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

SCHEDULE TO
TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934

ELITE INFORMATION GROUP, INC.
(Name of Subject Company)

GULF ACQUISITION CORP (OFFEROR)
THE THOMSON CORPORATION (PARENT)
(Names of Filing Persons (Offeror))

Common Stock, Par Value $0.01 Per Share
(Title of Class of Securities)

28659M106
(CUSIP Number of Class of Securities)

DEIRDRE STANLEY, ESQ.
THE THOMSON CORPORATION
METRO CENTER, ONE STATION PLACE
STAMFORD, CONNECTICUT 06902
TELEPHONE: (203) 969-8700
(Name, Address and Telephone Number of Persons Authorized to Receive Notices and Communications on Behalf of Filing Persons)

Copy to:

PETER A. ROONEY, ESQ.
SHEARMAN & STERLING
599 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022
TELEPHONE: (212) 848-4000

CALCULATION OF FILING FEE

TRANSACTION VALUATION*	AMOUNT OF FILING FEE**
$122,363,052.90	$9,899.17

* Estimated for purposes of calculating the amount of the filing fee only. Calculated by adding (i) the product of 7,890,600, which is the number of Shares outstanding as of April 4, 2003, and $14.00, which is the per Share tender offer price, and (ii) the product of 1,694,395, which is the number of Shares subject to options outstanding as of April 4, 2003 with an exercise price of less than $14.00, and $7.02, which is the difference between the $14.00 per Share tender offer price and the average weighted exercise price of the options, which is $6.98.

** Calculated by multiplying the transaction value by 0.00008090.

[ ] Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: ---------- Filing Party: ----------

Form or Registration No.: ---------- Date Filed: ----------

[ ] Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes to designate any transactions to which the statement relates:

[X] third-party tender offer subject to Rule 14d-1.

[ ] issuer tender offer subject to Rule 13e-4.

[ ] going-private transaction subject to Rule 13e-3.

[ ] amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: [ ]

This Tender Offer Statement on Schedule TO (this "Schedule TO") is filed by Gulf Acquisition Corp, a Delaware corporation ("Purchaser") and an indirect wholly-owned subsidiary of The Thomson Corporation, a corporation organized under the laws of Ontario, Canada ("Thomson"). This Schedule TO relates to the offer by Purchaser to purchase any and all of the outstanding shares of common stock, par value $0.01 per share (the "Shares"), of Elite Information Group, Inc., a Delaware corporation (the "Company"), at a purchase price of $14.00 per Share, net to the seller in cash, without interest, upon the terms and subject to the conditions described in the Offer to Purchase, dated April 11, 2003 (the "Offer to Purchase"), and in the related Letter of Transmittal, copies of which are attached hereto as Exhibits (a)(1) and (a)(2) (which, together with any amendments or supplements thereto, collectively constitute the "Offer"). The information set forth in the Offer to Purchase and the related Letter of Transmittal is incorporated herein by reference with respect to Items 1-9 and 11 of this Schedule TO. The Agreement and Plan of Merger, dated as of April 2, 2003, among Thomson, Purchaser and the Company, a copy of which is attached as Exhibit (d)(1) hereto, the Stockholders Agreement, dated as of April 2, 2003, among Thomson, Purchaser and each of PAR Investment Partners, L.P., Arthur G. Epker III, Christopher K. Poole, David A. Finley, Roger Noall, Alan Rich and William G. Seymour, a copy of which is attached as Exhibit (d)(2) hereto, the Employment Agreement, dated as of April 10, 2003, between the Company and Christopher K. Poole, a copy of which is attached as Exhibit (d)(3) hereto, and the Confidentiality Agreement, dated as of October 7, 2002, between the Company and Thomson, a copy of which is attached as Exhibit (d)(4) are incorporated by reference with respect to Items 5 and 11 of this Schedule TO.

ITEM 10. FINANCIAL STATEMENTS OF CERTAIN BIDDERS.

Not applicable.

ITEM 12. MATERIAL TO BE FILED AS EXHIBITS.

(a)(1) Offer to Purchase, dated April 11, 2003.

(a)(2) Form of Letter of Transmittal.

(a)(3) Form of Notice of Guaranteed Delivery.

(a)(4) Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.

(a)(5) Form of Letter from Brokers, Dealers, Commercial Banks, Trust Companies and Nominees to Clients.

(a)(6) Form of Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.

(a)(7) Summary Advertisement as published in The Wall Street Journal on April 11, 2003.

(a)(8) Joint Press Release issued by Thomson and the Company on April 3, 2003.*

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* Previously filed on April 3, 2003 with the Securities and Exchange Commission on Schedule TO-C by Purchaser and Thomson.

(a)(9)	Press Release issued by Thomson on April 11, 2003.
(d)(1)	Agreement and Plan of Merger, dated as of April 2, 2003, among Thomson, Purchaser and the Company.
(d)(2)	Stockholders Support Agreement, dated as of April 2, 2003, among Thomson, Purchaser and each of PAR Investment Partners, L.P., Arthur G. Epker III, Christopher K. Poole, David A. Finley, Roger Noall, Alan Rich and William G. Seymour.
(d)(3)	Employment Agreement, dated as of April 10, 2003, between the Company and Christopher K. Poole.
(d)(4)	Confidentiality Agreement, dated as of October 7, 2002, between the Company and Thomson.
(g)	None.
(h)	None.

ITEM 13. INFORMATION REQUIRED BY SCHEDULE 13E-3.

Not applicable.

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: April 11, 2003

GULF ACQUISITION CORP.

By: /s/ Edward A. Friedland

Name: Edward A. Friedland
Title: Vice President

THE THOMSON CORPORATION

By: /s/ Edward A. Friedland

Name: Edward A. Friedland
Title: Assistant Secretary

EXHIBIT INDEX

EXHIBIT NO.	
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(d)(4)	Confidentiality Agreement, dated as of October 7, 2002, between the Company and Thomson.
(g)	None.
(h)	None.

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* Previously filed on April 3, 2003 with the Securities and Exchange Commission on Schedule TO-C by Purchaser and Thomson.

OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF COMMON STOCK

OF

ELITE INFORMATION GROUP, INC.

AT

$14.00 NET PER SHARE

BY

GULF ACQUISITION CORP.

AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF

THE THOMSON CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, MAY 8, 2003, UNLESS THE OFFER IS EXTENDED.

THE OFFER IS BEING MADE PURSUANT TO THE TERMS OF AN AGREEMENT AND PLAN OF MERGER, DATED AS OF APRIL 2, 2003, AMONG THE THOMSON CORPORATION, A CORPORATION ORGANIZED UNDER THE LAWS OF ONTARIO, CANADA, GULF ACQUISITION CORP., A DELAWARE CORPORATION AND AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF THE THOMSON CORPORATION, AND ELITE INFORMATION GROUP, INC. A DELAWARE CORPORATION. THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (I) THERE HAVING BEEN VALIDLY TENDERED AND NOT WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER, THE NUMBER OF SHARES (AS DEFINED HEREIN) THAT, TOGETHER WITH THE SHARES THEN OWNED BY THE THOMSON CORPORATION OR ANY SUBSIDIARY OF THE THOMSON CORPORATION, REPRESENTS AT LEAST A MAJORITY OF THE SHARES OUTSTANDING ON A FULLY-DILUTED BASIS (INCLUDING, WITHOUT LIMITATION, ALL SHARES ISSUABLE UPON THE CONVERSION OF ANY CONVERTIBLE SECURITIES OR UPON THE EXERCISE OF ANY OPTIONS, WARRANTS, OR RIGHTS (OTHER THAN THE RIGHTS ISSUED PURSUANT TO THE RIGHTS AGREEMENT, DATED AS OF APRIL 14, 1999, AS AMENDED, BETWEEN ELITE INFORMATION GROUP, INC., AND EQUISERVE TRUST COMPANY, N.A., AS RIGHTS AGENT)) AND (II) ANY APPLICABLE WAITING PERIOD UNDER THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED, OR ANY APPLICABLE FOREIGN ANTITRUST LAW HAVING EXPIRED OR BEEN TERMINATED PRIOR TO THE EXPIRATION OF THE OFFER. THE OFFER IS ALSO SUBJECT TO CERTAIN OTHER CONDITIONS CONTAINED IN THIS OFFER TO PURCHASE. SEE "SECTION 1. TERMS OF THE OFFER; EXPIRATION DATE" AND "SECTION 14. CERTAIN CONDITIONS OF THE OFFER," WHICH SET FORTH IN FULL THE CONDITIONS TO THE OFFER.

THE BOARD OF DIRECTORS OF ELITE INFORMATION GROUP, INC. HAS UNANIMOUSLY DETERMINED THAT THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE OFFER AND THE MERGER (EACH AS DEFINED HEREIN), ARE FAIR TO, AND IN THE BEST INTEREST OF, THE ELITE INFORMATION GROUP, INC.'S STOCKHOLDERS, HAS APPROVED, ADOPTED AND DECLARED ADVISABLE THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE OFFER AND THE MERGER, AND HAS RECOMMENDED THAT ELITE INFORMATION GROUP, INC.'S STOCKHOLDERS ACCEPT THE OFFER AND TENDER THEIR SHARES PURSUANT TO THE OFFER.

IMPORTANT

Any stockholder desiring to tender all or any portion of such stockholder's Shares must either (i) complete and sign the accompanying Letter of Transmittal (or a manually signed facsimile thereof) in accordance with the instructions in the Letter of Transmittal and mail or deliver it, together with the certificate(s) evidencing tendered Shares, and any other required documents, to the Depositary (as defined herein) or tender such Shares pursuant to the procedure for book-entry transfer set forth in "Section 3. Procedures for Accepting the Offer and Tendering Shares" or (ii) request such stockholder's broker, dealer, commercial bank, trust company or other nominee to effect the transaction for such stockholder. Any stockholder whose Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if such stockholder desires to tender such Shares.

A stockholder who desires to tender Shares and whose certificates evidencing such Shares are not immediately available, or who cannot comply with the procedure for book-entry transfer on a timely basis, may tender such Shares by following the procedure for guaranteed delivery set forth in "Section 3. Procedures for Accepting the Offer and Tendering Shares."

Questions or requests for assistance may be directed to the Information Agent (as defined herein) at its address and telephone number set forth on the back cover of this Offer to Purchase. Additional copies of this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may also be obtained from the Information Agent or from brokers, dealers, commercial banks or trust companies.

April 11, 2003

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SUMMARY TERM SHEET

This summary term sheet highlights selected information from this Offer to Purchase and may not contain all of the information that is important to you. To better understand our Offer to you and for a complete description of the legal terms of the Offer, you should read this entire Offer to Purchase and the accompanying Letter of Transmittal carefully. Questions or requests for assistance may be directed to the Information Agent at its address and telephone number on the back cover of this Offer to Purchase. All dollar amounts in this Offer to Purchase are in U.S. dollars.

WHO IS OFFERING TO BUY MY ELITE SHARES?

- We are Gulf Acquisition Corp., a newly formed Delaware corporation and an indirect wholly-owned subsidiary of The Thomson Corporation, a corporation organized under the laws of Ontario, Canada. We were organized in connection with this Offer and have not carried on any activities other than in connection with this Offer. See "Section 8. Certain Information Concerning Thomson and Purchaser."

- The Thomson Corporation is a leading provider of integrated information solutions to the business and professional marketplace. Thomson is comprised of four market groups. The Legal & Regulatory group is a leading provider of integrated information and software-based solutions for legal, tax, accounting, intellectual property, compliance and business professionals. The Learning group provides a wide range of tailored learning solutions to colleges, universities, professors, students, libraries, reference centers, government agencies, corporations and professionals. The Financial group provides a broad range of financial products and information solutions to the global financial services industry, including investment bankers, sales and trading professionals, investment managers, retail brokers, financial planners and corporate executives. The Scientific & Healthcare group provides integrated information solutions to researchers, physicians and other professionals in the academic, corporate and healthcare sectors. Common shares of Thomson are listed on the Toronto and New York Stock Exchanges. See "Section 8. Certain Information Concerning Thomson and Purchaser."

WHAT ARE THE CLASSES AND AMOUNTS OF SECURITIES SOUGHT IN THIS OFFER?

- We are seeking to purchase all of the issued and outstanding shares of common stock, par value $0.01 per share, of Elite Information Group, Inc. See "Introduction" and "Section 1. Terms of the Offer; Expiration Date."

HOW MUCH ARE YOU OFFERING TO PAY AND WHAT IS THE FORM OF PAYMENT?

- We are offering to pay $14.00 per share of common stock of Elite, net to the seller in cash, without interest (subject to applicable withholding taxes), upon the terms and subject to the conditions described in this Offer to Purchase and in the related Letter of Transmittal. If you own your Elite shares through a broker or other nominee, and your broker tenders your Elite shares on your behalf, your broker or nominee may charge a fee for doing so. You should consult your broker or nominee to determine whether any charges will apply. See "Introduction," "Section 1. Terms of the Offer; Expiration Date" and "Section 5. Certain Federal Income Tax Consequences."

WHAT ARE THE MOST SIGNIFICANT CONDITIONS OF THE OFFER?

- We are not obligated to purchase any Elite shares unless there have been validly tendered and not withdrawn prior to the expiration of the Offer the number of Elite shares that represents at least a majority of the Elite shares outstanding on a fully-diluted basis (including, without limitation, all shares issuable upon the conversion of any convertible security or upon the exercise of any options, warrants or rights (other than the rights issued pursuant to the Rights Agreement, dated as of April 14, 1999, as amended, between Elite and Equiserve Trust Company, N.A., as Rights Agent)). See "Section 1. Terms of the Offer; Expiration Date" and "Section 14. Certain Conditions of the Offer."

- - We are not obligated to purchase any Elite shares unless prior to the expiration of the Offer the applicable waiting periods under United States and applicable foreign antitrust and competition laws have expired or been terminated. See "Section 15. Certain Legal Matters and Regulatory Approvals."

These and other conditions to our obligations to purchase Elite shares tendered in the Offer are described in greater detail in "Section 1. Terms of the Offer; Expiration Date," "Section 14. Certain Conditions of the Offer" and "Section 15. Certain Legal Matters and Regulatory Approvals."

DO YOU HAVE THE FINANCIAL RESOURCES TO MAKE THE OFFERED PAYMENT?

- - Yes. We will be financing the Offer with funds provided by Thomson, our parent corporation. See "Section 9. Financing of the Offer and the Merger."

IS YOUR FINANCIAL CONDITION RELEVANT TO MY DECISION TO TENDER IN THE OFFER?

- - We do not believe that our financial condition is relevant to your decision to tender in the Offer because the form of payment consists solely of cash and the Offer is not subject to a financing condition. In addition, no relevant historical information concerning us is available because we have not carried on any activities other than in connection with this Offer.

HOW LONG DO I HAVE TO DECIDE WHETHER TO TENDER IN THE OFFER?

- - You will have at least until 12:00 midnight, New York City time, on Thursday, May 8, 2003, to decide whether to tender your Elite shares in the Offer. If you cannot deliver everything that is required in order to make a valid tender by that time, you may be able to use a guaranteed delivery procedure, which is described in "Section 3. Procedures for Accepting the Offer and Tendering Shares."

CAN THE OFFER BE EXTENDED, AND UNDER WHAT CIRCUMSTANCES?

- - We may, without the consent of Elite, but subject to the terms of the Merger Agreement and applicable law, extend the period of time during which the Offer remains open. We have agreed in the Merger Agreement that we may extend the Offer, provided that the extension does not extend beyond the later of July 31, 2003 and the date that is 30 days after the date that Elite has complied with certain of its obligations under the Merger Agreement, if certain conditions to the Offer have not been satisfied. We have also agreed that if, on the scheduled expiration date of the Offer, the condition to the Offer that the applicable waiting periods under applicable United States and foreign antitrust and competition laws have expired or been terminated has not been satisfied or if there has been instituted or pending any litigation before any governmental entity which is reasonably likely to be successful on its merits or by any governmental entity relating to the Merger Agreement and the transactions contemplated thereby, if requested by Elite, we will extend the Offer until such condition is satisfied, but in no event later than September 9, 2003. See "Section 1. Terms of the Offer; Expiration Date."

