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation and shall have no liability for any settlement made by the indemnified party without the consent of the indemnifying party, such consent not to be unreasonably withheld. No indemnifying party will settle any action or proceeding or consent to the entry of any judgment without the prior written consent of the indemnified party, unless such settlement or judgment (i) includes as an unconditional term thereof the giving by the claimant or plaintiff of a release to such indemnified party from all liability in respect of such action or proceeding and (ii) does not involve the imposition of equitable remedies or the imposition of any obligations on such indemnified party and does not otherwise adversely affect such indemnified party, other than as a result of the imposition of financial obligations for which such indemnified party will be indemnified hereunder.

(d) (i) If the indemnification provided for in this Section 4.7 from the indemnifying party is unavailable to an indemnified party hereunder in respect of any Claim or expenses referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such Claim or expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and indemnified party in connection with the actions which resulted in such Claim or expenses, as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such indemnifying party or indemnified party, and the parties'

relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party under this Section 4.7(d) as a result of the Claim and expenses referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with any action or proceeding.

(ii) The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 4.7(d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in Section 4.7(d)(i). No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(e) Indemnification similar to that specified in this Section 4.7 (with appropriate modifications) shall be given by the Company (or, if applicable, the acquiring entity in a Specified Change in Control) and each seller of Registrable Securities with respect to any required registration or other qualification of securities under any Law or with any governmental authority other than as required by the Securities Act.

(f) The obligations of the parties under this Section 4.7 shall be in addition to any liability which any party may otherwise have to any other party.

SECTION 4.8 Required Reports. The Company covenants that it will file the reports required to be filed by it under the Securities Act and the Exchange Act (or, if the Company is not required to file such reports, it will, upon the request of any Holder, make publicly available such information), and it will take such further action as any Holder may reasonably request, all to the extent required from time to time to enable such Holder to sell shares of Registrable Securities and Notes without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144 under the Securities Act, as such Rule may be amended from time to time, or (b) any similar rule or regulation hereafter adopted by the SEC. Upon the request of any Holder, the Company will deliver to such Holder a written statement as to whether it has complied with such requirements.

SECTION 4.9 Selection of Counsel. In connection with any registration of Registrable Securities pursuant to Sections 4.1, 4.2 and 4.3 hereof, the Holders of a majority of the Registrable Securities covered by any such registration may select one counsel to represent all Holders of Registrable Securities covered by such registration; provided, however, that in the event that the counsel selected as provided above is also acting as counsel to the Company in connection with such registration, the remaining Holders shall be entitled to select one additional counsel to represent all such remaining Holders.

SECTION 4.10 Holdback Agreement. If any registration hereunder shall be in connection with an underwritten public offering, each Holder agrees not to effect any public sale or distribution, including any sale pursuant to Rule 144 under the Securities Act, of any Equity Securities of the Company (in each case, other than as part of such underwritten public offering), within 10 days before, or subject to Section 4.2(g) in the case of a requested registration that has been postponed pursuant to clause (i) thereof, 180 days (or such lesser period as the managing

underwriters may require or permit) after, the effective date of such registration (except as part of such registration), and the Company hereby also agrees to use its reasonable best efforts to have each other holder of any Equity Security of the Company purchased from the Company (at any time other than in a public offering) to so agree.

SECTION 4.11 No Inconsistent Agreements. The Company represents and warrants that it is not a party to, will not enter into, or cause or permit any of its Subsidiaries to enter into, any agreement which conflicts with or limits or prohibits the exercise of the rights granted to the Holders of Registrable Securities in this Article IV.

ARTICLE V

EQUITY PURCHASE RIGHTS

SECTION 5.1 Subsidiary Purchase Rights

(a) Reserved.

(b) Reserved.

(c) The Company hereby grants to the Purchasers (for the purposes of this Section 5.1, as such term is defined in the Securities Purchase Agreement) the right (the "Spin Right") to purchase up to 5.00% (as may be allocated among the Purchasers in their discretion) of the fully diluted common stock of any Subsidiary of the Company whose shares of common stock are (i) distributed to stockholders of the Company ("spun-off") or (ii) sold by the Company in a public offering ("spun-out") at a per share price equal to (x) 80.0% of the initial public offering price in the case of a spun-out Subsidiary and (y) 80.0% of the first day's closing price in the case of a spun-off subsidiary.

(d) In the event that the Company effects either a spun-off or spun-out subsidiary transaction during the term of this Article V, the Company shall give each Purchaser written notice of such transaction at least 30 business days prior to the consummation of the spin-off or spin-out, as the case may be. If timely notice has been received, on or prior to ten business days prior to the consummation of the spin-off or spin-out, as the as may be, each Purchaser shall notify the Company in writing of the number of shares of common stock, if any, such Purchaser is electing to purchase in such transaction (each a "Response"), provided that the total number of shares of common stock purchased by all Purchasers in each such transaction shall not exceed 5.00% of the fully diluted common stock of the subject subsidiary. An election by a Purchaser to purchase shares of common stock shall be deemed to be an irrevocable commitment from such Purchaser to purchase the number of shares of common stock specified in such Purchaser's Response. If a Purchaser shall have received timely notice of a spin-off or spin-out, as the case may be, and does not provide a Response to the Company on or prior to the tenth business day prior to the consummation of the spin-off or spin-out, as the case may be, such Purchaser shall be deemed to have declined to purchase shares of common stock in such transaction.

SECTION 5.2 Acquisition of Additional Shares of Common Stock. So long as each of Silver Lake's nominees to the Board are elected to, and not removed from, the Board,

each Investor Securityholder agrees that for so long as such Investor Securityholder holds either Notes, shares of Convertible Preferred Stock or shares of Class A Common Stock, such Investor Securityholder shall not increase his, her or its ownership of Common Stock or Equity Securities exercisable or exchangeable for, or convertible into, shares of Common Stock from the number of shares of Common Stock held by such Investor Securityholder (on an as converted basis) as of the date hereof, except for any increase that results solely from (i) any adjustment to the Conversion Price (as defined in the Notes) in accordance with the provisions of Section 4 of the Notes or any interest payment in respect of the Notes payable by an increase in the Face Amount of the Note pursuant to Section 2 of the Notes, (ii) any adjustment to the Adjustment Number (as defined in the Certificate of Designation) in accordance with Section 6(c) of the Certificate of Designation or (iii) any stock dividend, stock split, reclassification, combination or similar event.

ARTICLE VI

CERTAIN COVENANTS

SECTION 6.1 HSR Approval. (a) The Company shall promptly make any and all filings which it is required to make under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), for the sale or issuance of the Notes, the Conversion Shares (as defined in the Securities Purchase Agreement), and the Convertible Preferred Stock and the Company agrees to furnish Silver Lake or any Transferee with such necessary information and reasonable assistance as Silver Lake or any Transferee may reasonably request in connection with its preparation of any necessary filings or submissions to the Federal Trade Commission ("FTC") or the Antitrust Division of the U.S. Department of Justice (the "Antitrust Division"), including, without limitation, any filings or notices necessary under the HSR Act. Any such actions, if necessary, with respect to the conversion of the Notes or the Convertible Preferred Stock into Conversion Shares shall be taken by the Company three months prior to the first date on which Investor Securityholders are first able to convert the Notes into shares of Class A Common Stock (or in the case of a Specified Change in Control, prior to and as a condition of the consummation of such Specified Change in Control) and at such times thereafter as Silver Lake or any Transferee shall reasonably request. The Company shall, at its own expense, use all reasonable efforts to respond to any request for additional information, or other formal or informal request for information, witnesses or documents which may be made by any governmental authority pertaining to the Company with respect to the sale of the Notes and the issuance of the Convertible Preferred Stock and shares of Class A Common Stock issuable upon conversion of the Notes and the Convertible Preferred Stock and shall keep Silver Lake and any relevant Transferee fully apprised of its actions with respect thereto.

(b) Each of Silver Lake and any relevant Transferee shall promptly make any and all filings which it is required to make under the HSR Act with respect to the purchase or issuance of the Notes, the Conversion Shares and the Convertible Preferred Stock and Silver Lake agrees (and any relevant Transferee will agree) to furnish the Company with such necessary information and reasonable assistance as it may request in connection with its preparation of any necessary filings or submissions to the FTC or the Antitrust Division, including, without limitation, any filings or notices necessary under the HSR Act. Silver Lake and the relevant Transferees shall, at their own expense, use all reasonable efforts to respond

promptly to any request for additional information, or other formal or informal request for information, witnesses or documents which may be made by any governmental authority pertaining to Silver Lake or the relevant Transferee, as case may be, with respect to the sale of the Notes and the issuance of the Convertible Preferred Stock and shares of Class A Common Stock issuable upon conversion of the Notes and the Convertible Preferred Stock and shall keep the Company fully apprised of its actions with respect thereto.

(c) Each of the parties hereto shall use their commercially reasonable efforts to give such notices and obtain all other authorizations, consents, orders and approvals of all governmental authorities and other third parties that may be or become necessary for its execution and delivery of, and the performance of its obligations pursuant to this Agreement and will cooperate fully with the other parties hereto in promptly seeking to obtain all such authorizations, consents, orders and approvals.

(d) The Company shall pay all expenses and fees payable to governmental authorities in connection with filings made pursuant to this Section 6.1.

SECTION 6.2 Convertible Preferred Stock. In the event that any shares of Convertible Preferred Stock are issued pursuant to the terms of the Notes, the Company hereby agrees to use its reasonable best efforts (i) to eliminate any and all contractual, legal or other prohibitions on the ability of the Company to redeem the shares of Convertible Preferred Stock for cash consideration in accordance with the provisions of the Certificate of Designation; (ii) to duly call, give notice of, convene and hold a meeting of its stockholders for the purpose of obtaining the Required Company Vote necessary under the rules of the NYSE (or any successor securities exchange on which the Common Stock may then be listed) to approve the issuance of shares of Class A Common Stock upon the conversion of shares of Convertible Preferred Stock (the "Share Issuance"); and (iii) to solicit from stockholders of the Company proxies in favor of the approval of the Share Issuance and to secure the Required Company Vote; and the Board shall recommend approval of the Share Issuance.

SECTION 6.3 Common Stock Repurchases. The Company hereby agrees not to effect any repurchases or redemptions of shares of Common Stock at any time at which the result of such repurchases or redemptions would be to cause the shares of Class A Common Stock held by the Investor Securityholders on an as converted basis to trigger a change of control provision pursuant to the Credit Agreement or any other material contract of the Company.

ARTICLE VII

MISCELLANEOUS

SECTION 7.1 Silver Lake Indemnification. The Company agrees to indemnify and hold harmless Silver Lake, its respective directors and officers and its Affiliates (and the directors, officers, partners, Affiliates and controlling persons thereof, each, a "Silver Lake Indemnitee") from and against any and all liability, including, without limitation, all obligations, costs, fines, claims, actions, injuries, demands, suits, judgments, proceedings, investigations, arbitrations (including stockholder claims, actions, injuries, demands, suits, judgments, proceedings, investigations or arbitrations) and expenses, including, without

limitation, accountant's and attorney's fees and expenses (together the "Losses"), incurred by Silver Lake or a Silver Lake Indemnitee before or after the date of this Agreement and arising out of, resulting from, or relating to (i) any third party claims (other than third party claims by an Affiliate, partner, director, officer or employee of Silver Lake) in connection with (a) Silver Lake's purchase of the Equity Securities and (b) the transactions contemplated by the Securities Purchase Agreement, the Notes and the Securityholders Agreement (as any of the same may be amended, supplemented or otherwise modified from time to time) or (ii) any litigation to which Silver Lake or a Silver Lake Indemnitee is made a party in its capacity as a stockholder or owner of securities (or a partner, director, officer, Affiliate or controlling person of Silver Lake) of the Company other than any losses incurred by Silver Lake as a result of its gross negligence or willful misconduct.

SECTION 7.2 Termination. (a) Except as provided in Section 7.2(b): (i) the provisions of Article II of this Agreement shall terminate as provided in Section 2.6; (ii) the provisions of Article V of this Agreement shall terminate simultaneously with the termination of the provisions of Article II of this Agreement; (iii) the provisions of Article IV of this Agreement (other than Section 4.6 thereof) shall terminate at such time as there shall be no Registrable Securities outstanding; and (iv) the provisions of Articles I, III, VI and VII and Section 4.7 of this Agreement shall not terminate.

(b) Notwithstanding the provisions of Section 7.2(a) or anything else in this Agreement to the contrary, the parties agree and acknowledge that (i) following a Specified Change in Control in which all of the Notes are converted in accordance with the terms thereof, the provisions of Articles II, III and V of this Agreement shall terminate, and (ii) following a Specified Change in Control (whether or not the Notes are converted in accordance with the terms thereof), each Holder will retain its right to redemption under Section 5 of the Notes and its registration rights under Article IV hereof, and (if applicable) any acquiring entity will assume and honor the Holders' existing registration rights, which rights will thereafter be exercisable by the Holders in respect of the securities received by each Holder from the acquiring entity in such Specified Change in Control.

(c) No termination of this Agreement shall by virtue of such termination relieve any party from any liability existing at the time of such termination for the breach of any of the agreements set forth in this Agreement.

SECTION 7.3 Amendments and Waivers. Except as otherwise provided herein, no modification, amendment or waiver of any provision of this Agreement shall be effective against the Company or any Holder unless such modification, amendment or waiver is approved in writing by the Company, Silver Lake (so long as it is entitled to its rights under Article II hereof) and those Investor Security holders who hold a majority of the outstanding Class A Common Stock and all shares of Class A Common Stock issuable (without regard to any present restrictions on such issuance) upon conversion of the Notes or Preferred Stock. The failure of any party to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms.

SECTION 7.4 Successors, Assigns and Transferees. This Agreement shall bind and inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns. This Agreement may not be assigned by any party hereto (except as described in the next sentence) without the prior written consent of the other parties. Silver Lake and its Affiliates may assign their respective rights and obligations hereunder to any Affiliate or Affiliates thereof and, subject to the Transfer provisions herein, to any other third party.

SECTION 7.5 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by confirmed telex or facsimile if sent during normal business hours of the recipient, if not, then on the next business day; (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent, with respect to the Company and Silver Lake, to their respective addresses specified in the Securities Purchase Agreement (or at such other address as any such party may specify by like notice) and, with respect to any other Holder, to the address of such Holder as shown in the stock record books of the Company (or at such other address as any such Holder may specify to all of the above by like notice).

SECTION 7.6 Further Assurances. At any time or from time to time after the date hereof, the parties agree to cooperate with each other, and at the request of any other party, to execute and deliver any further instruments or documents and to take all such further action as the other party may reasonably request in order to evidence or effectuate the consummation of the transactions contemplated hereby and to otherwise carry out the intent of the parties hereunder.

SECTION 7.7 Entire Agreement. Except as otherwise expressly set forth herein, this document, the Notes, the Letter Agreement and the Stock Purchase Agreement embody the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, that may have related to the subject matter hereof in any way.

SECTION 7.8 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power or remedy accruing to any party, upon any breach, default or noncompliance by another party under this Agreement, shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of or in any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character on the part of any party hereto of any breach, default or noncompliance under this Agreement or any waiver on such party's part of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, by law, or otherwise afforded to any party, shall be cumulative and not alternative.

SECTION 7.9 Governing Law; Jurisdiction; Waiver of Jury Trial.

This Agreement shall be governed in all respects by the laws of the State of New York. No suit, action or proceeding with respect to this Agreement may be brought in any court or before any similar authority other than in a court of competent jurisdiction in the State of New York, and the parties hereto hereby submit to the exclusive jurisdiction of such courts for the purpose of such suit, proceeding or judgment. The parties hereto hereby irrevocably waives any right which they may have had to bring such an action in any other court, domestic or foreign, or before any similar domestic or foreign authority. Each of the parties hereto hereby irrevocably and unconditionally waives trial by jury in any legal action or proceeding in relation to this Agreement and for any counterclaim therein.

SECTION 7.10 Severability. Whenever possible, each provision

of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

SECTION 7.11 Effective Date. This Agreement shall become

effective immediately upon the Closing.

SECTION 7.12 Enforcement. Each party hereto acknowledges that

money damages would not be an adequate remedy in the event that any of the covenants or agreements in this Agreement are not performed in accordance with its terms, and it is therefore agreed that in addition to and without limiting any other remedy or right it may have, the non-breaching party will have the right to an injunction, temporary restraining order or other equitable relief in any court of competent jurisdiction enjoining any such breach and enforcing specifically the terms and provisions hereof.

SECTION 7.13 Titles and Subtitles. The titles of the sections

and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

SECTION 7.14 No Recourse. Notwithstanding anything that may be

expressed or implied in this Agreement, the Company and each Holder covenant, agree and acknowledge that no recourse under this Agreement or any documents or instruments delivered in connection with this Agreement shall be had against any current or future director, officer, employee, general or limited partner or member of Silver Lake or of any Affiliate or assignee thereof, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any current or future officer, agent or employee of Silver Lake or any current or future member of Silver Lake or any current or future director, officer, employee, partner or member of Silver Lake or of any Affiliate or assignee thereof, as such for any obligation of Silver Lake under this Agreement or any documents or instruments delivered in connection with

this Agreement for any claim based on, in respect of or by reason of such obligations or their creation.

SECTION 7.15 Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. This Agreement may be executed by facsimile signature(s).

IN WITNESS WHEREOF, the parties hereto originally executed the Original Securityholders Agreement as of the date set forth in the first paragraph hereof and are executing and delivering this amended and restated Agreement as of July 12, 2002.

GARTNER, INC.

By: _____
Name:
Title:

SILVER LAKE PARTNERS, L.P.
By: Silver Lake Technology Associates,
L.L.C., its general partner

By: _____
Name:
Title:

SILVER LAKE INVESTORS, L.P.
By: Silver Lake Technology Associates,
L.L.C., its general partner

By: _____
Name:
Title:

SILVER LAKE TECHNOLOGY INVESTORS, L.L.C.

By: _____
Name:
Title:

INTEGRAL CAPITAL PARTNERS IV, L.P.
By: Integral Capital Management IV, LLC
its general partner

By: _____
Name:
Title:

INTEGRAL CAPITAL PARTNERS IV MS SIDE
FUND, L.P.
By: Integral Capital Partners NBT, LLC
its general partner

By: _____
Name:
Title:

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is entered into on _____, 2002, effective as of October 1, 2002, by and between Michael D. Fleisher, an individual ("Executive") and Gartner, Inc., a Delaware corporation (the "Company").

RECITALS

A. Executive is currently Chairman and Chief Executive Officer of the Company. The parties desire that Executive continue in the positions of Chairman and Chief Executive Officer of the Company effective as of October 1, 2002, and in connection therewith desire that the terms of Executive's employment be set forth herein.

B. The Company and Executive have previously entered into an Employment Agreement dated as of November 1, 1999, effective as of October 7, 1999 (the "Prior Agreement"). The Company and Executive desire to amend the Prior Agreement as provided herein.

C. The Company and Executive desire to provide for Executive's continued employment with the Company upon and subject to the terms and conditions set forth herein.

AGREEMENT

THEREFORE, in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

1. Employment. Executive will serve as Chairman and Chief Executive Officer of the Company for the Employment Term specified in Section 3 below. Executive will report solely to the Board of Directors and will render such services consistent with the foregoing role as the Board of Directors may from time to time direct. Executive's office shall be located at the executive offices of the Company in Stamford, Connecticut. Executive may (i) serve on corporate, civic or charitable boards or committees and (ii) deliver lectures, fulfill speaking engagements or teach at educational institutions, to the extent consistent with the Company's policies (as applicable) or are disclosed to the board of directors and the board determines in good faith that such activities do not interfere with the performance of Executive's responsibilities hereunder.

2. Board of Directors. Executive presently sits on the Board of Directors of the Company (the "Board"), and serves as Chairman of the Board. During the Employment Term, the Company shall include Executive on the Company's slate of nominees to be elected to the Board at appropriate annual meetings of stockholders of the Company. If Executive is elected to the Board, Company shall use its reasonable business efforts to cause Executive to continue to serve as Chairman of the Board. Upon termination of the Employment Term for any reason, Executive shall promptly resign as a director of the Company.

3. Term. The employment of Executive pursuant to this Agreement shall continue through September 30, 2005 (the "Employment Term"), unless extended or earlier terminated as provided in this Agreement. The Employment Term shall automatically be extended for additional

one-year periods commencing on October 1, 2005 and continuing each year thereafter, unless either Executive or the Company gives the other written notice, in accordance with Section 13(a) and at least 90 days prior to the then scheduled expiration of the Employment Term, of such party's intention not to extend the Employment Term.

4. Salary. As compensation for the services rendered by Executive under this Agreement, the Company shall pay to Executive a base salary initially equal to \$54,167 per month ("Base Salary") for fiscal year 2003, payable to Executive on a monthly basis in accordance with the Company's payroll practices as in effect from time to time during the Employment Term. The Base Salary shall be subject to adjustment by the Board of Directors of the Company or the Compensation Committee of the Board of Directors, in the sole discretion of the Board or such Committee, on an annual basis; provided, however, that Executive's salary may not be decreased other than any such reduction consistent with a general reduction of pay across the executive staff as a group, as an economic or strategic measure due to poor financial performance by the Company.

5. Bonus. In addition to his Base Salary, Executive shall be entitled to participate in the Company's executive bonus program. The annual target bonus shall be established by the Board or its Compensation Committee, in the discretion of the Board or such Committee, and shall be payable based on achievement of specified Company and individual objectives. Executive's target bonus for the fiscal year ending September 30, 2003 shall be \$650,000, with a maximum bonus of \$975,000. Such bonus amounts shall be subject to annual adjustment by the Board or the Compensation Committee of the Board, in the sole discretion of the Board or such Committee, on an annual basis; provided, however, that Executive's target bonus may not be decreased without Executive's consent other than any such reduction consistent with a general reduction of pay across the executive staff as a group, as an economic or strategic measure due to poor financial performance by the Company.

6. Executive Benefits.

(a) Stock Options. In addition to the options and restricted stock awards previously held by Executive (including those options granted on September 30, 1999 (the "Fiscal 1999 Option Grant") and November 9, 1999 (the "Fiscal 2000 Option Grant")), effective on each of October 1, 2002, October 1, 2003, and October 1, 2004 Executive shall be granted options to purchase an additional 250,000 shares of Class A Common Stock of the Company ("Stock") under the Company's 1994 and 1996 Stock Option Plans and/or the Company's 1998 Long Term Stock Option Plan and/or any future Stock Option Plans adopted by the Company and approved by shareholders (each, a "Plan"), at an exercise price equal to fair market value of the Stock on the date of grant, determined as provided under the appropriate Plan. Each option grant shall vest 25% one year after grant and 1/48th per month thereafter, subject to continuous status as an employee or consultant (such that all the options subject to each grant shall have vested 4 years from the date of grant assuming continuous service); provided that vesting of all or a portion of such options shall accelerate upon certain events as described below.

(i) Shares issuable under each of the Plans have been registered on Form S-8 under the Securities Act of 1933, as amended or, as to each Plan, will be so registered no later than the earliest date on which an option under each Plan is granted to Executive.

(ii) In the event that during the Employment Term the Company should create a material spin-off entity in which the Company intends to offer an equity stake to third party investors or the public and in which executives or employees of the Company or such entity are to receive capital stock or options to purchase capital stock, then Executive shall be granted capital stock in such entity, or an option to purchase such capital stock, in such amounts as the Board of Directors of the Company or its Compensation Committee shall deem appropriate in connection with the formation or spin-off.

(b) Other Employee and Executive Benefits. Executive will be entitled to receive all benefits provided to senior executives, executives and employees of the Company generally from time to time, including medical, dental, life insurance and long-term disability, and the executive split-dollar life insurance and executive disability plan, in each case so long as and to the extent the same exist; provided, that in respect to each such plan Executive is otherwise eligible and insurable in accordance with the terms of such plans. Executive will also be entitled to automobile benefits pursuant to a policy to be implemented by the Company with the concurrence of the Chairman of the Compensation Committee of the Board of Directors.

(c) Paid Time Off, Holidays and Sabbatical. Executive shall be entitled to vacation, sick leave, holidays and sabbatical in accordance with the policies of the Company as they exist from time to time. Executive understands that under the current policy he is entitled to up to 35 Paid Time Off (PTO) days per calendar year. PTO which is not used during any calendar year will roll over to the following year only to the extent provided under the Company's PTO policies as they exist from time to time.