- - In addition, if at the expiration of the Offer all of the conditions to the Offer have been satisfied or waived, but the number of Elite shares validly tendered and not withdrawn in the Offer constitute less than 90% of the outstanding shares, we will extend the Offer for a subsequent offering period not to exceed 20 business days. You will not have withdrawal rights during any subsequent offering period. See "Section 1. Terms of the Offer; Expiration Date" and "Section 2. Acceptance for Payment and Payment for Shares."

HOW WILL I BE NOTIFIED IF THE OFFER IS EXTENDED?

- - If we decide to extend the Offer, or if we provide for a subsequent offering period, we will inform Computershare Trust Company of New York, the Depositary, of that fact, and will issue a press release giving the new expiration date no later than 9:00 a.m., New York City time, on the day after the date on which the Offer was previously scheduled to expire. See "Section 1. Terms of the Offer; Expiration Date."

WILL THERE BE A SUBSEQUENT OFFERING PERIOD?

- - There may be a subsequent offering period. If, at the expiration of the initial offering period, or any permitted extension of the Offer, all of the conditions have been satisfied or waived, we will close on the Offer and accept for payment any Elite shares tendered in the Offer. If the number of tendered Elite shares is less than 90% of the outstanding Elite shares, we will commence a subsequent offer for a period not to exceed 20 business days to attempt to obtain 90% of the outstanding Elite shares. During this subsequent offering period, we will accept for payment any Elite shares that are tendered upon receipt of those Elite shares. Elite stockholders who tender their Elite shares during the subsequent offering period will not have to wait until the expiration of the subsequent offering period to have their tendered Elite shares accepted for payment. See "Section 1. Terms of the Offer; Expiration Date."

HOW DO I TENDER MY ELITE SHARES?

To tender your Elite shares in the Offer, you must:

- - complete and sign the accompanying Letter of Transmittal (or a manually signed facsimile of the Letter of Transmittal) in accordance with the instructions in the Letter of Transmittal and mail or deliver it, together with your Elite share certificates, and any other required documents, to the Depositary;

- - tender your Elite shares pursuant to the procedure for book-entry transfer described in "Section 3. Procedures for Accepting the Offer and Tendering Shares;" or

- - if your Elite share certificates are not immediately available or if you cannot deliver your Elite share certificates and any other required documents to Computershare Trust Company of New York prior to the expiration of the Offer, or you cannot complete the procedure for delivery by book-entry transfer on a timely basis, you may still tender your Elite shares if you comply with the guaranteed delivery procedures described in "Section 3. Procedures for Accepting the Offer and Tendering Shares."

UNTIL WHAT TIME CAN I WITHDRAW PREVIOUSLY TENDERED ELITE SHARES?

- - You may withdraw previously tendered Elite shares at any time prior to the expiration of the Offer, and, unless we have accepted the Elite shares pursuant to the Offer, you may also withdraw any tendered Elite shares at any time after June 9, 2003. Elite shares tendered during the subsequent offering period, if any, may not be withdrawn. See "Section 4. Withdrawal Rights."

HOW DO I WITHDRAW PREVIOUSLY TENDERED ELITE SHARES?

- - To withdraw previously tendered Elite shares, you must deliver a written or facsimile notice of withdrawal with the required information to Computershare Trust Company of New York while you still have the right to withdraw. If you tendered Elite shares by giving instructions to a broker or bank, you must instruct the broker or bank to arrange for the withdrawal of your Elite shares. See "Section 4. Withdrawal Rights."

WHAT DOES THE BOARD OF DIRECTORS OF ELITE THINK OF THE OFFER?

- - The Board of Directors of Elite has unanimously determined that the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger, are fair to, and in the best interests of, Elite's stockholders, has approved, adopted and declared advisable the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger, and has recommended that Elite's stockholders accept the Offer and tender their Elite shares pursuant to the Offer. See "Introduction."

WILL ELITE CONTINUE AS A PUBLIC COMPANY?

- - If the Merger occurs, Elite will no longer be publicly owned. Even if the Merger does not occur, if we purchase all the tendered Elite shares, there may be so few remaining stockholders and publicly held Elite shares that the Elite shares will no longer be eligible to be traded through the Nasdaq National Market or another securities market, there may not be a public trading market for the shares and Elite may cease

making filings with the Securities and Exchange Commission or otherwise cease being required to comply with the Securities and Exchange Commission's rules relating to publicly held companies. See "Section 13. Possible Effects of the Offer on the Market for Shares; Nasdaq Listing, Margin Regulations and Exchange Act Registration."

WILL THE OFFER BE FOLLOWED BY A MERGER IF ALL THE SHARES ARE NOT TENDERED?

- - If we accept for payment and pay for the number of Elite shares that represents at least a majority of the Elite shares outstanding on a fully-diluted basis (including, without limitation, all shares issuable upon the conversion of any convertible security or upon the exercise of any options, warrants or rights (other than the rights issued pursuant to the Rights Agreement mentioned above)), we will have sufficient voting power to adopt the Merger Agreement without the vote of any stockholder of the Company and we will merge into Elite. If the Merger occurs, Elite will become an indirect wholly-owned subsidiary of Thomson, and each issued and then outstanding Elite share (other than any shares owned by Thomson or Elite (or by any direct or indirect wholly-owned subsidiary of Thomson or Elite) and any shares held by stockholders who have demanded and perfected appraisal rights under Delaware law) will be canceled and converted automatically into the right to receive $14.00 per share, in cash (or any greater amount per share paid pursuant to the Offer), without interest. See "Introduction" and "Section 11. Purpose of the Offer; Plans for the Company After the Offer and the Merger."

IF I DECIDE NOT TO TENDER, HOW WILL THE OFFER AFFECT MY ELITE SHARES?

- - If you decide not to tender your Elite shares in the Offer and the Merger occurs, you will be entitled to receive, pursuant to the Merger, the same amount of cash per share as if you would had tendered your Elite shares in the Offer, unless you have exercised your appraisal rights under Delaware law. If Purchaser does not acquire at least 90% of the outstanding Shares pursuant to the Offer or otherwise and a vote of the Company's stockholders is required to adopt the Merger Agreement, a significantly longer period of time would be required to effect the Merger. See "Introduction" and "Section 11. Purpose of the Offer; Plans for the Company After the Offer and the Merger."

- - If you decide not to tender your Elite shares in the Offer, the Merger does not occur and we purchase all the tendered Elite shares, there may be so few remaining stockholders and publicly held Elite shares that the Elite shares will no longer be eligible to be traded through the Nasdaq National Market or another securities market, there may not be a public trading market for the Elite shares and Elite may cease making filings with the Securities and Exchange Commission or otherwise cease being required to comply with the Securities and Exchange Commission's rules relating to publicly held companies. See "Section 13. Possible Effects of the Offer on the Market for Shares, Nasdaq Listing, Margin Regulations and Exchange Act Registration."

- - It is possible that, following the Offer, the Elite shares might no longer constitute "margin securities" for purposes of the margin regulations of the Federal Reserve Board, in which event your Elite shares may no longer be used as collateral for loans made by brokers. See "Section 13. Possible Effects of the Offer on the Market of Shares, Nasdaq Listing, Margin Regulations and Exchange Act Registration."

WHAT IS A RECENT MARKET VALUE OF MY ELITE SHARES?

- - On April 2, 2003, the last full trading day before we announced our Offer, the last reported closing price per Elite share reported on the Nasdaq National Market was $9.97 per share. See "Section 7. Certain Information Concerning the Company."

WITH WHOM MAY I SPEAK IF I HAVE QUESTIONS ABOUT THE OFFER?

- - You can call Innisfree M&A Incorporated, the Information Agent, toll-free at 888-750-5834. See the back cover of this Offer to Purchase.

To the Holders of Common Stock of
Elite Information Group, Inc.:

INTRODUCTION

Gulf Acquisition Corp., a Delaware corporation ("Purchaser") and an indirect wholly-owned subsidiary of The Thomson Corporation, a corporation organized under the laws of Ontario, Canada ("Thomson"), hereby offers to purchase any and all of the outstanding shares of common stock, par value $0.01 per share (the "Shares"), of Elite Information Group, Inc., a Delaware corporation (the "Company"), at a purchase price of $14.00 per Share (such amount, or any greater amount per Share paid pursuant to the Offer (as defined below), being the "Per Share Amount"), net to the seller in cash, without interest, upon the terms and subject to the conditions described in this Offer to Purchase and in the related Letter of Transmittal (which, together with this Offer to Purchase and any amendments or supplements hereto or thereto, collectively constitute the "Offer"). See "Section 8. Certain Information Concerning Thomson and Purchaser" for additional information concerning Thomson and Purchaser.

Tendering stockholders who are record owners of their Shares and tender directly to the Depositary (as defined herein) will not be obligated to pay brokerage fees or commissions or, except as otherwise provided in Instruction 6 of the Letter of Transmittal, stock transfer taxes with respect to the purchase of Shares by Purchaser pursuant to the Offer. If you own your Shares through a broker or other nominee, and your broker tenders your Shares on your behalf, your broker or nominee may charge a fee for doing so. You should consult your broker or nominee to determine whether any charges or commissions will apply. Any tendering stockholder or other payee who fails to complete and sign the Substitute Form W-9 that is included in the Letter of Transmittal may be subject to a required backup U.S. federal income tax withholding of 30% of the gross proceeds payable to such stockholder or other payee pursuant to the Offer. See "Section 5. Certain Federal Income Tax Consequences." Purchaser or Thomson will pay all charges and expenses of Computershare Trust Company of New York (the "Depositary") and Innisfree M&A Incorporated (the "Information Agent") incurred in connection with the Offer. See "Section 16. Fees and Expenses."

THE BOARD OF DIRECTORS OF THE COMPANY (THE "BOARD OF DIRECTORS") HAS UNANIMOUSLY DETERMINED THAT THE MERGER AGREEMENT (AS DEFINED BELOW) AND THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE OFFER AND THE MERGER (AS DEFINED BELOW), ARE FAIR TO, AND IN THE BEST INTEREST OF, THE COMPANY'S STOCKHOLDERS, HAS APPROVED, ADOPTED AND DECLARED ADVISABLE THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE OFFER AND THE MERGER, AND HAS RECOMMENDED THAT THE COMPANY'S STOCKHOLDERS ACCEPT THE OFFER AND TENDER THEIR SHARES PURSUANT TO THE OFFER.

Broadview International LLC ("Broadview") has delivered to the Board of Directors its written opinion dated April 2, 2003 to the effect that, based upon and subject to various considerations and assumptions described in such opinion, the Per Share Amount is fair, from a financial point of view, to holders of Shares. A copy of the written opinion of Broadview is contained in the Company's Solicitation/Recommendation Statement on Schedule 14D-9, which has been filed with the Securities and Exchange Commission (the "Commission") in connection with the Offer and which is being mailed to the Company's stockholders with this Offer to Purchase. The Company's stockholders are urged to read this opinion carefully in its entirety for a description of the assumptions made, matters considered and limitations of the review undertaken by Broadview.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (I) THERE HAVING BEEN VALIDLY TENDERED AND NOT WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER, THE NUMBER OF SHARES THAT, TOGETHER WITH THE SHARES THEN OWNED BY THOMSON OR ANY SUBSIDIARY OF THOMSON, REPRESENTS AT LEAST A MAJORITY OF THE SHARES OUTSTANDING ON A FULLY-DILUTED BASIS (INCLUDING, WITHOUT LIMITATION, ALL SHARES ISSUABLE UPON THE CONVERSION OF ANY CONVERTIBLE SECURITIES OR UPON THE EXERCISE OF ANY OPTIONS, WARRANTS OR RIGHTS (OTHER THAN THE RIGHTS (THE "RIGHTS") ISSUED PURSUANT TO THE RIGHTS AGREEMENT, DATED AS OF APRIL 14, 1999, AS AMENDED (THE "RIGHTS AGREEMENT"), BETWEEN THE COMPANY AND EQUISERVE TRUST COMPANY, N.A., AS RIGHTS AGENT)) (THE "MINIMUM CONDITION") AND (II) ANY APPLICABLE WAITING PERIOD UNDER THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED (THE "HSR ACT"), OR ANY APPLICABLE FOREIGN ANTITRUST LAW, HAVING

EXPIRED OR BEEN TERMINATED PRIOR TO THE EXPIRATION OF THE OFFER (THE "REGULATORY CONDITION"). THE OFFER IS ALSO SUBJECT TO CERTAIN OTHER CONDITIONS CONTAINED IN THIS OFFER TO PURCHASE. SEE "SECTION 1. TERMS OF THE OFFER; EXPIRATION DATE" AND "SECTION 14. CERTAIN CONDITIONS OF THE OFFER," WHICH SET FORTH IN FULL THE CONDITIONS TO THE OFFER.

The Offer is being made pursuant to an Agreement and Plan of Merger, dated as of April 2, 2003 (the "Merger Agreement"), among Thomson, Purchaser and the Company. The Merger Agreement provides, among other things, that, after the purchase of Shares pursuant to the Offer and on the first business day after the satisfaction or, if permissible, waiver, of the other conditions described in the Merger Agreement, and in accordance with the relevant provisions of the General Corporation Law of the State of Delaware ("Delaware Law"), Purchaser will be merged with and into the Company (the "Merger"). As a result of the Merger, the Company, which will continue as the surviving corporation (the "Surviving Corporation"), will become an indirect wholly-owned subsidiary of Thomson. At the effective time of the Merger (the "Effective Time"), each Share issued and outstanding immediately prior to the Effective Time (other than Shares owned by Thomson or the Company (or by any direct or indirect wholly-owned subsidiary of Thomson or the Company), and any Shares held by stockholders who shall have demanded and perfected appraisal rights under Delaware Law) will be canceled and converted into the right to receive the Per Share Amount, in cash, without interest (the "Merger Consideration"). Stockholders who demand and fully perfect appraisal rights under Delaware Law will be entitled to receive, in connection with the Merger, cash for the fair value of their Shares as determined pursuant to the procedures prescribed by Delaware Law. See "Section 11. Purpose of the Offer; Plans for the Company After the Offer and the Merger." The Merger Agreement is more fully described in "Section 10. Background of the Offer; the Merger Agreement and Related Agreements." Certain federal income tax consequences of the sale of Shares pursuant to the Offer and the Merger are described in "Section 5. Certain Federal Income Tax Consequences."

Concurrently with entering into the Merger Agreement, Thomson, Purchaser and each of PAR Investment Partners, L.P., Arthur G. Epker III, Christopher K. Poole, David A. Finley, Roger Noall, Alan Rich and William G. Seymour (collectively, the "Significant Stockholders") entered into a Stockholders Support Agreement, dated as of April 2, 2003 (the "Stockholders Agreement"), pursuant to which the Significant Stockholders have agreed, among other things, to (i) validly tender (and not withdraw) their Shares into the Offer and (ii) grant a proxy to Purchaser to vote their Shares in favor of the Merger, if applicable. On April 4, 2003, the Significant Stockholders owned (either beneficially or of record) 1,698,605 Shares, constituting approximately 21.5% of the outstanding Shares (or approximately 17.6% of the outstanding Shares on a fully-diluted basis). Upon consummation of the transactions contemplated by the Stockholders Agreement, the Minimum Condition would be satisfied if an additional 3,130,560 Shares are tendered into, and not withdrawn from, the Offer. For a more detailed description of the terms and conditions of the Stockholders Agreement, see "Section 10. Background of the Offer; the Merger Agreement and Related Agreement."

The Merger Agreement provides that, effective upon the acceptance for payment of, and payment for, the Shares pursuant to the Offer, Thomson will be entitled to designate the number of directors, rounded up to the next whole number, on the Board of Directors that equals the product of the total number of directors on the Board of Directors (giving effect to the election of any additional directors pursuant to the provision of the Merger Agreement described in this paragraph) and the percentage that the aggregate number of Shares beneficially owned by Thomson and/or Purchaser (including Shares accepted for payment) bears to the total number of Shares outstanding. In the Merger Agreement, the Company has agreed, at such time, to promptly take all actions necessary to cause designees of Thomson to be elected or appointed to the Board of Directors, including increasing the number of directors and seeking and accepting resignations of incumbent directors.