7. Severance Benefits.

(a) At Will Employment. Executive's employment shall be "at will." Either the Company or Executive may terminate this agreement and Executive's employment at any time, with or without Business Reasons (as defined in Section 8(a) below), in its or his sole discretion, upon sixty (60) days' prior written notice of termination.

(b) Involuntary Termination. If at any time during the term of this Agreement, other than following a Change in Control to which Section 7(c) applies, the Company terminates the employment of Executive involuntarily and without Business Reasons or a Constructive Termination occurs, or if the Company elects not to renew this Agreement upon the expiration of the Employment Term, then Executive shall be entitled to receive the following: (i) salary and PTO days accrued through the Termination Date, plus continued salary for a period of two (2) years following the Termination Date (the "Severance Period"), payable in accordance with the Company's regular payroll schedule as in effect from time to time, (ii) any unpaid bonus from the fiscal year prior to the fiscal year in which the Termination Date occurred, payable concurrently with the Company's payment of bonuses for that year to other Company executives, (iii) target bonus for the year in which the Termination Date occurs, target bonus for the next following fiscal year, and a pro rated portion of target bonus for the balance of the Severance Period (or, if the target bonus for a fiscal year within the Severance Period was not previously set, then such calculation shall be based on Executive's target bonus for the fiscal year in which the Termination Date occurred), payable concurrently with the Company's payment of bonuses for those years to other Company executives

(iv) acceleration in full of vesting of all outstanding stock options, TARPs and other equity arrangements granted to Executive prior to the effective date of this Agreement, subject to vesting and held by Executive (and in this regard, all such options and other exercisable rights held by Executive shall remain exercisable for (A) in the case of the Fiscal 1999 Option Grant, the Fiscal 2000 Option Grant, any subsequent option grants under the Prior Agreement, and all prior option grants having an exercise price per share equal to or less than the fair market value of the Company's Common Stock on the date hereof, one year following the Termination Date and (B) in the case of all other option grants, one year following the expiration of the Severance Period, or in the case of any option such longer period as may be provided in the applicable plan or agreement), (v) continued vesting during the Severance Period of all outstanding stock options, TARPs and other equity arrangements granted to Executive on or following the effective date of this Agreement, subject to vesting and held by Executive (vi) (A) for two (2) years following the Termination Date (or until Executive obtains other employment, whichever first occurs), continuation of group health benefits at the Company's cost pursuant to the Company's standard programs as in effect from time to time (or at the Company's election substantially similar health benefits as in effect at the Termination Date, through a third party carrier) for Executive, his spouse and any children, and (B) thereafter, to the extent COBRA shall be applicable to the Company, continuation of health benefits for such persons at Executive's cost, for a period of 18 months or such longer period as may be applicable under the Company's policies then in effect, provided the Executive makes the appropriate election and payments, (vii) reasonable office support for one year following the Termination Date (or until Executive obtains other employment, whichever first occurs), and (viii) no other compensation, severance or other benefits, except only that this provision shall not limit any benefits otherwise available to Executive under Section 7(c) in the case of a termination following a Change in Control. Notwithstanding the foregoing, however, the Company shall not be required to continue to pay the bonus specified in clause (iii) hereof for any period following the Termination Date if Executive violates the noncompetition agreement set forth in Section 12 during the two (2) year period following the Termination Date.

(c) Change in Control.

(i) Benefits. If during the term of this Agreement a "Change in Control" occurs (as defined below), then Executive shall be entitled to receive the following: (i) salary and PTO days accrued through the date of the Change in Control plus an amount equal to three (3) years of Executive's salary as then in effect, payable immediately upon the Change in Control, (ii) an amount equal to three times Executive's target bonus for the fiscal year in which the Change in Control occurs (as well as any unpaid bonus from the prior fiscal year), all payable immediately upon the Change in Control, (iii) acceleration in full of vesting of all outstanding stock options, TARPs and other equity arrangements subject to vesting and held by Executive (and in this regard, all such options and other exercisable rights held by Executive shall remain exercisable for (A) in the case of the Fiscal 1999 Option Grant, the Fiscal 2000 Option Grant, any future option grants, and all prior option grants having an exercise price per share equal to or less than the fair market value of the Company's Common Stock on the date hereof, one year following the date of the Change in Control and (B) in the case of all other option grants, 90 days following the date of the Change in Control, or in the case of any option such longer period as may be provided in the applicable plan or agreement) (iv) (A) for at least three (3) years following the date of the Change in Control (even if Executive ceases employment), continuation of group health benefits at the Company's cost pursuant

to the Company's standard programs as in effect from time to time (or at the Company's election substantially similar health benefits as in effect at the Termination Date (if applicable), through a third party carrier) for Executive, his spouse and any children, and (B) thereafter, to the extent COBRA shall be applicable, continuation of health benefits for such persons at Executive's cost, for a period of 18 months or such longer period as may be applicable under the Company's policies then in effect, provided the Executive makes the appropriate election and payments, and (v) no other compensation, severance or other benefits.

(ii) Additional Payments by the Company.

A. If it is determined (as hereafter provided) that any payment or distribution by the Company to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement, including without limitation any stock option, stock appreciation right or similar right, or the lapse or termination of any restriction on or the vesting or exercisability of any of the foregoing (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Code (or any successor provision thereto) or to any similar tax imposed by state or local law, or any interest or penalties with respect to such excise tax (such tax or taxes, together with any such interest and penalties, are hereafter collectively referred to as the "Excise Tax"), then Executive will be entitled to receive an additional payment or payments (a "Gross-Up Payment") in an amount such that, after payment by Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax, imposed upon the Gross-Up Payment, Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

B. Subject to the provisions of clause F below, all determinations required to be made under this Section 7(c)(ii), including whether an Excise Tax is payable by Executive and the amount of such Excise Tax and whether a Gross-Up Payment is required and the amount of such Gross-Up Payment, will be made by the Company's independent certified public accountants prior to the Change in Control (the "Accounting Firm"). The Company will direct the Accounting Firm to submit its determination and detailed supporting calculations to both the Company and Executive within 15 calendar days after the date of the Change in Control or the date of Executive's termination of employment, if applicable, and any other such time or times as may be requested by the Company or Executive. If the Accounting Firm determines that any Excise Tax is payable by Executive, the Company will pay the required Gross-Up Payment to Executive within five business days after receipt of such determination and calculations. If the Accounting Firm determines that no Excise Tax is payable by Executive, it will, at the same time as it makes such determination, furnish Executive with an opinion that he has substantial authority not to report any Excise Tax on his federal, state, local income or other tax return. Any determination by the Accounting Firm as to the amount of the Gross-Up Payment will be binding upon the Company and Executive. As a result of the uncertainty in the application of Section 4999 of the Code (or any successor provision thereto) and the possibility of similar uncertainty regarding applicable state or local tax law at the time of any determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made (an "Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts or fails to pursue its remedies pursuant to clause F below and Executive

thereafter is required to make a payment of any Excise Tax, the Company or Executive may direct the Accounting Firm to determine the amount of the Underpayment that has occurred and to submit its determination and detailed supporting calculations to both the Company and Executive as promptly as possible. Any such Underpayment will be promptly paid by the Company to, or for the benefit of, Executive within twenty days after receipt of such determination and calculations.

C. The Company and Executive will each provide the Accounting Firm access to and copies of any books, records and documents in the possession of the Company or Executive, as the case may be, reasonably requested by the Accounting Firm, and otherwise cooperate with the Accounting Firm in connection with the preparation and issuance of the determination contemplated by clause B above.

D. The federal, state and local income or other tax returns filed by Executive will be prepared and filed on a consistent basis with the determination of the Accounting Firm with respect to the Excise Tax payable by Executive. Executive will make proper payment of the amount of any Excise Tax, and at the request of the Company, provide to the Company true and correct copies (with any amendments) of his federal income tax return as filed with the Internal Revenue Service and corresponding state and local tax returns, if relevant, as filed with the applicable taxing authority, and such other documents reasonably requested by the Company, evidencing such payment. If prior to the filing of Executive's federal income tax return, or corresponding state or local tax return, if relevant, the Accounting Firm determines that the amount of the Gross-Up Payment should be reduced, Executive will within twenty days thereafter pay to the Company the amount of such reduction.

E. The fees and expenses of the Accounting Firm for its services in connection with the determinations and calculations contemplated by clauses B and D above will be borne by the Company. If such fees and expenses are initially advanced by Executive, the Company will reimburse Executive the full amount of such fees and expenses within twenty days after receipt from Executive of a statement therefor and reasonable evidence of his payment thereof.

F. Executive will notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of a Gross-Up Payment. Such notification will be given as promptly as practicable but no later than 10 business days after Executive actually receives notice of such claim and Executive will further apprise the Company of the nature of such claim and the date on which such claim is requested to be paid (in each case, to the extent known by Executive). Executive will not pay such claim prior to the earlier of (i) the expiration of the 30-calendar-day period following the date on which he gives such notice to the Company and (ii) the date that any payment of amount with respect to such claim is due. If the Company notifies Executive in writing prior to the expiration of such period that it desires to contest such claim, Executive will:

- (i) provide the Company with any written records or documents in his possession relating to such claim reasonably requested by the Company;

(ii) take such action in connection with contesting such claim as the Company will reasonably request in writing from time to time, including without limitation accepting legal representation with respect to such claim by an attorney competent in respect of the subject matter and reasonably selected by the Company;

(iii) cooperate with the Company in good faith in order effectively to contest such claim; and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company will bear and pay directly all costs and expenses (including interest and penalties) incurred in connection with such contest and will indemnify and hold harmless Executive, on an after-tax basis, for and against any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Without limiting the foregoing provisions of this clause F, the Company will control all proceedings taken in connection with the contest of any claim contemplated by this clause F and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim (provided that Executive may participate therein at his own cost and expense) and may, at its option, either direct Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company will determine; provided, however, that if the Company directs Executive to pay the tax claimed and sue for a refund, the Company will advance the amount of such payment to Executive on an interest-free basis and will indemnify and hold Executive harmless, on an after-tax basis, from any Excise Tax or income tax, including interest or penalties with respect thereto, imposed with respect to such advance; and provided further, however, that any extension of the statute of limitations relating to payment of taxes for the taxable year of Executive with respect to which the contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of any such contested claim will be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and Executive will be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

G. If, after the receipt by Executive of an amount advanced by the Company pursuant to clause F above, Executive receives any refund with respect to such claim, Executive will (subject to the Company's complying with the requirements of clause F above) within twenty days thereafter pay to the Company the amount of such refund (together with any interest paid or credited thereon after any taxes applicable thereto). If, after the receipt by Executive of an amount advanced by the Company pursuant to clause F above, a determination is made that Executive will not be entitled to any refund with respect to such claim and the Company does not notify Executive in writing of its intent to contest such denial or refund prior to the expiration of 30 days after such determination, then such advance will be forgiven and will not be required to be

repaid and the amount of such advance will offset, to the extent thereof, the amount of Gross-Up Payment required to be paid pursuant to this Section 7(c)(ii).

(d) Termination for Disability. If at any time during the term of this Agreement other than following a Change in Control to which Section 7(c) applies Executive shall become unable to perform his duties as an employee as a result of incapacity, which gives rise to termination of employment for Disability, then Executive shall be entitled to receive the following: (i) salary and PTO days accrued through the Termination Date plus continued salary for a period of three (3) years following the Termination Date, payable in accordance with the Company's regular payroll schedule as in effect from time to time, (ii) at the Termination Date, 100% of Executive's target bonus for the fiscal year in which the Termination Date occurs (plus any unpaid bonus from the prior fiscal year), (iii) following the end of the fiscal year in which the Termination Date occurs and management bonuses have been determined, any bonus that would have been payable to Executive under the bonus plan in excess of Executive's target bonus, (iv) acceleration in full of vesting of all outstanding stock options held by Executive (and in this regard, all such options and other exercisable rights held by Executive shall remain exercisable for (A) in the case of the Fiscal 1999 Option Grant, the Fiscal 2000 Option Grant, any future option grants, and all prior option grants having an exercise price per share equal to or less than the fair market value of the Company's Common Stock on the date hereof, one year following the Termination Date and (B) in the case of all other option grants, 90 days following the Termination Date, or in the case of any option such longer period as may be provided in the applicable plan or agreement), (v) (A) for three (3) years following the Termination Date, continuation of group health benefits at the Company's cost pursuant to the Company's standard programs as in effect from time to time (or at the Company's election substantially similar health benefits as in effect at the Termination Date, through a third party carrier) for Executive, his spouse and any children, and (B) thereafter, to the extent COBRA shall be applicable to the Company, continuation of health benefits for such persons at Executive's cost, for a period of 18 months or such longer period as may be applicable under the Company's policies then in effect, provided the Executive makes the appropriate election and payments, and (vi) no other compensation, severance or other benefits, except only that this provision shall not limit any benefits otherwise available to Executive under Section 7(c) in the case of a termination following a Change in Control. Notwithstanding the foregoing, however, the Company may deduct from the salary specified in clause (i) hereof the amount of any payments then received by Executive under any disability benefit program maintained by the Company.