The obligations of each party to effect the Merger is subject to the satisfaction or waiver of certain conditions, including the consummation of the Offer, and, if required by law, the affirmative vote of the holders of a majority in voting power of all outstanding Shares to adopt the Merger Agreement. For a more detailed description of the conditions to the Merger, see "Section 10. Background of the Offer; the Merger Agreement and Related Agreements." Under Delaware Law, in the event Purchaser does not own at least 90% of the outstanding Shares after the consummation of the Offer, the affirmative vote of the holders of a majority

of the outstanding Shares will be required to adopt the Merger Agreement. Consequently, if Purchaser acquires (pursuant to the Offer or otherwise) at least a majority of the outstanding Shares, then Purchaser will have sufficient voting power to adopt the Merger Agreement without the vote of any other stockholder of the Company. PURSUANT TO THE STOCKHOLDERS AGREEMENT, PURCHASER HAS THE RIGHT TO VOTE APPROXIMATELY 21.5% OF THE OUTSTANDING SHARES, AND WILL NEED TO ACQUIRE AN ADDITIONAL 2,246,696 SHARES TO HAVE THE RIGHT TO VOTE THE NUMBER OF SHARES SUFFICIENT TO CAUSE THE MERGER TO OCCUR WITHOUT THE AFFIRMATIVE VOTE OF ANY OTHER HOLDER OF SHARES. See "Section 10. Background of the Offer; the Merger Agreement and Related Agreements" and "Section 11. Purpose of the Offer; Plans for the Company After the Offer and the Merger."

Under Delaware Law, if Purchaser acquires, pursuant to the Offer or otherwise, at least 90% of the then outstanding Shares, Purchaser will be able to adopt the Merger Agreement without a vote of the stockholders of the Company. In such event, Thomson, Purchaser and the Company have agreed to take all necessary and appropriate action to cause the Merger to become effective as promptly as reasonably practicable after the consummation of the Offer and the satisfaction or waiver of certain conditions described in the Merger Agreement, without a meeting of the stockholders of the Company in accordance with Delaware Law. If, however, Purchaser does not acquire at least 90% of the then outstanding Shares pursuant to the Offer or otherwise and a vote of the stockholders of the Company is required under Delaware Law, a significantly longer period of time will be required to effect the Merger. See "Section 11. Purpose of the Offer; Plans for the Company After the Offer and the Merger."

The Company has advised Purchaser that, as of April 4, 2003, 7,890,600 Shares were issued and outstanding, 1,767,729 Shares were reserved for issuance pursuant to outstanding employee stock options and 1,617,586 Shares were held in the treasury of the Company. As a result, as of such date, the Minimum Condition would be satisfied if Purchaser acquired 4,829,165 Shares. Also, as of such date, Purchaser could cause the Merger to become effective in accordance with Delaware Law, without a meeting of the Company's stockholders, if Purchaser acquired 3,945,301 Shares.

If the Purchaser provides for a Subsequent Offering Period (as defined below), it will make a public announcement thereof on the next business day after the previously scheduled Expiration Date. See "Section 1. Terms of the Offer; Expiration Date."

No appraisal rights are available in connection with the Offer; however, stockholders of the Company may have appraisal rights in connection with the Merger regardless of whether the Merger is consummated with or without a vote of the Company's stockholders. See "Section 11. Purpose of the Offer; Plans for the Company After the Offer and the Merger."

THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ CAREFULLY BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.

THE TENDER OFFER

1. TERMS OF THE OFFER; EXPIRATION DATE.

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of such extension or amendment), Purchaser will accept for payment and pay for all Shares validly tendered (and not withdrawn in accordance with the procedures described in "Section 4. Withdrawal Rights") on or prior to the Expiration Date. "Expiration Date" means 12:00 midnight, New York City time, on Thursday, May 8, 2003, unless and until Purchaser (pursuant to, and in accordance with, the terms of the Merger Agreement or as may be required by applicable law) will have extended the period of time for which the Offer is open, in which case Expiration Date will mean the latest time and date at which the Offer, as so extended, may expire.

The Offer is subject to the conditions described under "Section 14. Certain Conditions of the Offer," including the satisfaction of the Minimum Condition and the Regulatory Condition. Subject to the applicable rules and regulations of the Commission and subject to the terms and conditions of the Merger Agreement, Purchaser expressly reserves the right to waive any such condition, in whole or in part. Subject to the

applicable rules and regulations of the Commission and subject to the terms and conditions of the Merger Agreement, Purchaser also expressly reserves the right to make any change in the terms of or conditions to the Offer; provided that without the prior written consent of the Company, (i) the Minimum Condition may not be waived, (ii) the Regulatory Condition may not be waived, (iii) no change may be made that changes the form of consideration to be paid, decreases the Per Share Amount or the number of Shares sought in the Offer or imposes conditions to the Offer in addition to those set forth in "Section 14. Certain Conditions of the Offer" and (iv) no other change may be made to any term of the Offer in any manner adverse to the holders of the Shares.

The Merger Agreement provides that Purchaser has the right to extend the Offer, provided that such extension does not extend beyond the later of (x) July 31, 2003 and (y) the date that is 30 days after the date that the Company has complied with certain of its obligations under the Merger Agreement and described in the section entitled "Filings: Other Action" in "Section 10. Background of the Offer; the Merger Agreement and Related Agreements," (i) from time to time if, at the scheduled or extended Expiration Date, any of the conditions to the Offer will not have been satisfied or waived, until such conditions are satisfied or waived or (ii) for any period required by any rule, regulation, interpretation or position of the Commission or the staff thereof applicable to the Offer or any period required by applicable law. The Merger Agreement also provides that if, at any scheduled or extended Expiration Date, the Offer has not been consummated as a result of the failure to satisfy the Regulatory Condition or the occurrence of a Litigation Event (as defined in "Section 14. Certain Conditions of the Offer"), Thomson will, if requested by the Company, cause Purchaser to extend the Expiration Date for one or more periods (not in excess of 10 business days each) until such condition is satisfied, but in no event later than September 9, 2003. During any such extension, all Shares previously tendered and not withdrawn will remain subject to the Offer and subject to the right of a tendering stockholder to withdraw such stockholder's Shares. See "Section 4. Withdrawal Rights." Under no circumstances will interest be paid on the purchase price for tendered Shares, whether or not the Offer is extended.

Purchaser will accept for payment and pay for, as promptly as practicable after the expiration of the Offer, all Shares validly tendered (and not properly withdrawn in accordance with "Section 4. Withdrawal Rights") pursuant to the Offer following the acceptance of the Shares for payment pursuant to the Offer. Notwithstanding the immediately preceding sentence and subject to the applicable rules and regulations of the Commission and the terms and conditions of the Offer, Purchaser also expressly reserves the right to (i) delay payment for Shares in order to comply in whole or in part with applicable laws (any such delay will be effected in compliance with Rule 14e-1(c) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which requires Purchaser to pay the consideration offered or to return Shares deposited by or on behalf of stockholders promptly after the termination or withdrawal of the Offer), (ii) extend or terminate the Offer and not to accept for payment or pay for any Shares not theretofore accepted for payment or paid for, upon the occurrence of any of the conditions to the Offer specified in "Section 14. Certain Conditions of the Offer," and (iii) amend the Offer or to waive any conditions to the Offer in any respect consistent with the provisions of the Merger Agreement described above, in each case by giving oral or written notice of such delay, termination, waiver or amendment to the Depositary and by making public announcement thereof.

Any such extension, delay, termination, waiver or amendment will be followed as promptly as practicable by public announcement thereof. In the case of an extension, the announcement will be made no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. Subject to applicable law (including Rules 14d-4(d)(1), 14d-6(c) and 14e-1 under the Exchange Act, which require that material changes be promptly disseminated to stockholders in a manner reasonably designed to inform them of such changes) and without limiting the manner in which Purchaser may choose to make any public announcement, Purchaser will have no obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a press release to the PR Newswire.

If Purchaser makes a material change to the terms of the Offer or the information concerning the Offer, or if Purchaser waives a material condition of the Offer, Purchaser will extend the Offer and disseminate additional Offer materials to the extent required by Rule 14e-1 under the Exchange Act. Subject to the terms of the Merger Agreement, if, prior to the Expiration Date, Purchaser should decide to increase the consideration being offered in the Offer, such increase in the consideration being offered will be applicable to

all stockholders whose Shares are accepted for payment pursuant to the Offer and, if at the time notice of any such increase in the consideration being offered is first published, sent or given to holders of such Shares, the Offer is scheduled to expire at any time earlier than the period ending on the tenth business day from and including the date that such notice is first so published, sent or given, the Offer will be extended at least until the expiration of such 10 business day period. For purposes of the Offer, a "business day" means any day on which the principal offices of the Commission in Washington D.C. are open to accept filings or, in the case of determining a date when any payment is due, any day on which banks are not required or authorized to close in The City of New York, and consists of the period from 12:01 a.m. through 12:00 midnight, New York City time.

Purchaser will provide for a Subsequent Offering Period in connection with the Offer if at the expiration of the Offer all of the conditions of the Offer have been satisfied or waived but the number of Shares validly tendered and not withdrawn in the Offer constitute less than 90% of the outstanding Shares. Subject to the applicable rules and regulations of the Commission, Purchaser will extend its offer to purchase Shares beyond the Expiration Date for a subsequent offering period not to exceed 20 business days (the "Subsequent Offering Period"), if, among other things, at the expiration date of the Offer (i) all of the conditions to the Offer have been satisfied or waived but the number of Shares validly tendered and not withdrawn in the Offer constitute less than 90% of the outstanding Shares on a fully-diluted basis and (ii) Purchaser immediately accepts for payment, and promptly pays for, all Shares validly tendered (and not withdrawn in accordance with the procedures set forth in "Section 4. Withdrawal Rights") prior to the Expiration Date. SHARES TENDERED DURING THE SUBSEQUENT OFFERING PERIOD MAY NOT BE WITHDRAWN. See "Section 4. Withdrawal Rights." Purchaser will immediately accept for payment, and promptly pay for, all validly tendered Shares as they are received during the Subsequent Offering Period. If the Purchaser provides for a Subsequent Offering Period, it will be effected by Purchaser giving oral or written notice of the Subsequent Offering Period to the Depositary and making an announcement to that effect by issuing a press release to the PR Newswire on the next business day after the previously scheduled Expiration Date.

The Company has provided Purchaser with the Company's stockholder list and security position listings for the purpose of disseminating the Offer to the holders of Shares. Purchaser will mail this Offer to Purchase and the related Letter of Transmittal to record holders of Shares whose names appear on the Company's stockholder list and will furnish this Offer to Purchase and the related Letter of Transmittal, for subsequent transmittal to beneficial owners of Shares, to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing.

2. ACCEPTANCE FOR PAYMENT AND PAYMENT FOR SHARES.

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of the Offer as so extended or amended), Purchaser will accept for payment and pay for, as promptly as practicable after the expiration of the Offer, all Shares validly tendered (and not properly withdrawn in accordance with "Section 4. Withdrawal Rights") pursuant to the Offer. Purchaser will pay for all Shares validly tendered and not withdrawn promptly following the acceptance of Shares for payment pursuant to the Offer. Notwithstanding the immediately preceding sentence and subject to the applicable rules and regulations of the Commission and the terms and conditions of the Offer, Purchaser expressly reserves the right to delay payment for Shares in order to comply in whole or in part with applicable laws. See "Section 1. Terms of the Offer; Expiration Date" and "Section 15. Certain Legal Matters and Regulatory Approvals." If Purchaser provides for a Subsequent Offering Period, Purchaser will accept for payment, and promptly pay for, all validly tendered Shares as they are received during the Subsequent Offering Period. See "Section 1. Terms of the Offer; Expiration Date."

In all cases (including during any Subsequent Offering Period), Purchaser will pay for Shares tendered and accepted for payment pursuant to the Offer only after timely receipt by the Depositary of (i) the certificates evidencing such Shares (the "Share Certificates") or timely confirmation (a "Book-Entry Confirmation") of a book-entry transfer of such Shares into the Depositary's account at The Depository Trust Company (the "Book-Entry Transfer Facility") pursuant to the procedures described in "Section 3.

Procedures for Accepting the Offer and Tendering Shares," (ii) the Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, with any required signature guarantees or, in the case of a book-entry transfer, an Agent's Message (as defined below) and (iii) any other documents required under the Letter of Transmittal. The term "Agent's Message" means a message, transmitted by the Book-Entry Transfer Facility to, and received by, the Depositary and forming a part of the Book-Entry Confirmation which states that the Book-Entry Transfer Facility has received an express acknowledgment from the participant in the Book-Entry Transfer Facility tendering the Shares that are the subject of such Book-Entry Confirmation, that the participant has received and agrees to be bound by the Letter of Transmittal and that Purchaser may enforce such agreement against such participant.

For purposes of the Offer (including during any Subsequent Offering Period), Purchaser will be deemed to have accepted for payment (and thereby purchased) Shares validly tendered and not properly withdrawn as, if and when Purchaser gives oral or written notice to the Depositary of Purchaser's acceptance for payment of such Shares pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, payment for Shares purchased pursuant to the Offer will be made by deposit of the purchase price therefor with the Depositary, which will act as agent for tendering stockholders whose Shares have been accepted for payment for the purpose of receiving payments from Purchaser and transmitting such payments to validly tendering stockholders. UNDER NO CIRCUMSTANCES WILL PURCHASER PAY INTEREST ON THE PURCHASE PRICE FOR SHARES, REGARDLESS OF ANY DELAY IN MAKING SUCH PAYMENT.

If Purchaser does not purchase any Shares pursuant to the Offer, or if Share Certificates are submitted evidencing more Shares than are tendered, Share Certificates evidencing unpurchased Shares will be returned, without expense to the tendering stockholder (or, in the case of Shares tendered by book-entry transfer into the Depositary's account at the Book-Entry Transfer Facility pursuant to the procedure described in "Section 3. Procedures for Accepting the Offer and Tendering Shares," such Shares will be credited to an account maintained at such Book-Entry Transfer Facility), as promptly as practicable following the expiration or termination of the Offer.

Purchaser reserves the right to transfer or assign, in whole or, from time to time, in part, to one or more of its affiliates, the right to purchase all or any portion of Shares tendered in the Offer, but any such transfer or assignment will not relieve Purchaser of its obligations under the Offer and will in no way prejudice the rights of tendering stockholders to receive payment for Shares validly tendered and accepted for payment pursuant to the Offer.

3. PROCEDURES FOR ACCEPTING THE OFFER AND TENDERING SHARES.

Valid Tender of Shares. In order for a holder of Shares validly to tender Shares pursuant to the Offer, the Depositary must receive the Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, together with any required signature guarantees or, in the case of a book-entry transfer, an Agent's Message, and any other documents required by the Letter of Transmittal, at one of its addresses set forth on the back cover of this Offer to Purchase. In addition, either (i) the Share Certificates evidencing tendered Shares must be received by the Depositary at such address or such Shares must be tendered pursuant to the procedure for book-entry transfer described below and the Depositary must receive a Book-Entry Confirmation (including an Agent's Message), in each case prior to the Expiration Date or the expiration of the Subsequent Offering Period, if any, or (ii) the tendering stockholder must comply with the guaranteed delivery procedures described below.

THE METHOD OF DELIVERY OF SHARE CERTIFICATES AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH THE BOOK-ENTRY TRANSFER FACILITY, IS AT THE OPTION AND RISK OF THE TENDERING STOCKHOLDER, AND THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

Book-Entry Transfer. The Depositary will establish accounts with respect to Shares at the Book-Entry Transfer Facility for purposes of the Offer within two business days after the date of this Offer to Purchase. Any financial institution that is a participant in the system of the Book-Entry Transfer Facility may make a

book-entry delivery of Shares by causing the Book-Entry Transfer Facility to transfer such Shares into the Depositary's account at the Book-Entry Transfer Facility in accordance with the Book-Entry Transfer Facility's procedures for such transfer. However, although delivery of Shares may be effected through book-entry transfer at the Book-Entry Transfer Facility, an Agent's Message, and any other required documents, must, in any case, be received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase prior to the Expiration Date or the expiration of the Subsequent Offering Period, if any, or the tendering stockholder must comply with the guaranteed delivery procedure described below. DELIVERY OF DOCUMENTS TO THE BOOK-ENTRY TRANSFER FACILITY DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

Signature Guarantees. Signatures on all Letters of Transmittal must be guaranteed by a firm which is a member of the Security Transfer Agent Medallion Signature Program, or by any other "eligible guarantor institution," as such term is defined in Rule 17Ad-15 under the Exchange Act (each of the foregoing being referred to as an "Eligible Institution"), except in cases where Shares are tendered (i) by a registered holder of Shares who has not completed either the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" on the Letter of Transmittal or (ii) for the account of an Eligible Institution. If a Share Certificate is registered in the name of a person other than the signer of the Letter of Transmittal, or if payment is to be made or a Share Certificate not accepted for payment or not tendered is to be returned, to a person other than the registered holder(s), then the Share Certificate must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear(s) on the Share Certificate, with the signature(s) on such Share Certificate or stock powers guaranteed by an Eligible Institution. See Instructions 1 and 5 of the Letter of Transmittal.

Guaranteed Delivery. If a stockholder desires to tender Shares pursuant to the Offer and such stockholder's Share Certificates evidencing such Shares are not immediately available or such stockholder cannot deliver the Share Certificates and all other required documents to the Depositary prior to the Expiration Date, or such stockholder cannot complete the procedure for delivery by book-entry transfer on a timely basis, such Shares may nevertheless be tendered, provided that all the following conditions are satisfied:

(i) such tender is made by or through an Eligible Institution;

(ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form made available by Purchaser, is received prior to the Expiration Date by the Depositary as provided below; and

(iii) the Share Certificates (or a Book-Entry Confirmation) evidencing all tendered Shares, in proper form for transfer, in each case together with the Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, with any required signature guarantees or, in the case of a book-entry transfer, an Agent's Message, and any other documents required by the Letter of Transmittal are received by the Depositary within three Nasdaq National Market ("Nasdaq") trading days after the date of execution of such Notice of Guaranteed Delivery.

The Notice of Guaranteed Delivery may be delivered by hand or mail or by facsimile transmission to the Depositary and must include a guarantee by an Eligible Institution in the form set forth in the form of Notice of Guaranteed Delivery made available by Purchaser. The procedures for guaranteed delivery specified above may not be used during any Subsequent Offering Period.

In all cases (including any Subsequent Offering Period), payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of the Share Certificates evidencing such Shares, or a Book-Entry Confirmation of the delivery of such Shares, and the Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, with any required signature guarantees or, in the case of a book-entry transfer, an Agent's Message, and any other documents required by the Letter of Transmittal.

Determination of Validity. ALL QUESTIONS AS TO THE FORM OF DOCUMENTS AND THE VALIDITY, FORM, ELIGIBILITY (INCLUDING TIME OF RECEIPT) AND ACCEPTANCE FOR PAYMENT OF ANY TENDER OF SHARES WILL BE DETERMINED BY PURCHASER, IN ITS SOLE DISCRETION, WHICH DETERMINATION WILL BE FINAL AND BINDING ON ALL PARTIES. Purchaser reserves the absolute right to reject any and all tenders determined by it not to be in proper form or the

acceptance for payment of which may, in the opinion of its counsel, be unlawful. Purchaser also reserves the absolute right to waive any condition of the Offer to the extent permitted by applicable law and the Merger Agreement or any defect or irregularity in the tender of any Shares of any particular stockholder, whether or not similar defects or irregularities are waived in the case of other stockholders. NO TENDER OF SHARES WILL BE DEEMED TO HAVE BEEN VALIDLY MADE UNTIL ALL DEFECTS AND IRREGULARITIES HAVE BEEN CURED OR WAIVED. NONE OF PURCHASER, THOMSON OR ANY OF THEIR RESPECTIVE AFFILIATES OR ASSIGNS, THE DEPOSITARY, THE INFORMATION AGENT OR ANY OTHER PERSON WILL BE UNDER ANY DUTY TO GIVE NOTIFICATION OF ANY DEFECTS OR IRREGULARITIES IN TENDERS OR INCUR ANY LIABILITY FOR FAILURE TO GIVE ANY SUCH NOTIFICATION. Purchaser's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the instructions thereto) will be final and binding.

A tender of Shares pursuant to any of the procedures described above will constitute the tendering stockholder's acceptance of the terms and conditions of the Offer, as well as the tendering stockholder's representation and warranty to Purchaser that (i) such stockholder has the full power and authority to tender, sell, assign and transfer the tendered Shares (and any and all other Shares or other securities issued or issuable in respect of such Shares), and (ii) when the same are accepted for payment by Purchaser, Purchaser will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claims.

The acceptance for payment by Purchaser of Shares pursuant to any of the procedures described above will constitute a binding agreement between the tendering stockholder and Purchaser upon the terms and subject to the conditions of the Offer.

Appointment as Proxy. By executing the Letter of Transmittal, or through delivery of an Agent's Message, as described above, a tendering stockholder irrevocably appoints designees of Purchaser as such stockholder's agents, attorneys-in-fact and proxies, each with full power of substitution, in the manner set forth in the Letter of Transmittal, to the full extent of such stockholder's rights with respect to the Shares tendered by such stockholder and accepted for payment by Purchaser (and with respect to any and all other Shares or other securities issued or issuable in respect of such Shares on or after April 2, 2003). All such powers of attorney and proxies will be considered irrevocable and coupled with an interest in the tendered Shares. Such appointment will be effective when, and only to the extent that, Purchaser accepts such Shares for payment. Upon such acceptance for payment, all prior powers of attorney and proxies given by such stockholder with respect to such Shares (and such other Shares and securities) will be revoked, without further action, and no subsequent powers of attorney or proxies may be given nor any subsequent written consent executed by such stockholder (and, if given or executed, will not be deemed to be effective) with respect thereto. Purchaser's designees will, with respect to the Shares for which the appointment is effective, be empowered to exercise all voting and other rights of such stockholder as they in their sole discretion may deem proper at any annual or special meeting of the Company's stockholders or any adjournment or postponement thereof, by written consent in lieu of any such meeting or otherwise. Purchaser reserves the right to require that, in order for Shares to be deemed validly tendered, immediately upon Purchaser's payment for such Shares, Purchaser must be able to exercise full voting rights with respect to such Shares (and such other Shares and securities).

UNDER THE "BACKUP WITHHOLDING" PROVISIONS OF U.S. FEDERAL INCOME TAX LAW, THE DEPOSITARY MAY BE REQUIRED TO WITHHOLD 30% OF ANY PAYMENTS OF CASH PURSUANT TO THE OFFER. TO PREVENT BACKUP FEDERAL INCOME TAX WITHHOLDING WITH RESPECT TO PAYMENT TO CERTAIN STOCKHOLDERS OF THE PURCHASE PRICE OF SHARES PURCHASED PURSUANT TO THE OFFER, EACH SUCH STOCKHOLDER MUST PROVIDE THE DEPOSITARY WITH SUCH STOCKHOLDER'S CORRECT TAXPAYER IDENTIFICATION NUMBER AND CERTIFY THAT SUCH STOCKHOLDER IS NOT SUBJECT TO BACKUP FEDERAL INCOME TAX WITHHOLDING BY COMPLETING THE SUBSTITUTE FORM W-9 IN THE LETTER OF TRANSMITTAL. SEE INSTRUCTION 9 OF THE LETTER OF TRANSMITTAL.

4. WITHDRAWAL RIGHTS.

Tenders of Shares made pursuant to the Offer are irrevocable except that such Shares may be withdrawn at any time prior to the Expiration Date and, unless theretofore accepted for payment by Purchaser pursuant to the Offer, may also be withdrawn at any time after June 9, 2003. If Purchaser extends the Offer, is delayed in its acceptance for payment of Shares or is unable to accept Shares for payment pursuant to the Offer for any reason, then, without prejudice to Purchaser's rights under the Offer, the Depositary may, nevertheless, on

Purchaser's behalf, retain tendered Shares, and such Shares may not be withdrawn except to the extent that tendering stockholders are entitled to withdrawal rights as described in this "Section 4. Withdrawal Rights," subject to Rule 14e-1(c) under the Exchange Act. Any such delay will be by an extension of the Offer to the extent required by law. If Purchaser provides for a Subsequent Offering Period, Shares tendered during the Subsequent Offering Period may not be withdrawn. See "Section 1. Terms of the Offer; Expiration Date."

For a withdrawal of Shares to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase. Any such notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of such Shares, if different from that of the person who tendered such Shares. If Share Certificates evidencing Shares to be withdrawn have been delivered or otherwise identified to the Depositary, then, prior to the physical release of such Share Certificates, the serial numbers shown on such Share Certificates must be submitted to the Depositary and the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution, unless such Shares have been tendered for the account of an Eligible Institution. If Shares have been tendered pursuant to the procedure for book-entry transfer as described in "Section 3. Procedures for Accepting the Offer and Tendering Shares," any notice of withdrawal must specify the name and number of the account at the Book-Entry Transfer Facility to be credited with the withdrawn Shares.

ALL QUESTIONS AS TO THE FORM AND VALIDITY (INCLUDING TIME OF RECEIPT) OF ANY NOTICE OF WITHDRAWAL WILL BE DETERMINED BY PURCHASER, IN ITS SOLE DISCRETION, WHICH DETERMINATION WILL BE FINAL AND BINDING. NONE OF PURCHASER, THOMSON OR ANY OF THEIR RESPECTIVE AFFILIATES OR ASSIGNS, THE DEPOSITARY, THE INFORMATION AGENT OR ANY OTHER PERSON WILL BE UNDER ANY DUTY TO GIVE ANY NOTIFICATION OF ANY DEFECTS OR IRREGULARITIES IN ANY NOTICE OF WITHDRAWAL OR INCUR ANY LIABILITY FOR FAILURE TO GIVE ANY SUCH NOTIFICATION.

Withdrawals of Shares may not be rescinded. Any Shares properly withdrawn will thereafter be deemed not to have been validly tendered for purposes of the Offer. However, withdrawn Shares may be re-tendered at any time prior to the Expiration Date (or during the Subsequent Offering Period, if any) by following one of the procedures described in "Section 3. Procedures for Accepting the Offer and Tendering Shares" (except Shares may not be re-tendered using the procedures for guaranteed delivery during any Subsequent Offering Period).

5. CERTAIN FEDERAL INCOME TAX CONSEQUENCES.

The following is a summary of the principal U.S. federal income tax consequences of the Offer and the Merger to holders whose Shares are purchased pursuant to the Offer or whose Shares are converted into the right to receive cash in the Merger (whether upon receipt of the Merger Consideration or pursuant to the proper exercise of appraisal rights). The discussion applies only to holders of Shares in whose hands Shares are capital assets, and may not apply to Shares received pursuant to the exercise of employee stock options or otherwise as compensation, or to holders of Shares who are not citizens or residents of the United States.

THE TAX DISCUSSION SET FORTH BELOW IS INCLUDED FOR GENERAL INFORMATION PURPOSES ONLY AND IS BASED UPON PRESENT LAW (WHICH MAY BE SUBJECT TO CHANGE, POSSIBLY ON A RETROACTIVE BASIS). BECAUSE INDIVIDUAL CIRCUMSTANCES MAY DIFFER, EACH HOLDER OF SHARES SHOULD CONSULT SUCH HOLDER'S OWN TAX ADVISOR TO DETERMINE THE APPLICABILITY OF THE RULES DISCUSSED TO SUCH HOLDER AND THE PARTICULAR TAX EFFECTS OF THE OFFER AND THE MERGER, INCLUDING THE APPLICATION AND EFFECT OF STATE, LOCAL AND OTHER TAX LAWS.

The receipt of cash pursuant to the Offer and the receipt of cash pursuant to the Merger (whether as Merger Consideration or pursuant to the proper exercise of appraisal rights) will be a taxable transaction for U.S. federal income tax purposes (and also may be a taxable transaction under applicable state, local and other income tax laws). In general, for U.S. federal income tax purposes, a holder of Shares will recognize gain or loss equal to the difference between such holder's adjusted tax basis in the Shares sold pursuant to the Offer or converted to cash pursuant to the Merger and the amount of cash received. Gain or loss must be determined separately for each block of Shares (i.e., Shares acquired at the same cost in a single transaction) sold pursuant to the Offer or converted to cash pursuant to the Merger. Such gain or loss will be capital gain or loss. Noncorporate holders will be subject to tax on the net amount of such gain at a maximum rate of 20%;

provided that the Shares were held for more than one year. The deduction of capital losses is subject to certain limitations. Stockholders should consult their own tax advisors in this regard.

Payments in connection with the Offer or the Merger may be subject to backup withholding at a 30% rate. Backup withholding generally applies if a stockholder (i) fails to furnish such stockholder's social security number or taxpayer identification number ("TIN"), (ii) furnishes an incorrect TIN, (iii) fails properly to report interest or dividends or (iv) under certain circumstances, fails to provide a certified statement, signed under penalties of perjury, that the TIN provided is such stockholder's correct number and that such stockholder is not subject to backup withholding. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in an overpayment of tax. Certain persons, including corporations and financial institutions generally, are exempt from backup withholding. Certain penalties apply for failure to furnish correct information and for failure to include the reportable payments in income. Each stockholder should consult with such stockholder's own tax advisor as to such stockholder's qualifications for exemption from withholding and the procedure for obtaining such exemption.

6. PRICE RANGE OF SHARES; DIVIDENDS.

The Shares are listed and principally traded on Nasdaq under the symbol "ELTE." The following table sets forth, for the quarters indicated, the high and low sales prices per Share on Nasdaq as reported on the Dow Jones News Service. No dividends have been declared or paid on the Shares during the quarters indicated.

SHARES MARKET DATA

	HIGH	LOW
FISCAL 2001: First Quarter	$ 7.00	$4.38
Second Quarter	$ 6.82	$3.25
Third Quarter	$ 7.45	$5.00
Fourth Quarter	$13.05	$4.65
FISCAL 2002: First Quarter	$15.25	$9.00
Second Quarter	$12.46	$9.25
Third Quarter	$10.50	$4.75
Fourth Quarter	$ 9.83	$5.80
FISCAL 2003: First Quarter	$10.34	$8.70
Second Quarter (through April 10, 2003)	$14.00	$9.40

On April 2, 2003, the last full trading day prior to the announcement of the execution of the Merger Agreement and of Purchaser's intention to commence the Offer, the closing price per Share as reported on Nasdaq was $9.97. On April 10, 2003, the last full trading day prior to the commencement of the Offer, the closing price per Share as reported on Nasdaq was $13.88. As of April 4, 2003, the approximate number of holders of record of Shares was 122.

STOCKHOLDERS ARE URGED TO OBTAIN A CURRENT MARKET QUOTATION FOR THE SHARES.

7. CERTAIN INFORMATION CONCERNING THE COMPANY.

Except as otherwise described in this Offer to Purchase, all of the information concerning the Company contained in this Offer to Purchase, including financial information, has been furnished by the Company or has been taken from or based upon publicly available documents and records on file with the Commission and other public sources. None of Thomson or Purchaser assumes any responsibility for the accuracy or

completeness of the information concerning the Company furnished by the Company or contained in such documents or records or for any failure by the Company to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to Thomson or Purchaser.

General. The Company is a Delaware corporation with its principal executive offices located at 5100 West Goldleaf Circle, Los Angeles, California 90056. The Company's telephone number is (323) 642-5200.

The Company is the parent company to Elite Information Systems, Inc. ("EIS"), Elite.com, Inc. ("Elite.com") and Law Manager, Inc. ("LMI"). The Company is an international provider of a suite of financial and practice management systems for professional services firms. The Company's customers include legal and other professional services organizations such as accounting, consulting, public relations, financial services, actuarial, software, security, insurance, market research and systems integration firms, as well as corporations and government. EIS' software products are often sold with related services to aid the customer in implementation, data conversion and user training efforts. The Company's products can be licensed outright and installed onsite at the customer's location or are available through an application software provider hosting solution ("e-Connect from Elite") where EIS maintains hardware and software that is accessed remotely by the customer. Elite.com provides Internet-based time tracking and billing services to smaller professional services companies including legal, management consulting, computer systems consulting and integration, accounting and engineering. Elite.com utilizes hosted, Internet-based applications and services delivered through its various partners and alliances. LMI provides software products including advanced case management, calendar and docketing, records management and resource management, as well as implementation services to large corporate legal departments, law firms and government agencies.