(e) Voluntary Termination, Involuntary Termination for Business Reasons or Termination following a Change in Control. If (A) Executive voluntarily terminates his employment (other than in the case of a Constructive Termination), (B) Executive is terminated involuntarily for Business Reasons, or (C) Executive is terminated involuntarily, is terminated in a Constructive Termination or is terminated upon the Disability of Executive, in any such case following a Change in Control to which Section 7(c) applies, then in any such event Executive or his representatives shall be entitled to receive the following: (i) salary and accrued PTO days through the Termination Date only, (ii) the right to exercise all stock options held by Executive for thirty (30) days following the Termination Date (or such longer period as may be provided in paragraph (b), (c), (d) or (f) of this Section 7 or in the applicable stock option plan or agreement), but only to the extent vested as of the Termination Date, (iii) to the extent COBRA shall be applicable to the Company, continuation of group health plan benefits pursuant to the Company's standard programs as in effect from time to

time (or at the Company's election continuation by the Company of substantially similar group health benefits as in effect at the Termination Date, through a third party carrier), for Executive, his spouse and any children, for a period of 18 months (or such longer period as may be applicable under the Company's policies then in effect) following the Termination Date provided Executive makes the appropriate election and payments, and (iv) no further severance, benefits or other compensation, except only that this provision shall not limit any benefits otherwise available to Executive under Section 7(c) in the case of a termination following a Change in Control.

(f) Termination Upon Death. If Executive's employment is terminated because of death, then Executive's representatives shall be entitled to receive the following: (i) salary and PTO days accrued through the Termination Date, (ii) a pro rata share of Executive's target bonus for the year in which death occurs, based on the proportion of the fiscal year during which Executive remained an Employee of the Company (plus any unpaid bonus from the prior fiscal year), (iii) except in the case of any such termination following a Change in Control to which Section 7(c) applies, acceleration in full of vesting of all outstanding stock options, TARPs and other equity arrangements subject to vesting and held by Executive (and in this regard, all such options and other exercisable rights held by Executive shall remain exercisable for (A) in the case of the Fiscal 1999 Option Grant, the Fiscal 2000 Option Grant, any future option grants, and all prior option grants having an exercise price per share equal to or less than the fair market value of the Company's Common Stock on the date hereof, one year following the Termination Date and (B) in the case of all other option grants, 90 days following the Termination Date, or in the case of any option such longer period as may be provided in the applicable plan or agreement), (iv) to the extent COBRA shall be applicable to the Company, continuation of group health benefits pursuant to the Company's standard programs as in effect from time to time (or at the Company's election continuation by the Company of substantially similar group health benefits as in effect at the Termination Date, through a third party carrier), for Executive's spouse and any children for a period of 18 months (or such longer period as may be applicable under the Company's policies then in effect) provided Executive's estate makes the appropriate election and payments, (v) any benefits payable to Executive or his representatives upon death under insurance or other programs maintained by the Company for the benefit of the Executive, and (vi) no further benefits or other compensation, except only that this provision shall not limit any benefits otherwise available to Executive under Section 7(c) in the case of a termination following a Change in Control.

(g) Exclusivity. The provisions of this Section 7 are intended to be and are exclusive and in lieu of any other rights or remedies to which Executive or the Company may otherwise be entitled, either at law, tort or contract, in equity, or under this Agreement, in the event of any termination of Executive's employment. Executive shall be entitled to no benefits, compensation or other payments or rights upon termination of employment other than those benefits expressly set forth in paragraph (b), (c), (d), (e) or (f) of this Section 7, whichever shall be applicable and those benefits required to be provided by law.

8. Definition of Terms. The following terms referred to in this Agreement shall have the following meanings:

(a) Business Reasons. "Business Reasons" means (i) gross negligence, willful misconduct or other willful malfeasance by Executive in the performance of his duties, (ii)

Executive's conviction of a felony, or an other criminal offense involving moral turpitude, (iii) Executive's material breach of this Agreement, including without limitation any repeated breach of Sections 9 through 12 hereof, provided that, in the case of any such breach, the Board provides written notice of breach to the Executive, specifically identifying the manner in which the Board believes that Executive has materially breached this Agreement, and Executive shall have the opportunity to cure such breach to the reasonable satisfaction of the Board within thirty (30) days following the delivery of such notice. For purpose of this paragraph, no act or failure to act by Executive shall be considered "willful" unless done or omitted to be done by Executive in bad faith or without reasonable belief that Executive's action or omission was in the best interests of the Company or its affiliates. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by Executive in good faith and in the best interests of the Company. The Board must notify Executive of any event constituting Business Reasons within ninety (90) days following the Board's actual knowledge of its existence (which period shall be extended during the period of any reasonable investigation conducted in good faith by or on behalf of the Board) or such event shall not constitute Business Reasons under this Agreement.

(b) Disability. "Disability" shall mean that Executive has been unable to perform his duties as an employee as the result of his incapacity due to physical or mental illness, and such inability, at least 26 weeks after its commencement, is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to Executive or Executive's legal representative (such Agreement as to acceptability not to be unreasonably withheld). Termination resulting from Disability may only be effected after at least sixty (60) days written notice by the Company of its intention to terminate Executive's employment. In the event that Executive resumes the performance of substantially all of his duties hereunder before the termination of his employment becomes effective, the notice of intent to terminate shall automatically be deemed to have been revoked.

(c) Termination Date. "Termination Date" shall mean (i) if this Agreement is terminated on account of death, the date of death; (ii) if this Agreement is terminated for Disability, the date specified in Section 8(b); (iii) if this Agreement is terminated by the Company, the date on which indicated in a notice of termination is given to Executive by the Company in accordance with Sections 7(a) and 13(a); (iv) if the Agreement is terminated by Executive, the date indicated in a notice of termination given to the Company by Executive in accordance with Sections 7(a) and 13(a); or (v) if this Agreement expires by its terms, then the last day of the term of this Agreement.

(d) Constructive Termination. A "Constructive Termination" shall be deemed to occur if (A) (1) Executive's position changes as a result of an action by the Company such that (w) Executive shall no longer be Chief Executive Officer of the Company, (x) Executive shall have duties and responsibilities demonstrably less than those typically associated with a Chief Executive Officer, (y) Executive shall no longer report directly to the Company's Board of Directors or (z) Executive is involuntarily removed from the Board of Directors of the Company or the position of Chairman of the Board or, having consented to stand for reelection, is not reelected to the Board of Directors or to the position of Chairman of the Board; provided that if the Board of Directors of the Company determines by unanimous vote of all directors (excluding Executive) that it is required

either by law or by rule of any exchange or listing entity whose rules must be complied with in order for the Company to maintain such listing that Executive not be Chairman of the Board, then the involuntary removal of Executive from the position of Chairman of the Board will not, in and of itself, constitute a Constructive Termination under this clause (A)(1)(z)), (2) Executive is required to relocate his place of employment, other than a relocation within fifty (50) miles of Executive's current residence or the Company's current Stamford headquarters, (3) there is a reduction in Executive's base salary or target bonus other than any such reduction consistent with a general reduction of pay across the executive staff as a group, as an economic or strategic measure due to poor financial performance by the Company or (4) there occurs any other material breach of this Agreement by the Company (other than a reduction of Executive's base salary or target bonus which is not described in the immediately preceding clause (3)) after a written demand for substantial performance is delivered to the Board by Executive which specifically identifies the manner in which Executive believes that the Company has materially breached this Agreement, and the Company has failed to cure such breach to the reasonable satisfaction of Executive within thirty (30) days following the delivery of such notice and (B) within the ninety (90) day period immediately following an action described in clauses (A)(1) through (4), Executive elects to terminate his employment voluntarily.

(e) Change in Control. A "Change in Control" shall be deemed to have occurred if:

(i) any "Person," as such term is used for purposes of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or (iii) any company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company), becomes the "Beneficial Owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing (A) in the case of any Person filing as a "passive investor" on Schedule 13G under the Exchange Act, 25% or more of the combined voting power of the Company's then-outstanding securities (but only for so long as such Person continues to report as a 13G passive investor), and (B) in the case of any Person not filing or no longer filing as a 13G passive investor, 20% or more of the combined voting power of the Company's then-outstanding securities;

(ii) during any period of twenty-four months (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than (i) a director nominated by a Person who has entered into an agreement with the Company to effect a transaction described in Section (8)(e)(i), (iii) or (iv) hereof, (ii) a director nominated by any Person (including the Company) who publicly announces an intention to take or to consider taking actions (including, but not limited to, an actual or threatened proxy contest) which if consummated would constitute a Change in Control or (iii) a director nominated by any Person who is the Beneficial Owner, directly or indirectly, of securities of the Company representing 10% or more of the combined voting power of the Company's securities) whose election by the Board or nomination for election by the Company's stockholders was approved in advance by a vote of at least two-thirds (2/3) of the directors then still in office who

either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;

(iii) the stockholders of the Company approve any transaction or series of transactions under which the Company is merged or consolidated with any other company, other than a merger or consolidation (A) which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 66 2/3% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation and (B) after which no Person holds 20% or more of the combined voting power of the then-outstanding securities of the Company or such surviving entity;

(iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; or

(v) the Board adopts a resolution to the effect that, for purposes of this Agreement, a Change in Control has occurred.

Notwithstanding the foregoing definition of "Change in Control," Executive acknowledges and agrees that the issuance of Class A Common Stock by the Company upon conversion of certain notes issued by the Company to Silver Lake Partners, L.P. and affiliates pursuant to that certain Securities Purchase Agreement dated as of March 21, 2000 shall not, in and of itself, constitute a Change in Control for purposes of this Agreement, it being understood that if such conversion, when combined with any other event, meets the criteria described in any of clauses (i) through (v) above, then such combination of events shall constitute a Change in Control for purposes of this Agreement.

9. Confidential Information.

(a) Executive acknowledges that the Confidential Information (as defined below) relating to the business of the Company and its subsidiaries which Executive has obtained or will obtain during the course of his association with the Company and subsidiaries and his performance under this Agreement are the property of the Company and its subsidiaries. Executive agrees that he will not disclose or use at any time, either during or after the Employment period, any Confidential Information without the written consent of the Board of Directors of the Company, other than proper disclosure or use in the performance of his duties hereunder. Executive agrees to deliver to the Company at the end of the Employment Term, or at any other time that the Company may request, all memoranda, notes, plans, records, documentation and other materials (and copies thereof) containing Confidential Information relating to the business of the Company and its subsidiaries, no matter where such material is located and no matter what form the material may be in, which Executive may then possess or have under his control. If requested by the Company, Executive shall provide to the Company written confirmation that all such materials have been delivered to the

Company or have been destroyed. Executive shall take all appropriate steps to safeguard Confidential Information and to protect it against disclosure, misuse, espionage, loss and theft.

(b) "Confidential Information" shall mean information which is not generally known to the public and which is used, developed, or obtained by the Company or its subsidiaries relating to the businesses of any of the Company and its subsidiaries or the business of any customer thereof including, but not limited to: products or services; fees, costs and pricing structure; designs; analyses; formulae; drawings; photographs; reports; computer software, including operating systems, applications, program listings, flow charts, manuals and documentation; databases; accounting and business methods; inventions and new developments and methods, whether patentable or unpatentable and whether or not reduced to practice; all copyrightable works; the customers of any of the Company and its subsidiaries and the Confidential Information of any customer thereof; and all similar and related information in whatever form. Confidential Information shall not include any information which (i) was rightfully known by Executive prior to the Employment Term; (ii) is publicly disclosed by law or in response to an order of a court or governmental agency; (iii) becomes publicly available through no fault of Executive or (iv) has been published in a form generally available to the public prior to the date upon which Executive proposes to disclose such information. Information shall not be deemed to have been published merely because individual portions of the information have been separately published, but only if all the material features comprising such information have been published in combination.