Financial Information. Set forth below is certain selected consolidated financial information relating to the Company and its subsidiaries which has been excerpted or derived from the audited financial statements contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 (the "Form 10-K"). The Form 10-K is incorporated herein by reference. More comprehensive financial information is included in the Form 10-K and other documents filed by the Company with the Commission. The summary financial information that follows is qualified in its entirety by reference to such reports and other documents, including the financial statements and related notes contained therein. Such reports and other documents may be examined and copies may be obtained from the offices of the Commission in the manner set forth below.

ELITE INFORMATION GROUP, INC.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

YEARS ENDED DECEMBER 31,	2000	2001	2002
- (IN THOUSANDS, EXCEPT PER SHARE DATA) CONSOLIDATED OPERATIONS Revenue before expense reimbursements	$52,332	$68,762	$77,671
Expense reimbursements(a)	3,091	3,860	4,341
Total revenue(a)	55,423	72,622	82,012
Cost of revenue before reimbursable expenses	29,292	34,318	37,264
Reimbursable expenses	3,091	3,860	4,341
Total cost of revenue(a)	32,383	38,178	41,605
Gross profit	23,040	34,444	40,407
Operating expenses	22,967	26,208	33,736
Amortization of goodwill and other acquired intangibles	1,474	2,132	760
Write-off of in-process research and development	1,000	--	--
Operating income (loss)	(2,401)	6,104	5,911
Interest income, net	1,598	823	393
Income (loss) from continuing operations before income taxes	(803)	6,927	6,304
Income tax benefit (provision) for continuing operations	671	(2,420)	(1,834)
Income (loss) from continuing operations	(132)	4,507	4,470
Net income (loss)	$ (132)	$ 4,778	$ 4,470
Net income (loss) per share -- continuing operations Basic	$ (0.02)	$ 0.56	$ 0.55
Diluted	$ (0.02)	$ 0.55	$ 0.53
Net income (loss) per share Basic	$ (0.02)	$ 0.59	$ 0.55
Diluted	$ (0.02)	$ 0.58	$ 0.53
Weighted average shares outstanding Basic	8,492	8,074	8,109
Diluted	8,492	8,236	8,500

AS OF DECEMBER 31,	2000	2001	2002
SELECTED CONSOLIDATED BALANCE SHEET DATA Cash and cash equivalents	$24,787	$24,699	$16,963
Short-term investments	--	--	$ 7,732
Working capital	$17,515	$22,115	$24,611
Total assets	$61,044	$67,899	$74,780
Long-term debt, including current portion	--	--	--
Stockholders' equity	$32,632	$37,621	$40,598

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(a) The Company adopted the Emerging Issues Task Force "Income Statement Characterization of Reimbursements Received for 'Out-of-Pocket' Expenses Incurred" (EITF 01-14) in fiscal 2002. Adoption of the EITF resulted in an increase in both revenues and cost of revenues in the amount of reimbursable expenses billed for the periods presented. All prior periods presented have been restated to reflect this new EITF on a consistent basis.

Certain Projected Financial Data of the Company. Prior to entering into the Merger Agreement, Thomson conducted a due diligence review of the Company and in connection with such review received certain projections of the Company's future operating performance. The Company does not in the ordinary course publicly disclose projections and these projections were not prepared with a view to public disclosure and are included herein only because they were provided to Thomson. The Company has advised Thomson and Purchaser that these projections were prepared by the Company's management based on numerous assumptions, including, among others, projections of revenues, operating income, benefits and other expenses, depreciation and amortization, capital expenditures and working capital requirements. No assurances can be given with respect to any such assumptions. These projections do not give effect to the Offer or the potential combined operations of Thomson or any of its affiliates and the Company or any alterations that Thomson or any of its affiliates may make to the Company's operations or strategy after the consummation of the Offer. The information set forth below is presented for the limited purpose of giving the stockholders access to the financial projections prepared by and deemed to be material by the Company's management that were made available to Thomson in connection with the Merger Agreement and the Offer.

CALENDAR YEAR ENDING DECEMBER 31,	
	2003
	(IN THOUSANDS, EXCEPT PER SHARE DATA)
Revenues before expense reimbursements	$89,376
Net income	$ 6,992
Earnings per share -- Diluted	$ 0.85

CERTAIN MATTERS DISCUSSED HEREIN, INCLUDING, BUT NOT LIMITED TO THESE PROJECTIONS, ARE FORWARD-LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES. FORWARD-LOOKING STATEMENTS INCLUDE THOSE PRECEDED BY, FOLLOWED BY OR THAT INCLUDE THE WORDS "BELIEVES," "EXPECTS," "ANTICIPATES" OR SIMILAR EXPRESSIONS AND ALSO THE INFORMATION DESCRIBED ABOVE UNDER "CERTAIN PROJECTED FINANCIAL DATA OF THE COMPANY." WHILE PRESENTED WITH NUMERICAL SPECIFICITY, THESE PROJECTIONS WERE NOT PREPARED BY THE COMPANY IN THE ORDINARY COURSE AND ARE BASED UPON A VARIETY OF ESTIMATES AND HYPOTHETICAL ASSUMPTIONS WHICH MAY NOT BE ACCURATE, MAY NOT BE REALIZED, AND ARE ALSO INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES, ALL OF WHICH ARE DIFFICULT TO PREDICT, AND MOST OF WHICH ARE BEYOND THE CONTROL OF THE COMPANY. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT ANY OF THE PROJECTIONS WILL BE REALIZED AND THE ACTUAL RESULTS FOR THE CALENDAR YEARS ENDING DECEMBER 31, 2003 MAY VARY MATERIALLY FROM THOSE SHOWN ABOVE.

In addition, these projections were not prepared in accordance with generally accepted accounting principles, and none of the independent accountants of Thomson or the Company have examined or compiled any of these projections or expressed any conclusion or provided any other form of assurance with respect to these projections and accordingly assume no responsibility for these projections. These projections were prepared with a limited degree of precision, and were not prepared with a view to public disclosure or compliance with the published guidelines of the Commission or the guidelines established by the American Institute of Certified Public Accountants regarding projections, which would require a more complete presentation of data than as shown above. The inclusion of these projections in this Offer to Purchase should not be regarded as an indication that any of Thomson, Purchaser or the Company or their respective affiliates or representatives considered or consider the projections to be a reliable prediction of future events and the projections should not be relied on as such. None of Thomson, Purchaser, or any other person to whom these projections were provided assumes any responsibility for the accuracy or validity of the foregoing projections. None of Thomson or Purchaser or any of their respective affiliates or representatives has made or makes any representation to any person regarding the ultimate performance of the Company compared to the information contained in the projections, and none of them intends to update or otherwise revise the projections to reflect the occurrence of future events even in the event that any or all of the assumptions underlying the projections are shown to be in error.

Available Information. The Company is subject to the informational filing requirements of the Exchange Act and, in accordance therewith, is required to file periodic reports, proxy statements and other information with the Commission relating to its business, financial condition and other matters. Information as of particular dates

concerning the Company's directors and officers, their remuneration, stock options granted to them, the principal holders of the Company's securities and any material interest of such persons in transactions with the Company is required to be disclosed in proxy statements distributed to the Company's stockholders and filed with the Commission. Such reports, proxy statements and other information should be available for inspection at the public reference facilities maintained by the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and also should be available for inspection at the Commission's regional offices located at 233 Broadway, New York, New York 10279 and 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies of such materials may also be obtained by mail, upon payment of the Commission's customary fees, by writing to its principal office at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. The Commission also maintains a Website on the Internet at http://www.sec.gov that contains reports and other information regarding issuers that file electronically with the Commission.

8. CERTAIN INFORMATION CONCERNING THOMSON AND PURCHASER.

General. Purchaser is a newly incorporated Delaware corporation organized in connection with the Offer and the Merger and has not carried on any activities other than in connection with the Offer and the Merger. The principal offices of Purchaser are located at The Thomson Corporation, Metro Center, One Station Place, Stamford, Connecticut 06902 and its telephone number is (203) 969-8700. Purchaser is an indirect wholly-owned subsidiary of Thomson and a direct wholly-owned subsidiary of Thomson Legal and Regulatory, Inc.

Until immediately prior to the time that Purchaser will purchase Shares pursuant to the Offer, it is not anticipated that Purchaser will have any significant assets or liabilities or engage in activities other than those incident to its formation and capitalization and the transactions contemplated by the Offer and the Merger. Because Purchaser is newly formed and has minimal assets and capitalization, no meaningful financial information regarding Purchaser is available.

Thomson is a corporation incorporated under the laws of Ontario, Canada. The address of the principal executive offices of Thomson is: Metro Center, One Station Place, Stamford, Connecticut 06902. Thomson is a leading provider of integrated information solutions to the business and professional marketplace. The telephone number for Thomson is (203) 969-8700.

The name, citizenship, business address, business telephone number, principal occupation or employment, and five-year employment history for each of the directors and executive officers of Thomson and Purchaser and certain other information are described in Schedule I hereto. Except as described in this Offer to Purchase and in Schedule I hereto, neither Thomson nor Purchaser or, to their knowledge, any of the persons listed on Schedule I hereto has during the last five years (i) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) been a party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws or finding any violation of such laws.

Except as described in this Offer to Purchase, (i) neither Thomson or Purchaser, nor, to their knowledge, any of the persons listed in Schedule I hereto or any associate or majority-owned subsidiary of Thomson or Purchaser or any of the persons so listed, beneficially owns or has any right to acquire any Shares and (ii) neither Thomson or Purchaser, nor, to the their knowledge, any of the persons or entities referred to above nor any director, executive officer or subsidiary of any of the foregoing has effected any transaction in the Shares during the past 60 days.

Except as described in this Offer to Purchase, no material agreement, arrangement, understanding or relationship exists or is proposed between Thomson, Purchaser, or, to their knowledge, any of the persons listed in Schedule I hereto or any controlling persons or subsidiaries of Thomson or Purchaser and the Company or any of its executive officers, directors, controlling persons or subsidiaries.

As of April 10, 2003, Thomson did not own any Shares. PURSUANT TO THE STOCKHOLDERS AGREEMENT, PURCHASER HAS THE RIGHT TO VOTE APPROXIMATELY 21.5% OF THE OUTSTANDING SHARES, AND WILL NEED TO ACQUIRE AN ADDITIONAL 2,246,696 SHARES TO HAVE THE RIGHT TO VOTE THE NUMBER OF SHARES SUFFICIENT TO CAUSE THE MERGER TO

OCCUR WITHOUT THE AFFIRMATIVE VOTE OF ANY OTHER HOLDER OF SHARES. SEE "SECTION 11. PURPOSE OF THE OFFER, PLANS FOR THE COMPANY AFTER THE OFFER AND THE MERGER."

Except as provided in the Merger Agreement and as otherwise described in this Offer to Purchase, neither Thomson nor Purchaser, nor, to their knowledge, any of the persons listed in Schedule I hereto, has any contract, agreement, arrangement or understanding, whether or not legally enforceable, with any other person with respect to any securities of the Company, including, but not limited to, the transfer or voting of such securities, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss, guarantees of profits or loss or the giving or withholding of proxies, consents or authorizations. Except as described in this Offer to Purchase, since December 31, 2000, neither Thomson or Purchaser, nor, to their knowledge, any of the persons listed on Schedule I hereto, has had any transaction with the Company or any of its executive officers, directors or affiliates that is required to be reported under the rules and regulations of the Commission applicable to the Offer. Except as described in this Offer to Purchase, since December 31, 2000, there have been no negotiations, transactions or material contacts between Thomson or Purchaser or any of their respective subsidiaries or, to their knowledge, any of the persons listed in Schedule I hereto, on the one hand, and the Company or its affiliates, on the other hand, concerning a merger, consolidation or acquisition, tender offer for or other acquisition of any class of the Company's securities, an election of the Company's directors or a sale or other transfer of a material amount of assets of the Company.

9. FINANCING OF THE OFFER AND THE MERGER

The total amount of funds required by Purchaser to consummate the Offer and the Merger and to pay related fees and expenses is estimated to be approximately $125 million. Purchaser will obtain all of such funds from Thomson or its affiliates. Thomson and its affiliates will provide such funds from existing resources.

10. BACKGROUND OF THE OFFER; THE MERGER AGREEMENT AND RELATED AGREEMENTS

BACKGROUND OF THE OFFER AND CONTACTS WITH THE COMPANY

After a process lasting more than five months, during which the Company and its representatives explored strategic alternatives with three different parties and had discussions with several other parties regarding a possible transaction, on December 14, 1999, the Company entered into an Agreement and Plan of Merger (the "Solution 6 Agreement") with Solution 6 Holdings Limited, a New South Wales, Australia corporation ("Solution 6"), and EIG Acquisition Corp., a Delaware corporation and an indirect wholly-owned subsidiary of Solution 6, providing for a cash tender offer for the Shares at a price of $11.00 per Share, net to the seller in cash, followed by a second step merger at the same price. On May 10, 2000, the Company exercised its right to terminate the Solution 6 Agreement and, consequently, the tender offer and the merger contemplated thereby were abandoned. The Company terminated the Solution 6 Agreement because the Bureau of Competition of the Federal Trade Commission (the "FTC") had advised the parties that it would recommend that the FTC challenge the transaction if the parties continued to pursue the merger.

On January 30, 2001, Mr. Christopher K. Poole, the Chairman of the Board of Directors and the Company's Chief Executive Officer, was introduced to, and met with, representatives from Thomson at a trade show in New York. Over the next 16 months, Mr. Poole and other representatives of the Company had several meetings and telephone conversations with representatives of Thomson in which they exchanged general information about their businesses and future plans and discussed general areas of potential opportunity for the two companies to market and develop their products jointly.

On July 20, 2001, the Company engaged Broadview to advise management and the Board of Directors regarding an indication of interest in the Company from a third party (the "First Prospective Buyer"). During the next five and a half months, Broadview contacted four entities, including the First Prospective Buyer, regarding whether any of these parties had a potential interest in a strategic transaction with the Company. Broadview and the Company had some preliminary discussions with two of these entities, including the First Prospective Buyer. Thomson and the Second Prospective Buyer (as defined below) were not among the entities contacted by Broadview during this period.

On February 1, 2002, the Company terminated its original engagement of Broadview.

On April 16, 2002, Messrs. Poole and Barry Emerson, Chief Financial Officer of the Company, met with representatives of another entity (the "Second Prospective Buyer") in Los Angeles to provide general business information regarding the Company. On April 17, 2002, Messrs. Poole and Emerson had a telephone conversation with one of the parties initially contacted by Broadview (the "Third Prospective Buyer") regarding the business of the Company generally. At various times from April through July 2002, representatives of the Company were in contact with representatives of the Second Prospective Buyer and the Third Prospective Buyer concerning possible strategic transactions involving the Company. As a result of this process, on July 16, 2002, the Second Prospective Buyer expressed interest in a possible transaction to acquire the stock of the Company for consideration consisting of 75% cash and 25% stock. Discussions with the Third Prospective Buyer did not lead to an expression of interest from such party.

On May 7, 2002, Messrs. Poole, Emerson and Daniel Tacone, the Chief Operating Officer of EIS, met with Messrs. Michael E. Wilens, President of West Publishing Corporation, a wholly-owned subsidiary of Thomson ("Thomson-West"), Kevin Ritchey, Vice-President, Strategy & Business Development, of Thomson-West, and David Hanssens, Executive Vice President and Chief Strategy Officer of Thomson Legal & Regulatory, at a conference in New Orleans and discussed general information about their businesses and future plans.

On August 20, 2002, Mr. Poole and Mr. Wilens met at a conference in Boca Raton, Florida. At the meeting, Mr. Wilens indicated that Thomson would possibly be interested in acquiring the Company for a price in the range of $9.00 to $11.00 per Share in cash.

On September 26, 2002, Thomson retained Morgan Stanley & Co. Incorporated ("Morgan Stanley") to act as its financial advisor in connection with its consideration of a possible business combination transaction with the Company. In September 2002, Thomson also retained Shearman & Sterling to act as its legal counsel in connection with such transaction.

On October 7, 2002, the Company entered into the Confidentiality Agreement (as defined below) with Thomson-West. Messrs. Wilens and Brian Hall, the President and Chief Executive Officer of Thomson Legal & Regulatory, attended a meeting with Messrs. Poole and Tacone and various members of the Company's management team to discuss the goals and business of the Company.

On November 6, 2002, the Board of Directors of the Company held a meeting in Conshohocken, Pennsylvania at the offices of LMI. Management reviewed with the Board of the Company discussions with Thomson and the Second Prospective Buyer. Representatives of Broadview participated in the meeting via telephone and discussed with the Board of Directors merger and acquisition activity in the Company's market and valuations of other companies in the Company's market.

On November 18, 2002, Messrs. Poole and Emerson met with representatives of the Second Prospective Buyer at the Company's offices in Los Angeles to discuss their respective businesses and to discuss, in general, terms of a potential business combination. The Second Prospective Buyer indicated that it would consider making an expression of interest in acquiring the Company for $11.25 per Share in cash.

On November 22, 2002, Mr. Poole received a call from Mr. Wilens during which Mr. Wilens stated that Thomson wanted to move forward with due diligence and discussions to acquire the Company.

On November 25, 2002, Mr. Poole received a telephone call from representatives of Morgan Stanley during which Morgan Stanley expressed Thomson's preliminary interest in entering into negotiations to acquire all the outstanding Shares for $9.00 per Share. Mr. Poole indicated to Morgan Stanley that the Company would not be interested in a transaction at that price level.

On December 2, 2002, Mr. Poole received a written indication of interest from the Second Prospective Buyer expressing the Second Prospective Buyer's interest in acquiring the Company for $11.25 per Share in cash.

On December 3, 2002, the Company formally engaged Broadview to act as the Company's financial advisor in connection with evaluating the Company's strategic alternatives, including the unsolicited preliminary expressions of interest from Thomson and the Second Prospective Buyer. Representatives of Broadview

subsequently held a telephone conference with representatives of Morgan Stanley and indicated that the previous expressions of interest by Thomson were not in a valuation range that would be considered favorably by the Company.

On December 4 and 5, 2002, Messrs. Poole, Emerson and Tacone met with Messrs. Wilens, Ritchey and Robert Romeo, Senior Vice-President, Finance, of Thomson-West in Los Angeles to discuss the Company's business, including its product lines and certain financial information, as well as Thomson's interest in the Company generally. Representatives from Broadview and Morgan Stanley and Steven Todd, the Company's general counsel, were present at the meetings on December 5, 2002.

On December 9, 2002, Mr. Poole sent Mr. Wilens general materials regarding the business of the Company. In addition, representatives of Broadview called representatives from the Second Prospective Buyer to indicate that the Company would not be interested in pursuing a business combination at $11.25 per Share in cash, and suggested that the Second Prospective Buyer enter into a nondisclosure agreement with the Company. Broadview also discussed the Second Prospective Buyer's plans for financing the transaction described in its expression of interest.

On December 11, 2002, Thomson submitted a preliminary non-binding indication of interest stating that Thomson would be interested in entering into negotiations to acquire all the outstanding Shares for $11.00 per Share in cash. Representatives of Morgan Stanley subsequently held a telephone conference with representatives of Broadview on December 12, 2002, during which Broadview informed Morgan Stanley that the Company would not be interested in a transaction at $11.00 per Share.

Also on December 12, 2002, representatives of Broadview and Messrs. Poole and Matt Devoll, Chief Marketing Officer of EIS, participated in a telephone conference with representatives of the Second Prospective Buyer and its financial advisors to discuss the ability of the Second Prospective Buyer to finance a potential transaction with the Company.

On December 13, 2002, the Board of Directors held a special telephonic meeting to review the status of ongoing discussions between Broadview, on behalf of the Company, and each of Thomson and the Second Prospective Buyer, and to determine how the Company should proceed. The Board of Directors directed the Company's management to assess the interest of both parties and to work with Broadview to assess the value of the Company as a going concern. Later on December 13, 2002, representatives of Broadview participated in a telephone conference with the Second Prospective Buyer's financial advisors to obtain a detailed analysis of the Second Prospective Buyer's ability to finance a possible transaction with the Company and to suggest that the Second Prospective Buyer enter into a nondisclosure agreement with the Company. Broadview also indicated again that the Second Prospective Buyer's earlier indication of interest in acquiring the Company at $11.25 per Share was not of interest to the Company.

On December 19, 2002, several members of the senior management of the Company met with several members of the management of Thomson in Los Angeles to discuss certain financial information and other matters regarding the business of the Company. Representatives of Morgan Stanley and Broadview also attended this meeting.

From December 2002 through January 2003, representatives of the Company and Broadview provided Thomson and the Second Prospective Buyer (after execution of a nondisclosure agreement between the Second Prospective Buyer and the Company on January 3, 2003) with various due diligence materials that Thomson and the Second Prospective Buyer had requested. In addition, representatives of the Company and Broadview participated in various due diligence conference calls with each of Thomson and the Second Prospective Buyer during such period.

On January 21, 2003, Mr. Poole received an oral expression of interest from Mr. Wilens on behalf of Thomson to acquire the Company for $13.00 per Share in cash.

On January 31, 2003, the Company received a revised written expression of interest from the Second Prospective Buyer to acquire the Company for $13.25 per Share in cash. The Second Prospective Buyer stated that it would expect to sign an exclusivity letter in respect of the period for final due diligence and drafting of

definitive documentation, and indicated that it would need to seek funding from a third party in order to finance the transaction described in its expression of interest. The letter also stated that the Second Prospective Buyer was confident it could obtain financing for a possible transaction with the Company. Later that day, Broadview called Morgan Stanley requesting a written outline of Thomson's recent expression of interest and indicated that the level of Thomson's earlier oral expression of interest at $13.00 per Share was no longer as interesting to the Company.

On February 5, 2003, Thomson submitted a revised preliminary non-binding indication of interest stating that Thomson would be interested in entering into negotiations to acquire all of the outstanding Shares for $13.50 per Share in cash. Thomson stated that it would expect the Company to provide a 45-day exclusivity period in order to complete due diligence and negotiate a definitive merger agreement, and sent a proposed exclusivity agreement to the Company.

On February 7, 2003, the Board of Directors held a regularly scheduled quarterly meeting at the offices of the Company in Los Angeles. Representatives from Broadview were present at the meeting and representatives of Richards, Layton & Finger, P.A., the Company's special Delaware counsel ("Richards Layton"), participated in the meeting by telephone. The Board of Directors discussed the relative merits of the expressions of interest received from Thomson and the Second Prospective Buyer. Broadview presented several analyses regarding the Company's current stand-alone valuation, the Company's historical trading price and volume, and other factors that could affect share appreciation to the Board of Directors. The Board of Directors discussed the Company's potential to achieve full value as a stand-alone company, current market conditions and the possible risks and rewards of selling the Company at this time versus continuing as a stand-alone entity to the Board of Directors. Following these discussions, the Board of Directors directed the Company's management to continue discussions with Thomson. Broadview advised Thomson of the Board of Directors' decision to proceed with discussions regarding a possible transaction. Broadview advised the Second Prospective Buyer that the Board of Directors had decided to pursue other alternatives.

On February 10, 2003, Mr. Poole received a revised expression of interest from the Second Prospective Buyer to purchase the Company for $14.25 per Share in cash. The Second Prospective Buyer stated that they would expect to sign an exclusivity letter by the close of business on February 11, 2003.

On February 11, 2003, the Board of Directors held a special telephonic meeting, with representatives of Broadview, Richards Layton and Robinson Bradshaw & Hinson P.A., the Company's outside legal counsel ("Robinson Bradshaw") participating via telephone. The Board of Directors considered both expressions of interest and decided to continue discussions with both parties on a nonexclusive basis, pending receipt of a highly confident letter from the Second Prospective Buyer's financing source.

On February 12, 2003, representatives of Morgan Stanley held a telephone conference with representatives of Broadview during which the Broadview representatives informed Morgan Stanley that the Company had received another indication of interest regarding an acquisition of the Company at a price that was higher than $13.50 per Share. Broadview indicated that in light of this expression of interest, the Board of Directors decided to continue discussions with both prospective buyers on a nonexclusive basis.

On February 15, 2003, the Board of Directors held a special telephonic meeting (which reconvened on February 17) to discuss the Company's progress in discussions with the prospective buyers. Representatives of Broadview participated in the meeting by telephone. Broadview updated the Board of Directors on the status of discussions with Thomson and the Second Prospective Buyer. After deliberations, the Board of Directors authorized Broadview to continue nonexclusive negotiations with both Thomson and the Second Prospective Buyer. It also authorized Broadview to encourage both prospective buyers to submit their best and final expressions of interest and to encourage the Second Prospective Buyer to obtain a commitment letter for its financing for the Board of Directors to consider along with the possible terms of a draft merger agreement. In addition, the Board of Directors directed the Company's counsel to draft a form of merger agreement to be delivered to Thomson and the Second Prospective Buyer. The Board of Directors noted that it had not determined whether it would enter into an agreement to be acquired by either party, but that it desired to have both parties' best and final terms, as well as comments on a draft merger agreement, before making that determination.

On February 21, 2003, Broadview sent Thomson and the Second Prospective Buyer guidelines for completion of due diligence and submission of final proposals, directing Thomson and the Second Prospective Buyer to submit final proposals by March 19, 2003.

From February 21 through March 2003, Thomson and the Second Prospective Buyer conducted due diligence on the Company, which included reviewing business, legal and financial documents made available in a data room established in the Company's offices in Los Angeles, and discussing issues and questions with the Company's management. In March 2003, the Company delivered a form of merger agreement, which subsequently was supplemented to provide for either a tender offer or a one-step merger at each party's election, to each of Thomson and the Second Prospective Buyer for their review and comment.

On March 19, 2003, the Company received a letter, along with comments on the draft merger agreement, from the Second Prospective Buyer. The documents set forth a potential merger transaction pursuant to which the Second Prospective Buyer would acquire the Company for $14.25 per Share in cash, subject to, among other conditions, the ability of the Second Prospective Buyer to secure financing for the transaction. With regard to the financing contingency, the Second Prospective Buyer provided a copy of a commitment letter from a major financial institution. The financing commitment was subject to a number of conditions, including the following: satisfactory due diligence review of certain materials by the lender; the absence of any material adverse effect on the business, prospects, assets or condition of the Second Prospective Buyer and the Company, taken as a whole; the absence of material disruption or adverse change in the syndicated loan markets; minimum thresholds for 12 months trailing earnings before interest, taxes, depreciation and amortization, and total leverage for the Company; and a minimum cash and cash equivalent requirement for the combined businesses of the Second Prospective Buyer and the Company (as well as a separate minimum unrestricted cash balance requirement for the Company and its subsidiaries). Broadview subsequently held a due diligence conference call with the Second Prospective Buyer and its proposed lender regarding the terms of the Second Prospective Buyer's proposed financing.

On March 21, 2003, the Company received a letter, along with comments on the draft merger agreement, from Thomson. The Thomson proposal contemplated the acquisition of the Company pursuant to a cash tender offer of $14.00 per Share, followed by a second step merger at the same price. Thomson's letter stated that the transaction price would be funded from Thomson's internal resources and that the transaction would not be subject to any financing contingency. Broadview subsequently received confirmation that Thomson's proposal had received the relevant corporate approvals within Thomson.

On March 26, 2003, the Board of Directors met via telephonic conference to discuss the two revised expressions of interest. The Board of Directors reviewed and discussed the terms of both expressions of interest with Broadview, Robinson Bradshaw and Richards Layton. The Board of Directors discussed in detail the nature of the Second Prospective Buyer's financing contingency and the potential risks posed by such contingency in the current economic environment. In addition, the Board of Directors considered the totality of each party's comments on the draft merger agreement and concluded that Thomson's comments on the whole, including its comments on the "fiduciary out" provisions and the amount of the proposed termination fee, were more favorable to the Company than the comments on the draft merger agreement by the Second Prospective Buyer. In light of these considerations, the Board of Directors authorized the Company's management and its advisors to continue negotiations with Thomson on a nonexclusive basis regarding the terms of a possible transaction. Following this meeting, Broadview contacted both prospective buyers to advise them of this decision.

On March 27, 2003, outside counsel for the Second Prospective Buyer contacted Richards Layton to obtain further information regarding the Board of Directors' determination of the previous day, and to discuss whether the Second Prospective Buyer could modify its expression of interest to make the Company more inclined to pursue it. Richards Layton indicated that the Board of Directors had considered many factors, but that price, the closing and execution risks, and the comments on the draft merger agreement appeared to be most significant, and that the Board of Directors would review a revised expression of interest that was improved in one or more of these areas. Later that day, the Second Prospective Buyer sent a letter to the Company stating its willingness to raise its offer price to $14.75 per share in cash and to discuss other issues

relating to the draft merger agreement. Specifically, the letter indicated that the Second Prospective Buyer would be willing to pay a "reverse break-up fee" (a concept originally proposed by the Company, but initially rejected by the Second Prospective Buyer in its March 19, 2003 comments on the draft merger agreement) to the Company in the event that the transaction did not close as a result of the financing condition and to discuss the scope of the Second Prospective Buyer's proposed "no shop" provision. By its terms, the letter expired at 10:00 A.M. Pacific time on March 28, 2003.

After discussing the March 27, 2003 letter from the Second Prospective Buyer with the Company's management, Richards Layton and Robinson Bradshaw, Broadview contacted the financial advisor for the Second Prospective Buyer to attempt to clarify certain aspects of the revised expression of interest before submitting it to the Board of Directors. In addition, Broadview, Richards Layton and Robinson Bradshaw prepared, and Broadview delivered to the financial advisor of the Second Prospective Buyer, a set of concessions on the draft merger agreement for consideration by the Second Prospective Buyer. Broadview suggested the Second Prospective Buyer consider these concessions in determining whether to further revise its amended expression of interest. Broadview also indicated that the Board of Directors would meet again the following day to consider whatever revised expression of interest the Second Prospective Buyer submitted by that time, and encouraged the Second Prospective Buyer to submit its best and final terms.

Concurrently, on March 27, 2003, negotiations continued between the Company and Thomson, with Robinson Bradshaw delivering a revised draft merger agreement to Shearman & Sterling. In addition, Morgan Stanley delivered to Broadview a form of stockholders support agreement to which certain stockholders of the Company would be a party providing that, among other things, such stockholders would tender their Shares in an applicable tender offer, grant a proxy to Purchaser to vote in favor of an applicable merger agreement and grant Purchaser an option to purchase their Shares under certain circumstances.

On March 28, 2003, the financial advisors and outside counsel of the Second Prospective Buyer sent materials in response to Broadview's communications from the preceding day. These materials indicated that the Second Prospective Buyer's proposed price remained at $14.75, subject to the financing contingency, but that the Second Prospective Buyer would be willing to compromise on a number of points in the draft merger agreement.

Later on March 28, 2003, the Board of Directors met by telephonic conference and was briefed by the Company's management, Broadview, Richards Layton and Robinson Bradshaw on the developments and status of negotiations with both prospective buyers. The Board of Directors discussed the details of the Second Prospective Buyer's revised expression of interest, including its proposed concessions on the draft merger agreement. The Board of Directors also reviewed the status of the Second Prospective Buyer's financing and the contingencies associated with the financing, which had remained unchanged from the original proposal. The Board of Directors considered the Second Prospective Buyer's willingness to pay a reverse break-up fee, as well as the potential impact on the Company if the Second Prospective Buyer failed to close the proposed transaction with the Company due to a failure to obtain financing. The Board of Directors also discussed the greater certainty of closing afforded by the potential transaction with Thomson due to Thomson's available cash resources. The Board of Directors also considered the potential impact of various possible negotiating strategies, including further attempts to negotiate price, on the prospective buyers at this stage of the process. After considering these factors the Board of Directors directed the Company's management and advisors to proceed with negotiations on a nonexclusive basis with Thomson.