10. Inventions and Patents. In the event that Executive, as a part of Executive's activities on behalf of the Company, generates, authors or contributes to any invention, new development or method, whether or not patentable and whether or not reduced to practice, any copyrightable work, any trade secret, any other Confidential Information, or any information that gives any of the Company and its subsidiaries an advantage over any competitor, or similar or related developments or information related to the present or future business of any of the Company and its subsidiaries (collectively "Developments and Information"), Executive acknowledges that all Developments and Information are the exclusive property of the Company. Executive hereby assigns to the Company, its nominees, successors or assigns, all rights, title and interest to Developments and Information. Executive shall cooperate with the Company's Board of Directors to protect the interests of the Company and its subsidiaries in Developments and Information. Executive shall execute and file any document related to any Developments and Information requested by the Company's Board of Directors including applications, powers of attorney, assignments or other instruments which the Company's Board of Directors deems necessary to apply for any patent, copyright or other proprietary right in any and all countries or to convey any right, title or interest therein to any of the Company's nominees, successors or assigns.

11. No Conflicts.

(a) Executive agrees that in his individual capacity he will not enter into any agreement, arrangement or understanding, whether written or oral, with any supplier, contractor, distributor, wholesaler, sales representative, representative group or customer, relating to the business of the Company or any of its subsidiaries, without the express written consent of the Board of Directors of the Company.

(b) As long as Executive is employed by the Company or any of its subsidiaries, Executive agrees that he will not, except with the express written consent of the Board of Directors of the Company, become engaged in, render services for, or permit his name to be used in connection with, any for-profit business other than the business of the Company, any of its subsidiaries or any corporation or partnership in which the Company or any of its subsidiaries have an equity interest.

12. Non-Competition Agreement.

(a) Executive acknowledges that his services are of a special, unique and extraordinary value to the Company and that he has access to the Company's trade secrets, Confidential Information and strategic plans of the most valuable nature. Accordingly, Executive agrees that for the period of two (2) years following the Termination Date, Executive shall not directly or indirectly own, manage, control, participate in, consult with, render services for, or in any manner engage in any business competing with the businesses of the Company or any of its subsidiaries as such businesses exist or are in process of development on the Termination Date (as evidenced by written proposals, market research or similar materials), including without limitation the publication of periodic research and analysis of the information technology industries. Nothing herein shall prohibit Executive from being a passive owner of not more than 1% of the outstanding stock of any class of a corporation which is publicly traded, so long as Executive has no active participation in the business of such corporation.

(b) In addition, for a period of two (2) years commencing on the Termination Date, Executive shall not (i) directly or indirectly induce or attempt to induce any employee of the Company or any subsidiary (other than his own assistant) to leave the employ of the Company or such subsidiary, or in any way interfere with the relationship between the Company or any subsidiary and any employee thereof, (ii) hire directly or through another entity any person who was an employee of the Company or any subsidiary at any time during the then preceding 12 months, or (iii) directly or indirectly induce or attempt to induce any customer, supplier, licensee or other business relation of the Company or any subsidiary to cease doing business with the Company or such subsidiary, or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company or any subsidiary.

(c) Executive agrees that these restrictions on competition and solicitation shall be deemed to be a series of separate covenants not-to-compete and a series of separate non-solicitation covenants for each month within the specified periods, separate covenants not-to-compete and non-solicitation covenants for each state within the United States and each country in the world, and separate covenants not-to-compete for each area of competition. If any court of competent jurisdiction shall determine any of the foregoing covenants to be unenforceable with respect to the term thereof or the scope of the subject matter or geography covered thereby, such remaining covenants shall nonetheless be enforceable by such court against such other party or parties or upon such shorter term or within such lesser scope as may be determined by the court to be enforceable.

(d) Because Executive's services are unique and because Executive has access to Confidential Information and strategic plans of the Company of the most valuable nature, the parties

agree that the covenants contained in this Section 12 are necessary to protect the value of the business of the Company and that a breach of any such covenant would result in irreparable and continuing damage for which there would be no adequate remedy at law. The parties agree therefore that in the event of a breach or threatened breach of this Agreement, the Company or its successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions hereof.

13. Miscellaneous Provisions.

(a) Notice. Notices and all other communications contemplated by this Agreement shall be in writing, shall be effective when given, and in any event shall be deemed to have been duly given (i) when delivered, if personally delivered, (ii) three (3) business days after deposit in the U.S. mail, if mailed by U.S. registered or certified mail, return receipt requested, or (iii) one (1) business day after the business day of deposit with Federal Express or similar overnight courier, if so delivered, freight prepaid. In the case of Executive, notices shall be addressed to him at the home address which he most recently communicated to the Company in writing. In the case of the Company, notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Corporate Secretary.

(b) Notice of Termination. Any termination by the Company or Executive shall be communicated by a notice of termination to the other party hereto given in accordance with paragraph (a) hereof. Such notice shall indicate the specific termination provision in this Agreement relied upon.

(c) Successors.

(i) Company's Successors. Any successor to the Company (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall be entitled to assume the rights and shall be obligated to assume the obligations of the Company under this Agreement and shall agree to perform the Company's obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in this subsection (i) or which becomes bound by the terms of this Agreement by operation of law.

(ii) Executive's Successors. The terms of this Agreement and all rights of Executive hereunder shall inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

(iii) No Other Assignment of Benefits. Except as provided in this Section 12(c), the rights of any person to payments or benefits under this Agreement shall not be made subject to option or assignment, either by voluntary or involuntary assignment or by operation of

law, including (without limitation) bankruptcy, garnishment, attachment or other creditor's process, and any action in violation of this subsection (iii) shall be void.

(d) Waiver. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(e) Entire Agreement. This Agreement shall supersede any and all prior agreements, representations or understandings (whether oral or written and whether express or implied) between the parties with respect to the subject matter hereof, including without limitation the Prior Agreement.

(f) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(g) Arbitration. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in New York, New York, in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction. No party shall be entitled to seek or be awarded punitive damages. All attorneys fees and costs shall be allocated or apportioned as agreed by the parties or, in the absence of an agreement, in such manner as the arbitrator or court shall determine to be appropriate to reflect the final decision of the deciding body as compared to the initial positions in arbitration of each party. This Agreement shall be construed in accordance with and governed by the laws of the State of New York as they apply to contracts entered into and wholly to be performed within such State by residents thereof.

(h) Employment Taxes. All payments made pursuant to this Agreement will be subject to withholding of applicable taxes.

(i) Indemnification. In the event Executive is made, or threatened to be made, a party to any legal action or proceeding, whether civil or criminal, by reason of the fact that Executive is or was a director or officer of the Company or serves or served any other entity of which the Company owns 50% or more of the equity in any capacity, Executive shall be indemnified by the Company, and the Company shall pay Executive's related expenses when and as incurred, all to the full extent permitted by law, pursuant to Executive's existing indemnification agreement with the Company in the form made available to all Executive and all other officers and directors or, if it provides greater protection to Executive, to the maximum extent allowed under the law of the State of the Company's incorporation.

(j) Legal Fees. The Company will pay directly the fees and expenses of counsel retained by Executive in connection with the preparation, negotiation and execution of this Agreement.

(k) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

GARTNER, INC.

By:

William O. Grabe, Chairman,
Compensation Committee of Board of Directors

MICHAEL D. FLEISHER

08/01/02

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is entered into on 10/5, 2002, effective as of September 23, 2002, by and between Maureen O'Connell, an individual ("Executive") and Gartner, Inc., a Delaware corporation (the "Company").

RECITALS

A. The Company and the Executive desire to set forth their agreement pursuant to which the Executive will become the Chief Financial and Administrative Officer of the Company effective September 23, 2002, and to provide for Executive's employment by the Company upon the terms and conditions set forth herein.

AGREEMENT

THEREFORE, in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

1. Employment. Executive will serve as Executive Vice President and Chief Financial and Administrative Officer of the Company for the Employment Term specified in Section 2 below. Executive will report solely to the Chairman and Chief Executive Officer of the Company, and will render such services consistent with the foregoing role as the Chairman and Chief Executive Officer or Board of Directors may from time to time direct. Executive's office shall be located at the executive offices of the Company in Stamford, Connecticut. Executive may (i) serve on corporate, civic or charitable boards or committees and (ii) deliver lectures, fulfill speaking engagements or teach at educational institutions, to the extent consistent with the Company's policies (as applicable) or are disclosed to the Chief Executive Officer and the Chief Executive Officer determines in good faith that such activities do not interfere with the performance of Executive's responsibilities hereunder. Company acknowledges and agrees that Executive is and may continue to serve as Director of Beazer Homes USA (NYSE; BZH), a corporation in the business of residential construction.

2. Term. The employment of Executive pursuant to this Agreement shall continue through September 30, 2005 (the "Employment Term"), unless extended or earlier terminated as provided in this Agreement. The Employment Term shall automatically be extended for additional one-year periods commencing on October 1, 2005 and continuing each year thereafter, unless either Executive or the Company gives the other written notice, in accordance with Section 12(a) and at least 90 days prior to the then scheduled expiration of the Employment Term, of such party's intention not to extend the Employment Term.

3. Salary. As compensation for the services rendered by Executive under this Agreement, the Company shall pay to Executive a base salary initially equal to \$41,666.68 per month ("Base Salary") for fiscal year 2003, payable to Executive in accordance with the Company's payroll practices in effect from time to time during the Employment Term. The Base Salary shall be subject to adjustment by the Board of Directors of the Company or the Compensation Committee of the Board of Directors, in the sole discretion of the Board or such Committee, on an annual basis;

provided, however, that Executive's salary may not be decreased other than any such reduction consistent with a general reduction of pay across the executive staff as a group, as an economic or strategic measure due to poor financial performance by the Company.

4. Bonus. In addition to her Base Salary, Executive shall be entitled to participate in the Company's executive bonus program. The annual target bonus shall be established by the Board or its Compensation Committee, in the discretion of the Board or such Committee, and shall be payable based on achievement of specified Company and individual objectives. Executive's target bonus for the fiscal year ending September 30, 2003 shall be \$400,000. Such bonus amounts shall be subject to annual adjustment by the Board or the Compensation Committee of the Board, in the sole discretion of the Board or such Committee, on an annual basis; provided, however, that Executive's target bonus may not be decreased without Executive's consent other than any such reduction consistent with a general reduction of pay across the executive staff as a group, as an economic or strategic measure due to poor financial performance by the Company. Executive will receive a one-time sign on bonus in the amount of \$400,000, payable within 30-days following the start of her employment.

5. Executive Benefits.

(a) Stock Options. Executive shall be granted options to purchase 650,000 shares of Class A Common Stock of the Company ("Stock") under the Company's 1994 and 1996 Stock Option Plans and/or the Company's 1998 Long Term Stock Option Plan and/or any future Stock Option Plans adopted by the Company and approved by shareholders (each, a "Plan"), at an exercise price equal to fair market value of the Stock on the start date of Executive's employment, determined as provided under the appropriate Plan. Such options shall vest 25% one year after grant and 1/36th per month thereafter, subject to continuous status as an employee or consultant (such that all the options subject to each grant shall have vested 4 years from the date of grant assuming continuous service); provided that vesting of all or a portion of such options shall accelerate upon certain events as described below.

(i) Shares issuable under each of the Plans have been registered on Form S-8 under the Securities Act of 1933, as amended or, as to each Plan, will be so registered no later than the earliest date on which an option under each Plan is granted to Executive.

(ii) In the event that during the Employment Term the Company should create a material spin-off entity in which the Company intends to offer an equity stake to third party investors or the public and in which executives or employees of the Company or such entity are to receive capital stock or options to purchase capital stock, then Executive shall be granted capital stock in such entity, or an option to purchase such capital stock, in such amounts as the Board of Directors of the Company or its Compensation Committee shall deem appropriate in connection with the formation or spin-off.

(b) Other Employee and Executive Benefits. Executive will be entitled to receive all benefits provided to senior executives, executives and employees of the Company generally from time to time, including medical, dental, 401k, life insurance and long-term disability, and the executive split-dollar life insurance and executive disability plan, in each case so long as and to the

extent the same exist; provided, that in respect to each such plan Executive is otherwise eligible and insurable in accordance with the terms of such plans. Executive will also be entitled to automobile benefits pursuant to the Company's policy as it exists from time to time. The Company shall, at all possible times, provide executive with thirty (30) days prior written notice of its intention to discontinue any benefits plan or policy.