From March 29, 2003 through April 2, 2003, representatives of the Company and Thomson exchanged numerous drafts of, and engaged in extensive negotiations with respect to the terms of, a merger agreement and related documents. On March 30 and March 31, 2003, representatives of Thomson and Shearman & Sterling met with representatives of the Company and Robinson Bradshaw in Charlotte, North Carolina to negotiate the terms of the merger agreement. Richards Layton participated in the negotiations by telephone. During this time, updated financial and other due diligence information was also exchanged and reviewed by the Company and Thomson. Negotiations continued throughout April 1 and 2, 2003.

On April 2, 2003, the Board of Directors met with its financial and legal advisors to consider the proposed terms of the Offer and the Merger. Robinson Bradshaw reviewed with the Board of Directors the terms of the

Merger Agreement and the Stockholders Agreement. Broadview presented its financial analyses and discussed the various factors it had considered in conjunction with that analysis. Broadview then delivered its oral opinion, subsequently confirmed in writing, to the effect that, subject to the various factors and assumptions set forth therein, the Per Share Amount is fair, from a financial point of view, to holders of Shares. The Board of Directors then reviewed the terms of various proposed or actual agreements or arrangements relating to the Company's directors and executive officers. Richards Layton then made a presentation to the Board of Directors regarding its fiduciary duties generally under Delaware law and particularly in a change of control transaction. After further discussions and questions, the Board of Directors approved and adopted the terms of the Merger Agreement and the Stockholders Agreement and the transactions contemplated thereby, and recommended that the Company's stockholders accept the Offer, tender their Shares pursuant to the Offer, and vote to adopt the Merger Agreement.

Late in the evening of April 2, 2003, the Company, Thomson and Purchaser executed the Merger Agreement, and the Company's stockholders who are parties to the Stockholders Agreement, Thomson and Purchaser executed the Stockholders Agreement. The parties promptly issued a joint press release announcing the execution of the Merger Agreement and the Stockholders Agreement.

THE MERGER AGREEMENT

THE FOLLOWING IS A SUMMARY OF CERTAIN PROVISIONS OF THE MERGER AGREEMENT. THIS SUMMARY IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE MERGER AGREEMENT, WHICH IS INCORPORATED HEREIN BY REFERENCE, AND A COPY OF WHICH HAS BEEN FILED AS AN EXHIBIT TO THE TENDER OFFER STATEMENT ON SCHEDULE TO (THE "SCHEDULE TO") FILED BY PURCHASER AND THOMSON WITH THE COMMISSION IN CONNECTION WITH THE OFFER. CAPITALIZED TERMS NOT OTHERWISE DEFINED HEREIN WILL HAVE THE MEANINGS ASCRIBED THERETO IN THE MERGER AGREEMENT. THE MERGER AGREEMENT MAY BE EXAMINED AND COPIES MAY BE OBTAINED AT THE PLACES SET FORTH IN "SECTION 7. CERTAIN INFORMATION CONCERNING THE COMPANY."

The Offer. The Merger Agreement provides that as promptly as practicable after the date of the Merger Agreement (and in any event within eight business days of the date of the Merger Agreement), Purchaser will commence the Offer. The Offer is subject only to the Minimum Condition and to the other conditions that are described in "Section 14. Certain Conditions of the Offer." Purchaser expressly reserves the right to waive any of the conditions to the Offer and to make any change in the terms of or conditions to the Offer, provided that without the prior written consent of the Company, (i) the Minimum Condition may not be waived, (ii) the Regulatory Condition may not be waived, (iii) no change may be made that changes the form of consideration to be paid, decreases the Per Share Amount or the number of Shares sought in the Offer or imposes conditions to the Offer in addition to those described in "Section 14. Certain Conditions of the Offer" and (iv) no other change may be made to any term of the Offer in any manner adverse to the holders of the Shares.

The Merger. The Merger Agreement provides that, upon the terms and subject to the conditions set forth in the Merger Agreement, and in accordance with Delaware Law, Purchaser will be merged with and into the Company at the Effective Time. Following the Effective Time, the Company, as the Surviving Corporation, will succeed to and assume all the rights and obligations of Purchaser in accordance with Delaware Law and will become an indirect wholly-owned subsidiary of Thomson. As of the Effective Time, each Share (other than Shares owned by Thomson or the Company (or by any direct or indirect wholly-owned subsidiary of Thomson or the Company) and any Shares held by a person who shall not have voted to adopt the Merger Agreement and who properly demands appraisal for such shares in accordance with Delaware Law ("Dissenting Shares")) will be converted into the right to receive the Merger Consideration, without interest thereon. As of the Effective Time, all Shares will no longer be outstanding and will automatically be canceled and will cease to exist. Pursuant to the Merger Agreement, each issued and outstanding share of capital stock of Purchaser will be converted into and become one fully paid and nonassessable share of common stock of the Surviving Corporation.

The Merger Agreement provides that the Board of Directors of Purchaser will be the Board of Directors of the Surviving Corporation and the officers of the Company immediately prior to the Effective Time will be the officers of the Surviving Corporation. Pursuant to the Merger Agreement, the Certificate of Incorporation

of the Company will be amended in the Merger to read in its entirety as set forth in Exhibit A of the Merger Agreement and as so amended, will be the certificate of incorporation of the Surviving Corporation and, subject to the Merger Agreement, the By-laws of Purchaser, as in effect immediately prior to the Effective Time, will be the by-laws of the Surviving Corporation.

Stockholders' Meeting. Pursuant to the Merger Agreement, if following acceptance for payment of, and payment for, the Shares pursuant to the Offer, the adoption of the Merger Agreement by the stockholders of the Company is required in order to effect the Merger under Delaware Law, the Company will, as promptly as practicable, duly call, give notice of, convene and hold a meeting of its stockholders (the "Company Stockholders' Meeting") for the purpose of obtaining the affirmative vote of the holders of a majority in voting power of the Shares to adopt the Merger Agreement (the "Company Stockholder Approval"), and will, through the Board of Directors, recommend to its stockholders the adoption of the Merger Agreement, subject to its rights under the Merger Agreement, and use its reasonable best efforts to obtain such approval and adoption. If Purchaser acquires at least a majority of the outstanding Shares, Purchaser will have sufficient voting power to adopt the Merger Agreement, even if no other stockholder votes in favor of the adoption of the Merger Agreement. PURSUANT TO THE STOCKHOLDERS AGREEMENT, PURCHASER HAS THE RIGHT TO VOTE APPROXIMATELY 21.5% OF THE OUTSTANDING SHARES, AND WILL NEED TO ACQUIRE AN ADDITIONAL 2,246,696 SHARES TO HAVE THE RIGHT TO VOTE THE NUMBER OF SHARES SUFFICIENT TO CAUSE THE MERGER TO OCCUR WITHOUT THE AFFIRMATIVE VOTE OF ANY OTHER HOLDER OF SHARES. SEE "SECTION 11. PURPOSE OF THE OFFER, PLANS FOR THE COMPANY AFTER THE OFFER AND THE MERGER."

Proxy Statement. The Merger Agreement provides that, if following acceptance for payment of, and payment for, the Shares pursuant to the Offer, the adoption of the Merger Agreement by the stockholders of the Company is required in order to effect the Merger under Delaware Law, the Company and Thomson will, as promptly as practicable, prepare, and the Company will file with the Commission a proxy statement relating to the Company Stockholders' Meeting (the "Proxy Statement") and the Company will use its commercially reasonable efforts to cause the Proxy Statement to be mailed to the stockholders of the Company as promptly as practicable following the date of the Merger Agreement. Thomson has agreed to vote all Shares beneficially owned by it or any of its subsidiaries in favor of the adoption of the Merger Agreement at the Company Stockholders' Meeting and has agreed that it will not dispose of any Shares (and will cause Purchaser not to dispose of any Shares) prior to the Company Stockholders' Meeting. The Merger Agreement further provides that, if at any time Thomson or Purchaser shall acquire at least 90% of the outstanding Shares, Thomson, Purchaser and the Company will take all necessary and appropriate action to cause the Merger to become effective as promptly as practicable after consummation of the Offer and the satisfaction or waiver of the conditions set forth in the Merger Agreement without the Company Stockholders' Meeting in accordance with Delaware Law.

Conduct of Business by the Company Pending the Merger. Pursuant to the Merger Agreement, the Company has covenanted and agreed that during the period from the date of the Merger Agreement to the Effective Time, the Company will, and will cause its subsidiaries to, carry on their respective businesses in the usual, regular and ordinary course in substantially the same manner as theretofore conducted and, to the extent consistent therewith, use all reasonable efforts to preserve intact their current business organizations, licenses and authorizations, keep available the services of their current officers and employees and preserve their relationships with customers, suppliers, licensors, licensees, distributors, managers and others having business dealings with them to the end that their goodwill and ongoing businesses will be unimpaired at the Effective Time. The Merger Agreement further provides that, without limiting the generality of the foregoing, except as set forth on the Company's disclosure schedule, as otherwise permitted under the Merger Agreement or as consented to by Thomson in writing (which consent will not be unreasonably withheld, delayed or conditioned), during the period from the date of the Merger Agreement to the Effective Time, the Company will not, and will not permit any of its subsidiaries to:

- (i) declare, set aside or pay any dividends payable in cash, stock or property on, or make any other distributions in respect of, any of its capital stock, other than dividends and distributions by a direct or indirect wholly-owned subsidiary of the Company to its parent, (ii) split, combine or reclassify any of its capital stock or issue or authorize the issuance of any other securities in respect or in lieu of or in

substitution for shares of its capital stock or (iii) purchase, redeem or otherwise acquire any shares of capital stock of the Company or any of its subsidiaries or any other securities thereof or any rights, warrants or options to acquire any such shares or other securities;

- issue, deliver, sell, pledge or otherwise encumber any shares of its capital stock, any other voting securities or any securities convertible into, or any rights, warrants or options to acquire, any such shares, voting securities or convertible securities other than in accordance with the terms thereof, the issuance of the Shares (and corresponding Rights) upon the exercise of Company Stock Options (as defined below) or otherwise pursuant to equity stock-based awards, in each case outstanding on the date of the Merger Agreement and in accordance with their present terms;

- amend its certificate of incorporation, by-laws or other comparable organizational documents;

- acquire (i) by merging or consolidating with, or by purchasing a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, joint venture, association or other business organization or division thereof or (ii) any assets that, in the case of clause (i) or (ii), are material, individually or in the aggregate, to the Company;

- sell, lease, license, mortgage or otherwise encumber or subject to any Lien or otherwise dispose of any of its properties or assets, except sales of assets in the ordinary course of business;

- incur any indebtedness for borrowed money or assume or guarantee any such indebtedness of another person, issue or sell any debt securities or warrants or other rights to acquire any debt securities of the Company or any of its subsidiaries, assume or guarantee any debt securities of another person, enter into any "keep well" or other agreement to maintain any financial statement condition of another person or enter into any arrangement having the economic effect of any of the foregoing, except for borrowings incurred in the ordinary course of business, which in no event will exceed $25,000, individually, or $100,000, in the aggregate, and except for intercompany indebtedness between the Company and any of its subsidiaries or between such subsidiaries, or make any loans, advances or capital contributions to, or investments in, any other person, other than to the Company or any direct or indirect wholly-owned subsidiary of the Company and other than investments made in the ordinary course of business;

- make or agree to make any new capital expenditure or expenditures, or enter into any agreement or agreements providing for payments which, individually, or, in the aggregate, exceed in any month by more than $50,000 the amount of monthly budgeted expenditures as set forth in the Company's fiscal year 2003 budget which has been made available to Thomson;

- make any tax election that, individually or in the aggregate, is reasonably likely to have a material adverse effect on the tax liability of the Company or settle or compromise any material income tax liability;

- pay, discharge, settle or satisfy any claims, liabilities, obligations or litigation (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge, settlement or satisfaction, in the ordinary course of business or in accordance with their terms, of liabilities recognized or disclosed in the most recent consolidated financial statements (or the notes thereto) of the Company included in the Company Filed SEC Documents or incurred since the date of such financial statements;

- except as required by law, enter into, adopt or amend in any material respect or terminate any Company Benefit Plan or any other agreement involving the Company or its subsidiaries, and one or more of its directors, officers or employees;

- hire additional employees except to fill current vacancies or vacancies arising after the date of the Merger Agreement due to the termination of any employee's employment or increase the compensation of any director, executive officer or other key employee other than as required by, or pay any benefit or amount not required by, a plan or arrangement as in effect on the date of the Merger Agreement to any such person; provided, that so long as such increases do not cause the expenses of

the Company and its subsidiaries for compensation and benefits to exceed the amounts set forth in their budget for fiscal year 2003, the Company and its subsidiaries may increase salaries and other benefits of employees in the ordinary course of business consistent with past practice in connection with their annual performance review of employees in March 2003;

- settle any litigation, suit, claim, action, proceeding or investigation to the extent such settlement would provide for relief other than monetary damages, except for settlement of any litigation, suit, claim, action, proceeding or investigation based on, resulting from, or otherwise related to, the Merger Agreement or the Stockholders Agreement, the transactions contemplated thereby or the approval of, submission to, review of, or conduct of the Board of Directors or stockholders of the Company or any Governmental Entity;

- enter into any contract or agreement, other than in the ordinary course of business and consistent with past practice;

- amend, modify or consent to the termination of any Material Contract, or amend, waive, modify or consent to the termination of any material rights of the Company or any of its subsidiaries thereunder, other than in the ordinary course of business consistent with past practice;

- make any change in accounting methods, principles or practices of the Company, other than reasonable and usual actions in the ordinary course of business and consistent with past practice, except insofar as may have been required by a change in U.S. generally accepted accounting principles; or

- authorize, or commit or agree to take, any of the foregoing actions.

Company Board Representation. The Merger Agreement provides that, effective upon the acceptance for payment of, and payment for, the Shares pursuant to the Offer, Thomson will be entitled to designate the number of directors, rounded up to the next whole number, on the Board of Directors that equals the product of (i) the total number of directors on the Board of Directors (giving effect to the election of any additional directors pursuant to the section of the Merger Agreement described in this paragraph) and (ii) the percentage that the number of Shares beneficially owned by Thomson and/or Purchaser (including Shares accepted for payment) bears to the total number of Shares outstanding, and the Company will promptly take all action necessary to cause designees of Thomson to be elected or appointed to the Board of Directors, including increasing the number of directors, and seeking and accepting resignations of incumbent directors. The Merger Agreement also provides that, at such times, the Company will use its best efforts to cause persons designated by Thomson to constitute the same percentage of each committee of the Board of Directors as persons designated by Thomson will constitute of the Board of Directors, to the extent permitted by applicable law or the rules of Nasdaq or any other stock exchange or automated quotation system in which the Shares are then listed or quoted. Pursuant to the Merger Agreement, following the election or appointment of Parent's designees to the Board of Directors pursuant to the provisions of the Merger Agreement described in this paragraph and until the Effective Time, the Company will use its reasonable best efforts to ensure that at least two directors of the Company who are neither designated by or otherwise affiliated with Thomson nor employed by the Company (the "Continuing Directors") will remain members of the Board of Directors.

The Merger Agreement provides that, following the election or appointment of designees of Thomson to the Board of Directors pursuant to the provisions of the Merger Agreement described in the immediately preceding paragraph and until the Effective Time, the approval of not less than a majority of the directors of the Company then in office, which majority will include the concurrence of a majority of the Continuing Directors, will be required to authorize any termination of the Merger Agreement by the Company, any amendment of the Merger Agreement requiring action by the Board of Directors, any extension of time for performance of any obligation or action thereunder by Thomson or Purchaser and any waiver of compliance with any of the agreements or conditions contained therein for the benefit of the Company or other action by the Company hereunder which adversely affects the holders of Shares (other than Thomson and Purchaser).

Access to Information. The Merger Agreement provides that, subject to the Confidentiality Agreement, dated as of October 7, 2002 (the "Confidentiality Agreement"), between the Company and Thomson-West and except as otherwise required by applicable law, the Company will, and will cause its subsidiaries to, afford

to Thomson and Purchaser and to the officers, directors, employees, accountants, counsel, financial advisors and other representatives of Thomson and Purchaser, reasonable access during normal business hours during the period prior to the Effective Time to all their respective properties, books, contracts, commitments, personnel and records and, during such period, the Company will, and will cause its subsidiaries to, furnish promptly to Thomson and Purchaser (i) a copy of each report, schedule, registration statement and other document filed by it during such period pursuant to the requirements of federal or state securities laws, and (ii) except as otherwise required by applicable law, all other information concerning its business, properties and personnel as Thomson or Purchaser may reasonably request.