(c) Paid Time Off. Holidays and Sabbatical. Executive shall be entitled to vacation and sick leave (collectively "PTO"), nine (9) holidays and sabbatical in accordance with the policies of the Company as they exist from time to time. Executive understands that under the current policy she is entitled to up to thirty-five (35) PTO days per calendar year. PTO which is not used during any calendar year will roll over to the following year only to the extent provided under the Company's PTO policies as they exist from time to time.

6. Severance Benefits.

(a) At Will Employment. Executive's employment shall be "at will." Either the Company or Executive may terminate this agreement and Executive's employment at any time, with or without Business Reasons (as defined in Section 7(a) below), in its or her sole discretion, upon thirty (30) days' prior written notice of termination.

(b) Involuntary Termination. If at any time during the term of this Agreement, other than following a Change in Control to which Section 6(c) applies, the Company terminates the employment of Executive involuntarily and without Business Reasons or a Constructive Termination occurs, or if the Company elects not to renew this Agreement upon the expiration of the Employment Term, then Executive shall be entitled to receive the following: (i) salary and PTO days accrued through the Termination Date, plus continued salary for a period of two (2) years following the Termination Date (the "Severance Period"), payable in accordance with the Company's regular payroll schedule as in effect from time to time, (ii) any unpaid bonus from the fiscal year prior to the fiscal year in which the Termination Date occurred, payable concurrently with the Company's payment of bonuses for that year to other Company executives, (iii) target bonus for the year in which the Termination Date occurs, target bonus for the next following fiscal year, and a pro rated portion of target bonus for the balance of the Severance Period (or, if the target bonus for a fiscal year within the Severance Period was not previously set, then such calculation shall be based on Executive's target bonus for the fiscal year in which the Termination Date occurred), payable concurrently with the Company's payment of bonuses for those years to other Company executives (iv) continued vesting during the Severance Period of all outstanding stock options, TARPs and other equity arrangements subject to vesting and held by Executive (and in this regard, all such options and other exercisable rights held by Executive shall remain exercisable for one year following the Severance Period), (v) (A) for two (2) years following the Termination Date (or until Executive obtains other employment, whichever first occurs), continuation of group health benefits at the Company's cost pursuant to the Company's standard programs as in effect from time to time (or at the Company's election substantially similar health benefits as in effect at the Termination Date, through a third party carrier) for Executive, her spouse and any children, and (B) thereafter, to the extent COBRA shall be applicable to the Company, continuation of health benefits for such persons at Executive's cost, for a period of 18 months or such longer period as may be applicable under the Company's policies then in effect, provided the Executive makes the appropriate election

and payments, (vii) reasonable office support for one year following the Termination Date (or until Executive obtains other employment, whichever first occurs), and (viii) no other compensation, severance or other benefits, except only that this provision shall not limit any benefits otherwise available to Executive under Section 6(c) in the case of a termination following a Change in Control.

(c) Notwithstanding the foregoing, however, the Company shall not be required to continue to pay the bonus specified in clause (iii) hereof for any period following the Termination Date if Executive violates the noncompetition agreement set forth in Section II.

(d) Change in Control.

(i) Benefits. If during the term of this Agreement a "Change in Control" occurs (as defined below), then Executive shall be entitled to receive the following: (i) salary and PTO days accrued through the date of the Change in Control plus an amount equal to three (3) years of Executive's salary as then in effect, payable immediately upon the Change in Control, (ii) an amount equal to three times Executive's target bonus for the fiscal year in which the Change in Control occurs (as well as any unpaid bonus from the prior fiscal year), all payable immediately upon the Change in Control, (iii) acceleration in full of vesting of all outstanding stock options, TARPs and other equity arrangements subject to vesting and held by Executive (and in this regard, all such options and other exercisable rights held by Executive shall remain exercisable one year following the date of the Change in Control or until Termination following a Change in Control, whichever is later) (iv) (A) for at least three (3) years following the date of the Change in Control (even if Executive ceases employment), continuation of group health benefits at the Company's cost pursuant to the Company's standard programs as in effect from time to time (or at the Company's election substantially similar health benefits as in effect at the Termination Date (if applicable), through a third party carrier) for Executive, her spouse and any children, and (B) thereafter, to the extent COBRA shall be applicable, continuation of health benefits for such persons at Executive's cost, for a period of 18 months or such longer period as may be applicable under the Company's policies then in effect, provided the Executive makes the appropriate election and payments, and (v) no other compensation, severance or other benefits.

(ii) Additional Payments by the Company.

A. If it is determined (as hereafter provided) that any payment or distribution by the Company to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement, including without limitation any stock option, stock appreciation right or similar right, or the lapse or termination of any restriction on or the vesting or exercisability of any of the foregoing (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Code (or any successor provision thereto) or to any similar tax imposed by state or local law, or any interest or penalties with respect to such excise tax (such tax or taxes, together with any such interest and penalties, are hereafter collectively referred to as the "Excise Tax"), then Executive will be entitled to receive an additional payment or payments (a "Gross-Up Payment") in an amount such that, after payment by Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax, imposed upon

the Gross-Up Payment, Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

B. Subject to the provisions of clause F below, all determinations required to be made under this Section 6(c)(ii), including whether an Excise Tax is payable by Executive and the amount of such Excise Tax and whether a Gross-Up Payment is required and the amount of such Gross-Up Payment, will be made by the Company's independent certified public accountants prior to the Change in Control (the "Accounting Firm"). The Company will direct the Accounting Firm to submit its written determination and detailed supporting calculations to both the Company and Executive within 15 calendar days after the date of the Change in Control or the date of Executive's termination of employment, if applicable, and any other such time or times as may be requested by the Company or Executive. If the Accounting Firm determines that any Excise Tax is payable by Executive, the Company will pay the required Gross-Up Payment to Executive within five business days after receipt of such determination and calculations. If the Accounting Firm determines that no Excise Tax is payable by Executive, it will, at the same time as it makes such determination, furnish Executive with a written opinion that she has substantial authority not to report any Excise Tax on her federal, state, local income or other tax return. Any determination by the Accounting Firm as to the amount of the Gross-Up Payment will be binding upon the Company and Executive. As a result of the uncertainty in the application of Section 4999 of the Code (or any successor provision thereto) and the possibility of similar uncertainty regarding applicable state or local tax law at the time of any determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made (an "Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts or falls to pursue its remedies pursuant to clause F below and Executive thereafter is required to make a payment of any Excise Tax, the Company or Executive may direct the Accounting Firm to determine the amount of the Underpayment that has occurred and to submit its determination and detailed supporting calculations to both the Company and Executive as promptly as possible. Any such Underpayment will be promptly paid by the Company to, or for the benefit of, Executive within twenty days after receipt of such determination and calculations.

C. The Company and Executive will each provide the Accounting Firm access to and copies of any books, records and documents in the possession of the Company or Executive, as the case may be, reasonably requested by the Accounting Firm, and otherwise cooperate with the Accounting Firm in connection with the preparation and issuance of the determination contemplated by clause B above.

D. The federal, state and local income or other tax returns filed by Executive will be prepared and filed on a consistent basis with the determination of the Accounting Firm with respect to the Excise Tax payable by Executive. Executive will make proper payment of the amount of any Excise Tax, and at the request of the Company, provide to the Company true and correct copies (with any amendments) of her federal income tax return as filed with the Internal Revenue Service and corresponding state and local tax returns, if relevant, as filed with the applicable taxing authority, and such other documents reasonably requested by the Company, evidencing such payment. If prior to the filing of Executive's federal income tax return, or corresponding state or local tax return, if relevant, the Accounting Firm determines that the amount

of the Gross-Up Payment should be reduced, Executive will within twenty days thereafter pay to the Company the amount of such reduction.

E. The fees and expenses of the Accounting Firm for its services in connection with the determinations and calculations contemplated by clauses B and D above will be borne by the Company. If such fees and expenses are initially advanced by Executive, the Company will reimburse Executive the full amount of such fees and expenses within twenty days after receipt from Executive of a statement therefor and reasonable evidence of her payment thereof.

F. Executive will notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of a Gross-Up Payment. Such notification will be given as promptly as practicable but no later than 10 business days after Executive actually receives notice of such claim and Executive will further apprise the Company of the nature of such claim and the date on which such claim is requested to be paid (in each case, to the extent known by Executive). Executive will not pay such claim prior to the earlier of (i) the expiration of the 30-calendar-day period following the date on which she gives such notice to the Company and (ii) the date that any payment of amount with respect to such claim is due without penalty. If the Company notifies Executive in writing prior to the expiration of such period that it desires to contest such claim, Executive will:

(i) provide the Company with any written records or documents in her possession relating to such claim reasonably requested by the Company;

(ii) take such action in connection with contesting such claim as the Company will reasonably request in writing from time to time, including without limitation accepting legal representation with respect to such claim by an attorney competent in respect of the subject matter and reasonably selected and paid for by the Company;

(iii) cooperate with the Company in good faith in order effectively to contest such claim; and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company will bear and pay directly all costs and expenses (including interest and penalties) incurred in connection with such contest and will indemnify and hold harmless Executive, on an after-tax basis, for and against any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Without limiting the foregoing provisions of this clause F, the Company will control all proceedings taken in connection with the contest of any claim contemplated by this clause F and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim (provided that Executive may participate therein at her own cost and expense) and may, at its option, either direct Executive to pay the tax claimed and sue for a refund or contest the claim in any

permissible manner, and Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company will determine; provided, however, that if the Company directs Executive to pay the tax claimed and sue for a refund, the Company will advance the amount of such payment to Executive on an interest-free basis and will indemnify and hold Executive harmless, on an after-tax basis, from any Excise Tax or income tax, including interest or penalties with respect thereto, imposed with respect to such advance; and provided further, however, that any extension of the statute of limitations relating to payment of taxes for the taxable year of Executive with respect to which the contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of any such contested claim will be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and Executive will be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

G. If, after the receipt by Executive of an amount advanced by the Company pursuant to clause F above, Executive receives any refund with respect to such claim, Executive will (subject to the Company's complying with the requirements of clause F above) within twenty days thereafter pay to the Company the amount of such refund (together with any interest paid or credited thereon after any taxes applicable thereto). If, after the receipt by Executive of an amount advanced by the Company pursuant to clause F above, a determination is made that Executive will not be entitled to any refund with respect to such claim and the Company does not notify Executive in writing of its intent to contest such denial or refund prior to the expiration of 30 days after such determination, then such advance will be forgiven and will not be required to be repaid and the amount of such advance will offset, to the extent thereof, the amount of Gross-Up Payment required to be paid pursuant to this Section 6(c)(ii).

(e) Termination for Disability. If at any time during the term of this Agreement other than following a Change in Control to which Section 6(c) applies Executive shall become unable to perform her duties as an employee as a result of incapacity, which gives rise to termination of employment for Disability, then Executive shall be entitled to receive the following: (i) salary and PTO days accrued through the Termination Date plus continued salary for a period of three (3) years following the Termination Date, payable in accordance with the Company's regular payroll schedule as in effect from time to time, (ii) at the Termination Date, 100% of Executive's target bonus for the fiscal year in which the Termination Date occurs (plus any unpaid bonus from the prior fiscal year), (iii) following the end of the fiscal year in which the Termination Date occurs and management bonuses have been determined, any bonus that would have been payable to Executive under the bonus plan in excess of Executive's target bonus, (iv) acceleration in full of vesting of all outstanding stock options held by Executive (and in this regard, all such options and other exercisable rights held by Executive shall remain exercisable for one year following the Termination Date), (v) (A) for three (3) years following the Termination Date, continuation of group health benefits at the Company's cost pursuant to the Company's standard programs as in effect from time to time (or at the Company's election substantially similar health benefits as in effect at the Termination Date, through a third party carrier) for Executive, her spouse and any children, and (B) thereafter, to the extent COBRA shall be applicable to the Company, continuation of health benefits for such persons at Executive's cost, for a period of 18 months or such longer period as may be applicable under the Company's policies then in effect, provided the Executive makes the

appropriate election and payments, and (vi) no other compensation, severance or other benefits, except only that this provision shall not limit any benefits otherwise available to Executive under Section 6(c) in the case of a termination following a Change in Control, nor shall this provision limit any benefits available under long-term disability and executive disability plans maintained by the Company. Notwithstanding the foregoing, however, the Company may deduct from the salary specified in clause (i) hereof the amount of any payments then received by Executive under any disability benefit program maintained by the Company.

(f) Voluntary Termination, Involuntary Termination for Business Reasons or Termination following a Change in Control. If (A) Executive voluntarily terminates her employment (other than in the case of a Constructive Termination), (B) Executive is terminated involuntarily for Business Reasons, or (C) Executive is terminated involuntarily, is terminated in a Constructive Termination or is terminated upon the Disability of Executive, in any such case following a Change in Control to which Section 6(c) applies, then in any such event Executive or her representatives shall be entitled to receive the following: (i) salary and accrued PTO days through the Termination Date only, (ii) the right to exercise all stock options held by Executive for thirty (30) days following the Termination Date (or such longer period as may be provided in paragraph (b), (c), (d) or (f) of this Section 6 or in the applicable stock option plan or agreement), but only to the extent vested as of the Termination Date, (iii) to the extent COBRA shall be applicable to the Company, continuation of group health plan benefits pursuant to the Company's standard programs as in effect from time to time (or at the Company's election continuation by the Company of substantially similar group health benefits as in effect at the Termination Date, through a third party carrier), for Executive, her spouse and any children, for a period of 18 months (or such longer period as may be applicable under the Company's policies then in effect) following the end of group health benefits provided in accordance with Section 6(c)(i) provided Executive makes the appropriate election and payments, and (iv) no further severance, benefits or other compensation, except only that this provision shall not limit any benefits otherwise available to Executive under Section 6(c) in the case of a termination following a Change in Control.

(g) Termination Upon Death. If Executive's employment is terminated because of death, then Executive's representatives shall be entitled to receive the following: (i) salary and PTO days accrued through the Termination Date, (ii) a pro rata share of Executive's target bonus for the year in which death occurs, based on the proportion of the fiscal year during which Executive remained an Employee of the Company (plus any unpaid bonus from the prior fiscal year), (iii) except in the case of any such termination following a Change in Control to which Section 6(c) applies, acceleration in full of vesting of all outstanding stock options, TARPs and other equity arrangements subject to vesting and held by Executive (and in this regard, all such options and other exercisable rights held by Executive shall remain exercisable for one year following the Termination Date), (iv) to the extent COBRA shall be applicable to the Company, continuation of group health benefits pursuant to the Company's standard programs as in effect from time to time (or at the Company's election continuation by the Company of substantially similar group health benefits as in effect at the Termination Date, through a third party carrier), for Executive's spouse and any children for a period of 18 months (or such longer period as may be applicable under the Company's policies then in effect) provided Executive's estate makes the appropriate election and payments, (v) any benefits payable to Executive or her representatives upon death under insurance or other programs maintained by the Company for the benefit of the Executive, and (vi) no further benefits or other

compensation, except only that this provision shall not limit any benefits otherwise available to Executive under Section 6(c) in the case of a termination following a Change in Control.

(h) Exclusivity. The provisions of this Section 6 are intended to be and are exclusive and in lieu of any other rights or remedies to which Executive or the Company may otherwise be entitled, either at law, tort or contract, in equity, or under this Agreement, in the event of any termination of Executive's employment other than a termination, constructive or otherwise of Executive's employment in violation of Title VII of the Civil Rights Act of 1964, as amended, the 1991 Civil Rights Act, 42 U.S.C. Section 1981, the Equal Pay Act, the Americans With Disabilities Act, the Fair Labor Standards Act, the Age Discrimination in Employment Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act of 1974, the New York City Human Rights Laws or any other like federal, state or other governmental civil rights statute, regulation or ordinance (collectively "Civil Rights Violations"). Where the termination of Executive does not arise from or result from Civil Rights Violations, Executive's sole remedies shall be the benefits, compensation or other payments or rights upon termination of employment expressly set forth in subparagraphs (b), (c), (d), (e) or (f) of this Section 6, whichever shall be applicable and those benefits required to be provided by law.

7. Definition of Terms. The following terms referred to in this Agreement shall have the following meanings:

(a) Business Reasons. "Business Reasons" means (i) gross negligence, willful misconduct or other willful malfeasance by Executive in the performance of her duties, (ii) Executive's conviction of a felony, or an other criminal offense involving moral turpitude, (iii) Executive's material breach of this Agreement, including without limitation any repeated breach of Sections 8 through 11 hereof, provided that, in the case of any such breach, the Board provides written notice of breach to the Executive, specifically identifying the manner in which the Board believes that Executive has materially breached this Agreement, and Executive shall have the opportunity to cure such breach to the reasonable satisfaction of the Board within thirty (30) days following the delivery of such notice. For purpose of this paragraph, no act or failure to act by Executive shall be considered "willful" unless done or omitted to be done by Executive in bad faith or without reasonable belief that Executive's action or omission was in the best interests of the Company or its affiliates. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by Executive in good faith and in the best interests of the Company. The Board must notify Executive of any event constituting Business Reasons within ninety (90) days following the Board's actual knowledge of its existence (which period shall be extended during the period of any reasonable investigation conducted in good faith by or on behalf of the Board) or such event shall not constitute Business Reasons under this Agreement.

(b) Disability. "Disability" shall mean that Executive has been unable to perform her duties as an employee as the result of her incapacity due to physical or mental illness, and such inability, at least 26 weeks after its commencement, is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to Executive or Executive's legal representative (such Agreement as to acceptability not to be unreasonably withheld). Termination

resulting from Disability may only be effected after at least sixty (60) days prior written notice by the Company after a disability determination has been made of its intention to terminate Executive's employment. In the event that Executive resumes the performance of substantially all of her duties hereunder before the termination of her employment becomes effective, the notice of intent to terminate shall automatically be deemed to have been revoked.

(c) Termination Date. "Termination Date" shall mean (i) if this Agreement is terminated on account of death, the date of death; (ii) if this Agreement is terminated for Disability, the date specified in Section 7(b); (iii) if this Agreement is terminated by the Company, the date on which indicated in a notice of termination is given to Executive by the Company in accordance with Sections 6(a) and 12(a); (iv) if the Agreement is terminated by Executive, the date indicated in a notice of termination given to the Company by Executive in accordance with Sections 6(a) and 12(a); or (v) if this Agreement expires by its terms, then the last day of the term of this Agreement.

(d) Constructive Termination. A "Constructive Termination" shall be deemed to occur if (A) (1) Executive's position changes as a result of an action by the Company such that (w) Executive shall no longer be Chief Financial and Administrative Officer of the Company, (x) Executive shall have duties and responsibilities demonstrably less than those typically associated with a Chief Financial and Administrative Officer, or (y) Executive shall no longer report directly to the Company's Chief Executive Officer; provided that if the Board of Directors of the Company determines by unanimous vote of all directors that it is required either by law or by rule of any exchange or listing entity whose rules must be complied with in order for the Company to maintain such listing that Executive not be Chief Financial Officer, then the involuntary removal of Executive from the position of Chief Financial Officer will not, in and of itself, constitute a Constructive Termination under this clause (A)(1)(y)), (2) Executive is required to relocate her place of employment, other than a relocation within fifty (50) miles of Executive's current residence or the Company's current Stamford headquarters, (3) there is a reduction in Executive's base salary or target bonus other than any such reduction consistent with a general reduction of pay across the executive staff as a group, as an economic or strategic measure due to poor financial performance by the Company, or (4) there occurs any other material breach of this Agreement by the Company (other than a reduction of Executive's base salary or target bonus which is not described in the preceding clause (3)); after a written demand for substantial performance is delivered to the Board by Executive which specifically identifies the manner in which Executive believes that the Company has materially breached this Agreement, and the Company has failed to cure such breach to the reasonable satisfaction of Executive within thirty (30) days following the delivery of such notice and (B) within the ninety (90) day period immediately following an action described in clauses (A)(1) through (4), Executive elects to terminate her employment voluntarily.

(e) Change in Control. A "Change in Control" shall be deemed to have occurred if:

(i) any "Person," as such term is used for purposes of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or (iii) any company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company), becomes the

"Beneficial Owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing (A) in the case of any Person filing as a "passive investor" on Schedule 13G under the Exchange Act, 25% or more of the combined voting power of the Company's then-outstanding securities (but only for so long as such Person continues to report as a 13G passive investor), and (B) in the case of any Person not filing or no longer filing as a 13G passive investor, 20% or more of the combined voting power of the Company's then-outstanding securities;

(ii) during any period of twenty-four months (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than (i) a director nominated by a Person who has entered into an agreement with the Company to effect a transaction described in Section 7(e)(i), (iii) or (iv) hereof, (ii) a director nominated by any Person (including the Company) who publicly announces an intention to take or to consider taking actions (including, but not limited to, an actual or threatened proxy contest) which if consummated would constitute a Change in Control or (iii) a director nominated by any Person who is the Beneficial Owner, directly or indirectly, of securities of the Company representing 10% or more of the combined voting power of the Company's securities) whose election by the Board or nomination for election by the Company's stockholders was approved in advance by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;

(iii) the stockholders of the Company approve any transaction or series of transactions under which the Company is merged or consolidated with any other company, other than a merger or consolidation (A) which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 66 2/3% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation and (B) after which no Person holds 20% or more of the combined voting power of the then-outstanding securities of the Company or such surviving entity;

(iv) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; or

(v) the Board adopts a resolution to the effect that, for purposes of this Agreement, a Change in Control has occurred.

Notwithstanding the foregoing definition of "Change in Control," Executive acknowledges and agrees that the issuance of Class A Common Stock by the Company upon conversion of certain notes issued by the Company to Silver Lake Partners, L.P. and affiliates pursuant to that certain Securities Purchase Agreement dated as of March 21, 2000 shall not, in and of itself, constitute a Change in Control for purposes of this Agreement, it being understood that if such conversion, when combined with any other event, meets the criteria described in any of clauses (i) through (v) above, then such combination of events shall constitute a Change in Control for purposes of this Agreement.

8. Confidential Information.

(a) Executive acknowledges that the Confidential Information (as defined below) relating to the business of the Company and its subsidiaries which Executive has obtained or will obtain during the course of her employment with the Company and subsidiaries and her performance under this Agreement are the property of the Company and its subsidiaries. Executive agrees that she will not disclose or use at any time, either during or after the Employment period, any Confidential Information without the written consent of the Board of Directors of the Company, other than proper disclosure or use in the performance of her duties hereunder or as otherwise required by law. Executive agrees to deliver to the Company at the end of the Employment Term, or at any other time that the Company may request, all memoranda, notes, plans, records, documentation and other materials (and copies thereof) containing Confidential Information relating to the business of the Company and its subsidiaries, no matter where such material is located and no matter what form the material may be in, which Executive may then possess or have under her control. If requested by the Company, Executive shall provide to the Company written confirmation that all such materials have been delivered to the Company or have been destroyed. Executive shall take all appropriate steps to safeguard Confidential Information and to protect it against disclosure, misuse, espionage, loss and theft.

(b) "Confidential Information" shall mean information which is not generally known to the public and which is used, developed, or obtained by the Company or its subsidiaries relating to the businesses of any of the Company and its subsidiaries or the business of any customer thereof including, but not limited to: products or services; fees, costs and pricing structure; designs; analyses; formulae; drawings; photographs; reports; computer software, including operating systems, applications, program listings, flow charts, manuals and documentation; databases; accounting and business methods; inventions and new developments and methods, whether patentable or unpatentable and whether or not reduced to practice; all copyrightable works; the customers of any of the Company and its subsidiaries and the Confidential Information of any customer thereof; and all similar and related information in whatever form. Confidential Information shall not include any information which (i) was rightfully known by Executive prior to the Employment Term; (ii) is publicly disclosed by law or in response to an order of a court or governmental agency; (iii) becomes publicly available through no fault of Executive or by other Company employees without Executive's knowledge; (iv) has been published in a form generally available to the public prior to the date upon which Executive proposes to disclose such information. Information shall not be deemed to have been published merely because individual portions of the information have been separately published, but only if all the material features comprising such information have been published in combination.

9. Inventions and Patents. In the event that Executive, as a part of Executive's activities on behalf of the Company, generates, authors or contributes to any invention, new development or method, whether or not patentable and whether or not reduced to practice, any copyrightable work, any trade secret, any other Confidential Information, or any information that gives any of the Company and its subsidiaries an advantage over any competitor, or similar or related developments or information related to the present or future business of any of the Company and its subsidiaries

(collectively "Developments and Information"), Executive acknowledges that all Developments and Information are the exclusive property of the Company. Executive hereby assigns to the Company, its nominees, successors or assigns, all rights, title and interest to Developments and Information. Executive shall cooperate with the Company's Board of Directors to protect the interests of the Company and its subsidiaries in Developments and Information. Executive shall execute and file any document related to any Developments and Information requested by the Company's Board of Directors including applications, powers of attorney, assignments or other instruments which the Company's Board of Directors deems necessary to apply for any patent, copyright or other proprietary right in any and all countries or to convey any right, title or interest therein to any of the Company's nominees, successors or assigns.

10. No Conflicts.

(a) Executive agrees that in her individual capacity as long as she is employed by the Company she will not enter into any agreement, arrangement or understanding, whether written or oral, with any supplier, contractor, distributor, wholesaler, sales representative, representative group or customer, relating to the business of the Company or any of its subsidiaries, without the express written consent of the Board of Directors of the Company.

(b) Except as provided for in Section 1, as long as Executive is employed by the Company or any of its subsidiaries, Executive agrees that she will not, except with the express written consent of the Board of Directors of the Company, which consent shall not be unreasonably withheld, become engaged in, render services for, or permit her name to be used in connection with, any for-profit business other than the business of the Company, any of its subsidiaries or any corporation or partnership in which the Company or any of its subsidiaries have an equity interest.

11. Non-Competition Agreement.

(a) Executive acknowledges that her services are of a special, unique and extraordinary value to the Company and that she has access to the Company's trade secrets, Confidential Information and strategic plans of the most valuable nature. Accordingly, Executive agrees that for the period of two (2) years following the Termination Date, Executive shall not directly or indirectly own, manage, control, participate in, consult with, render services for, or in any manner engage in any business competing with the businesses of the Company or any of its subsidiaries as such businesses exist or are in process of development on the Termination Date (as evidenced by written proposals, market research or similar materials), including without limitation the publication of periodic research and analysis of the information technology industries. Nothing herein shall prohibit Executive from being a passive owner of not more than 1% of the outstanding stock of any class of corporation which is publicly traded, so long as Executive has no active participation in the business of such corporation.

(b) In addition, for a period of two (2) years commencing on the Termination Date, Executive shall not (i) directly or indirectly induce or attempt to induce any employee of the Company or any subsidiary (other than her own assistant) to leave the employ of the Company or such subsidiary, or in any way interfere with the relationship between the Company or any subsidiary and any employee thereof, (ii) hire directly or through another entity any person who was

an employee of the Company or any subsidiary at any time during the then preceding 12 months, or (iii) directly or indirectly induce or attempt to induce any customer, supplier, licensee or other business relation of the Company or any subsidiary to cease doing business with the Company or such subsidiary, or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and the Company or any subsidiary.

(c) Executive agrees that these restrictions on competition and solicitation shall be deemed to be a series of separate covenants not-to-compete and a series of separate non-solicitation covenants for each month within the specified periods, separate covenants not-to-compete and non-solicitation covenants for each state within the United States and each country in the world, and separate covenants not-to-compete for each area of competition. If any court of competent jurisdiction shall determine any of the foregoing covenants to be unenforceable with respect to the term thereof or the scope of the subject matter or geography covered thereby, such remaining covenants shall nonetheless be enforceable by such court against such other party or parties or upon such shorter term or within such lesser scope as may be determined by the court to be enforceable.

(d) Because Executive's services are unique and because Executive has access to Confidential Information and strategic plans of the Company of the most valuable nature, the parties agree that the covenants contained in this Section 11 are necessary to protect the value of the business of the Company and that a breach of any such covenant would result in irreparable and continuing damage for which there would be no adequate remedy at law. The parties agree therefore that in the event of a breach or threatened breach of this Agreement, the Company or its successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions hereof.

12. Miscellaneous Provisions.

(a) Notice. Notices and all other communications contemplated by this Agreement shall be in writing, shall be effective when given, and in any event shall be deemed to have been duly given (i) when delivered, if personally delivered, (ii) if mailed by U.S. registered or certified mail, return receipt requested, upon receipt or (iii) one (1) business day after the business day of deposit with Federal Express or similar overnight courier, if so delivered, freight prepaid. In the case of Executive, notices shall be addressed to her at the home address from which she most recently communicated to the Company in writing. In the case of the Company, notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Corporate Secretary.

(b) Notice of Termination. Any termination by the Company or Executive shall be communicated by a notice of termination to the other party hereto given in accordance with paragraph (a) hereof. Such notice shall indicate the specific termination provision in this Agreement relied upon.

(c) Successors.

(i) Company's Successors. Company shall take all steps necessary to insure that any successor to the Company (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall be entitled to assume the rights and shall be obligated to assume the obligations of the Company under this Agreement and shall agree to perform the Company's obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in this subsection (i) or which becomes bound by the terms of this Agreement by operation of law.

(ii) Executive's Successors. The terms of this Agreement and all rights of Executive hereunder shall inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

(iii) No Other Assignment of Benefits. Except as provided in this Section 12(c), the rights of any person to payments or benefits under this Agreement shall not be made subject to option or assignment, either by voluntary or involuntary assignment or by operation of law, including (without limitation) bankruptcy, garnishment, attachment or other creditor's process, and any action in violation of this subsection (iii) shall be void.

(d) Waiver. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(e) Entire Agreement. This Agreement shall supersede any and all prior agreements, representations or understandings (whether oral or written and whether express or implied) between the parties with respect to the subject matter hereof, including without limitation the Prior Agreement.

(f) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(g) Arbitration. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in New York, New York, by a panel of three arbitrators in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction. All Costs associated with an arbitration shall be paid by the Company. Attorneys fees shall be allocated or apportioned as agreed by the parties or, in the absence of an agreement, in such manner as the arbitrator or court shall determine to be appropriate to reflect the final decision of the deciding body

as compared to the initial positions in arbitration of each party. This Agreement shall be construed in accordance with and governed by the laws of the State of New York as they apply to contracts entered into and wholly to be performed within such State by residents thereof.

(h) Employment Taxes. All payments made pursuant to this Agreement will be subject to withholding of applicable taxes.

(i) Indemnification. In the event Executive is made, or threatened to be made, a party to any legal action or proceeding, whether civil or criminal, by reason of the fact that Executive is or was a director or officer of the Company or serves or served any other entity of which the Company owns 50% or more of the equity in any capacity, Executive shall be indemnified by the Company for, from and against any and all claims, losses, damages, costs and expenses, including but not limited to attorneys' fees and costs of suit, and the Company shall pay Executive's related expenses when and as incurred, all to the full extent permitted by law, pursuant to Executive's existing indemnification agreement with the Company in the form made available to all Executive and all other officers and directors or, if it provides greater protection to Executive, to the maximum extent allowed under the law of the State of the Company's incorporation. The terms of this subparagraph (i) shall survive the termination of this Agreement.

(j) Legal Fees. The Company will pay directly the fees and expenses of counsel retained by Executive in connection with the preparation, negotiation and execution of this Agreement.

(k) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

GARTNER, INC.

By: /s/ MICHAEL D. FLEISHER

Michael D. Fleisher
Chairman of the Board and
Chief Executive Officer

MAUREEN O'CONNELL

/s/ MAUREEN O'CONNELL

0/10/02

SUBSIDIARIES OF REGISTRANT

EXHIBIT 21.1

SUBSIDIARIES
 OF REGISTRANT
 STATE/COUNTRY
 OF
 INCORPORATION
 Computer &
 Communications
 Information
 New Jersey
 Group, Inc.
 (dba Datapro
 Information
 Services)
 Computer
 Consultancy
 Group,
 Limited
 United
 Kingdom
 Computer
 Consultancy
 Group
 (Management)
 Limited
 United
 Kingdom
 Computer
 Financial
 Consultants,
 Inc. Delaware
 Computer
 Financial
 Consultants,
 Limited
 United
 Kingdom
 Computer
 Financial
 Consultants
 (Management)
 Limited
 United
 Kingdom
 Dataquest
 Australia
 Pty. Ltd.
 Australia
 Dataquest,
 Inc.
 California
 Decision
 Drivers, Inc.
 Delaware G.G.
 Canada, Inc.
 Delaware G.G.
 Credit, Inc.
 Delaware G.G.
 Global
 Holdings,
 Inc. Delaware
 G.G.
 Properties,
 Ltd. Bermuda
 G.G. West
 Corporation
 Delaware
 Gartner
 Advisory
 (Singapore)
 PTE ltd.
 Singapore
 Gartner
 Australasia
 Pty Ltd.
 Australia
 Gartner
 Belgium BVBA
 Belgium
 Gartner
 (Cambridge)
 Holdings,
 Inc. Delaware
 Gartner
 Canada Co.
 Nova Scotia
 Gartner
 Danmark ApS
 Denmark
 Gartner

Deutschland,
GmbH Germany
Gartner do
Brasil, S/C
Ltda. Brazil
Gartner
Enterprises,
Ltd. Delaware
Gartner
Europe
Holdings,
B.V. The
Netherlands
Gartner
Financial
Services
Company
Ireland
Gartner
France
S.A.R.L.
France
Gartner Fund
I, Inc.
Delaware
Gartner Fund
II, Inc.
Delaware
Gartner Group
Argentina,
S.A.
Argentina
Gartner Group
Austria GmbH
Austria
Gartner Group
Chile, S.A.
Chile Gartner
Group FSC,
Inc. Barbados
Gartner Group
Taiwan Ltd.
Taiwan
Gartner Group
(Thailand)
Ltd. Thailand
Gartner
Holdings
Ireland
Ireland
Gartner Hong
Kong, Ltd.
Hong Kong
Gartner India
Research &
Advisory
Services
Private
Limited India
Gartner
Investments
I, LLC
Delaware
Gartner
Investments
II, LLC
Delaware
Gartner
Ireland
Limited
Ireland
Gartner
Italia,
S.r.L. Italy
Gartner Japan
Ltd. Japan
Gartner
(Korea), Inc.
Delaware
Gartner
Mexico S. DE
R.L. DE C.V.
Mexico
Gartner
Nederland
B.V. The
Netherlands

Gartner Norge A/S
Gartner Shareholdings, Inc.
Gartner Sverige AB
Gartner Switzerland GmbH
Gartner UK Ltd.
Griggs-Anderson, Inc.
People3, Inc.
SI Venture Associates, L.L.C.
SI Venture Fund II, LP
The IT Management Programme Limited
The Research Board, Inc.
The Warner Group
Vision Events International, Inc.
Wentworth Research Limited

Norway
Delaware
Sweden
Switzerland
United Kingdom
Delaware
Delaware
Delaware
Delaware
United Kingdom
Delaware
California
Delaware
United Kingdom

INDEPENDENT AUDITORS' CONSENT

The Board of Directors and Stockholders
Gartner, Inc.:

We consent to the incorporation by reference in the registration statement (No. 333-76711) on Form S-3 and the registration statements (No. 33-67576, No. 33-85926, No. 33-92486, No. 333-35169, No. 333-42587, No. 333-77015, No. 333-77013, No. 333-30546, No. 333-97557 and No. 333-91256) on Form S-8 of Gartner, Inc. of our report dated October 29, 2002, with respect to the consolidated balance sheets of Gartner, Inc. and subsidiaries as of September 30, 2002 and 2001, and the related consolidated statements of operations, stockholders' equity (deficit) and comprehensive income (loss) and cash flows for each of the years in the three-year period ended September 30, 2002, and the related consolidated financial statement schedule, which reports appear in the September 30, 2002 Annual Report on Form 10-K of Gartner, Inc.

Our report contains an explanatory paragraph indicating that the Company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" in the year ended September 30, 2002.

/s/ KPMG LLP

New York, New York
December 27, 2002

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENT SCHEDULE

The Board of Directors and Stockholders
Gartner, Inc.:

Under date of October 29, 2002, we reported on the consolidated balance sheets of Gartner, Inc. and subsidiaries as of September 30, 2002 and 2001, and the related consolidated statements of operations, stockholders' equity (deficit) and comprehensive income (loss) and cash flows for each of the years in the three-year period ended September 30, 2002, which are included in the September 30, 2002 Annual Report on Form 10-K. Our report contains an explanatory paragraph indicating that the Company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" in the year ended September 30, 2002. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated financial statement schedule of Valuation and Qualifying Accounts in the Form 10-K. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement schedule based on our audits.

In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

/s/ KPMG LLP

New York, New York
October 29, 2002

9,119 130%
\$ -- \$
7,719 110%
\$ -- \$
7,000