No Solicitation by the Company. The Company has agreed that it will not, and will cause its subsidiaries and its and their respective directors, officers, employees and agents (including any investment banker, financial advisor, attorney, accountant or other representative retained by it or any of its subsidiaries) not to, directly or indirectly through another person, (i) solicit, initiate or knowingly encourage (including by way of furnishing information), or take any other action designed to facilitate, any inquiries or the making of any proposal which constitutes, or may reasonably be expected to lead to, a Company Takeover Proposal (as defined below) or (ii) participate in any discussions or negotiations regarding any Company Takeover Proposal or, any proposal that may reasonably be expected to lead to a Company Takeover Proposal; provided, however, that, at any time prior to acceptance for payment of, and payment for, the Shares pursuant to the Offer (the "Company Applicable Period"), the Company may, in response to a Company Takeover Proposal which the Board of Directors determines in good faith may reasonably be expected to result in a Company Superior Proposal (as defined below), which was not solicited by it and which did not otherwise result from a breach of the Merger Agreement, after the Board of Directors has determined in good faith that the furnishing of information and participating in discussions or negotiations pursuant to the Merger Agreement is required by its fiduciary duties under applicable law, after having received advice from outside legal counsel and after the Company has entered into a customary confidentiality agreement on terms no less favorable to the Company than those contained in the Confidentiality Agreement, and subject to providing three business days prior written notice of its decision to take such action to Thomson and compliance with the Merger Agreement, (x) furnish information with respect to the Company and its subsidiaries to any person making such a Company Takeover Proposal pursuant to a confidentiality agreement and (y) participate in discussions or negotiations regarding such Company Takeover Proposal.

"Company Takeover Proposal" means any inquiry, proposal or offer from any person relating to (i) any sale, transfer or other disposition of assets of any business that constitutes 20% or more of the net revenues, net income or the assets of the Company and its subsidiaries, taken as a whole, (ii) any sale, transfer, or other disposition of 20% or more of any class of equity securities of the Company or any of its subsidiaries, (iii) any tender offer or exchange offer that if consummated would result in any person beneficially owning 20% or more of any class of equity securities of the Company or any of its subsidiaries, or (iv) any merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving the Company or any of its subsidiaries, other than the transactions contemplated by the Merger Agreement.

"Company Superior Proposal" means any bona fide, unsolicited offer made by a third party to consummate (i) a tender offer, exchange offer, merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving the Company pursuant to which the stockholders of the Company immediately preceding such transaction hold less than 50% of the equity interest in the surviving or resulting entity of such transaction, (ii) the acquisition by any person or group of more than 50% of the voting power of the Shares then outstanding or (iii) the sale, transfer or other disposition of all or substantially all the assets of the Company and its subsidiaries taken together; in each case on terms which the Board of Directors determines in good faith (after having received the advice of a financial advisor of nationally recognized reputation) to be more favorable to the Company's stockholders than the Offer and Merger and is reasonably capable of being consummated.

Except as expressly permitted by the Merger Agreement, neither the Board of Directors nor any committee thereof will (i) withdraw or modify, or propose publicly to withdraw or modify, in a manner adverse to Thomson, the approval or recommendation by such Board of Directors or such committee of the Merger Agreement, the Stockholders Agreement, the Offer or the Merger unless the Board of Directors

determines in good faith that the failure to take the foregoing actions would be a breach of its fiduciary duties under applicable law after having received advice from outside legal counsel, (ii) approve or recommend, or propose publicly to approve or recommend, any Company Takeover Proposal, or (iii) cause the Company to enter into any letter of intent, agreement in principle, acquisition agreement or other similar agreement related to any Company Takeover Proposal (each, a "Company Acquisition Agreement"). Notwithstanding anything in the Merger Agreement to the contrary, in response to a Company Superior Proposal which was not solicited by the Company and which did not otherwise result from a breach of the Merger Agreement, the Board of Directors may, during the Company Applicable Period, terminate the Merger Agreement (and concurrently with or after such termination, if it so chooses, cause the Company to enter into any Company Acquisition Agreement with respect to any Company Superior Proposal), provided that the Company may not effect any termination or enter into any such Company Acquisition Agreement pursuant to the Merger Agreement unless and until (i) the receipt by Thomson of three business days' prior written notice advising Thomson that the Board of Directors is prepared to accept a Company Superior Proposal; (ii) during such three business day period, the Company will, and will cause its financial and legal advisors to, consider any adjustment in the terms and conditions of the Merger Agreement that Thomson may propose; and (iii) the Company will have paid the Termination Fee in full.

The Merger Agreement further provides that the Company will, and will direct or cause its subsidiaries and its and their respective directors, officers, employees and agents (including any investment banker, financial advisor, attorney, accountant or other representative retained by the Company) to, immediately cease and cause to be terminated any discussions or negotiations with any parties that may be, or may have been, ongoing prior to or as of the date of the Merger Agreement with respect to any Company Takeover Proposal. Subject to the exercise of its rights under the Merger Agreement, the Company has agreed not to release any third party from, or waive any provision of, any confidentiality or standstill agreement to which the Company is a party.

In addition, the Company has agreed to promptly advise Thomson orally and in writing of the existence of any request for information or of any Company Takeover Proposal, the material terms and conditions of such request or Company Takeover Proposal and the identity of the person making such request or Company Takeover Proposal and any changes in any such request or to the Company Takeover Proposal.

Employee Stock Options and Other Employee Benefits. The Merger Agreement also provides that the Company will take such actions as may be required so that at the Effective Time, each then outstanding stock option to purchase Shares that was granted under the Company's Restated 1985 Incentive Stock Option Plan, Amended and Restated 1996 Stock Option Plan and each individual option agreement entered into outside of any of the stock option plans of the Company (all of the foregoing, collectively, the "Company Stock Options"), whether or not then exercisable or vested, will be cancelled. A holder who consents to the cancellation of his or her Company Stock Options will receive, for each Share subject to a Company Stock Option, an amount in cash equal to the difference between the Merger Consideration and the per share exercise price of the related Company Stock Option to the extent such difference is a positive number (such amount in cash as described above is hereinafter referred to as the "Option Consideration"). The surrender of a Company Stock Option to the Company in exchange for the Option Consideration as set forth above will be deemed a release of any and all rights the holder had in respect of such holder's Company Stock Option. Prior to the Effective Time, the Company will take all action necessary to ensure that, following the Effective Time, no participant in any stock option plan of the Company will have any right to acquire equity securities of the Company, the Surviving Corporation or any subsidiary thereof. At the Effective Time, Thomson will, or will cause the Surviving Corporation to, pay Option Consideration to each holder who consented to the cancellation of his or her Company Stock Option.

The Company has also agreed to terminate the Company's Employee Stock Purchase Plan at the Effective Time. The Company will refund to each participant in the Employee Stock Purchase Plan the cash balance in the participant's account in accordance with the terms of the plan.

The Merger Agreement also provides that from and continuing through the period ending on the date that is the later of the date that is six months after the Effective Time and December 31, 2003, Thomson will

cause the Surviving Corporation to honor in accordance with their respective terms all employee benefit plans, contracts, agreements, arrangements, policies, plans and commitments of the Company relating to employee compensation and benefits of employees of the Company (collectively, the "Company Benefit Plans") to the extent the Company Benefit Plans are not superseded by other plans, agreements or other arrangements that, in the aggregate, are at least no less favorable to the employees and former employees under the superseded Company Benefit Plans that were in effect immediately prior to the time of acceptance for payment of, and payment for, any Shares pursuant to the Offer to Purchase. Thomson has agreed to cause the Surviving Corporation to honor all rights that become effective as a result of a change in control under specified Company Benefit Plans, except to the extent that the applicable Company Benefit Plans are superseded by agreements with individuals that become effective prior to, or at the Effective Time.

Thomson also agreed that from and continuing through the period ending on the date that is the later of the date that is six months after the Effective Date and December 31, 2003, Thomson will, or will cause the Surviving Corporation to, provide employee pension and welfare plans for the benefit of employees and former employees of the Company that, in the aggregate, are at least no less favorable to these employees and former employees are under the Company Benefit Plans that are in effect immediately prior to the time of acceptance for payment of, and payment for, any Shares pursuant to the Offer to Purchase. To the extent any benefit plan of Thomson (or any plan of the Surviving Corporation) is made available to employees or former employees of the Company, Thomson will, or will cause the Surviving Corporation, as applicable, to credit employees and former employees of the Company for service with the Company prior to the Effective Time for purposes of determining eligibility to participate in, and the employee's vested right to benefits under, these plans, and, unless a duplication of benefits would result, for purposes of calculating benefits. In addition, to the extent any of the foregoing plans is a welfare plan, Thomson will, or will cause the Surviving Corporation to (i) waive all preexisting conditions, exclusions and waiting periods otherwise applicable to employees and former employees of the Company, except to the extent that any such limitation or waiting period in effect under comparable Company Benefit Plans has not been satisfied as of the date the plan is made available to employees and former employees of the Company and (ii) credit each employee and former employee of the Company for any co-payments, co-insurance and deductibles paid by an employee or former employee under comparable Company Benefit Plans prior to the date the plan is made available to employees and former employees of the Company.

Directors' and Officers' Indemnification Insurance. The Merger Agreement provides that, from the Effective Time through the sixth anniversary of the date of which the Effective Time occurs, Thomson will cause the Surviving Corporation to (and be liable for any failure of the Surviving Corporation to), and the Surviving Corporation will, indemnify and hold harmless each person who is now, or has been at any time prior to the date of the Merger Agreement, and who becomes prior to the Effective Time, a director or officer of the Company or any of its subsidiaries (the "Covered Parties"), against all claims, losses, liabilities, damages, judgments, fines and reasonable fees, costs and expenses, including attorneys' fees and disbursements (collectively, "Costs"), incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to (i) the fact that the Covered Party is or was an officer or director of the Company or any of its subsidiaries or (ii) matters existing or occurring at or prior to the Effective Time (including the Merger Agreement and the transactions and actions contemplated thereby), whether asserted or claimed prior to, at or after the Effective Time, to the fullest extent permitted under applicable law. Each Covered Party will be entitled to advancement of expenses incurred in the defense of any claim, action, suit, proceeding or investigation from Thomson and the Surviving Corporation within ten business days of receipt by Thomson or the Surviving Corporation from the Covered Party of a request therefor; provided that any person to whom expenses are advanced provides an undertaking, to the extent required by Delaware Law, to repay such advances if it is ultimately determined that such person is not entitled to indemnification.

The Merger Agreement further provides that the Certificate of Incorporation and By-laws of the Surviving Corporation will contain provisions no less favorable with respect to indemnification, advancement of expenses and exculpation of present and former directors, officers, employees and agents of the Company and its subsidiaries than are presently set forth in Articles 8 and 9 of the Certificate of Incorporation and

Article V of the By-laws of the Company, which provisions will not be amended, repealed or otherwise modified for a period of six years from the Effective Time in any manner that would affect adversely the rights thereunder of a Covered Party, unless such modification shall be required by law.

Pursuant to the Merger Agreement, Thomson will cause the Surviving Corporation to maintain, at no expense to the beneficiaries, in effect for six years from the Effective Time, the current policies of the directors' and officers' liability insurance maintained by the Company with respect to matters existing or occurring at or prior to the Effective Time (including the transactions contemplated by the Merger Agreement) (provided that the Surviving Corporation may substitute therefor policies of at least the same coverage (containing terms and conditions that are not less favorable) with respect to matters occurring prior to the Effective Time).

In the event that Thomson or the Surviving Corporation or any of its successors or assigns (i) consolidates with or merges into any other person and will not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or substantially all of its properties and assets to any person, then, and in each such case, the parties have agreed that proper provision will be made so that the successors or assigns of Thomson or the Surviving Corporation, as the case may be, will succeed to the obligations set forth in the Merger Agreement.

Filings; Other Action. Subject to the terms and conditions provided in the Merger Agreement, each of the Company, Purchaser and Thomson have agreed to (a) promptly make their respective filings and thereafter make any other required submissions under the HSR Act and other regulatory filings with any relevant Governmental Entity and comply with all reasonable requests for information from any Governmental Entity with respect to the Merger and the transactions contemplated by the Merger Agreement; and (b) use their respective reasonable best efforts promptly to take, or cause to be taken, all other action and do, or cause to be done, all other things necessary, proper or appropriate under the Merger Agreement and applicable laws and regulations to obtain as promptly as practicable all consents, approvals, orders, authorizations, registrations and permits required to be obtained by it from any Governmental Entity or third party in connection with the execution and delivery of the Merger Agreement and the consummation of the Merger and the other transactions contemplated by the Merger Agreement as soon as practicable after the date of the Merger Agreement; provided, however, that neither Thomson nor the Company will be required to agree to, or proffer to, (i) divest or hold separate any of the businesses or assets or Thomson, the Company or any of their respective affiliates, (ii) cease to conduct business or operations in any jurisdiction in which Thomson, the Company or any of their respective subsidiaries conducts business or operations as of the date of the Merger Agreement, or (iii) otherwise limit (after the Effective Time) the freedom of action of Thomson with respect to, or its ability to retain, the Company and its subsidiaries or any portion thereof or any of the assets or businesses of Thomson or its affiliates.

Representations and Warranties. The Merger Agreement contains various customary representations and warranties of the parties thereto, including, among others, representations by the Company as to the absence of certain changes or events concerning the Company's business, litigation, labor relations, benefit plans, taxes, compliance with applicable laws, voting requirements, state takeover statutes, brokers, opinion of financial advisors, material contracts, intellectual property, the Rights Agreement, real property and leases, customers and suppliers, insurance, assets and cash.

Conditions to the Merger. Under the Merger Agreement, the respective obligation of each party to effect the Merger is subject to the satisfaction or waiver (except as otherwise provided in the Merger Agreement), on or prior to the Closing Date of the following conditions: (a) if required by law, Company Stockholder Approval will have been obtained; (b) the waiting period (and any extension thereof) applicable to the Merger under the HSR Act will have been terminated or will have expired; (c) no Restraint will be in effect preventing the consummation of the Merger or any of the other transactions contemplated by the Merger Agreement; provided, however, that each of the parties will have used its reasonable best efforts to prevent the entry of any such Restraints and to appeal as promptly as practicable any such Restraints that may be entered; and (d) Purchaser will have previously accepted for payment and paid for all Shares validly tendered pursuant to the Offer and not withdrawn.

The Merger Agreement provides that neither the Company nor Thomson may rely on the failure of any condition set forth in the Merger Agreement to be satisfied if such failure was caused by such party's (including, in the case of Thomson, Purchaser's) failure to comply with its obligations under the Merger Agreement.

Termination. The Merger Agreement provides that it may be terminated at any time prior to the Effective Time, whether before or after Company Stockholder Approval or adoption of the Merger Agreement by Thomson as the sole stockholder of Purchaser:

(a) by mutual written consent of the Company and Thomson;

(b) by either the Company or Thomson (provided that the party seeking to terminate may not rely on the existence of any of the following conditions resulting from its (including, in the case of Thomson, Purchaser's) failure to perform any of its obligations under the Merger Agreement):

(i) if Purchaser will not have purchased Shares pursuant to the Offer on or before the Outside Date; provided that if the Company has requested that Thomson cause Purchaser to extend the Expiration Date to a period not to exceed the Alternative Outside Date under the conditions specified in the Merger Agreement, the right to terminate the Merger Agreement will not become effective until the earlier of the Alternative Outside Date or such time as the Company will withdraw its request that Thomson cause Purchaser to extend the Expiration Date;

(ii) if the Offer will have expired without any Shares being purchased pursuant thereto or the Offer is terminated as permitted under the Merger Agreement without any Shares having been accepted for payment thereunder; or

(iii) if any Restraint which has the effect of making consummation of the Offer or the Merger illegal or otherwise preventing or prohibiting consummation of the Offer or the Merger will have become final and nonappealable; provided that the party seeking to terminate the Merger Agreement pursuant to the terms thereof will have used reasonable best efforts to prevent the entry of and to remove such Restraint;

(c) by the Company, during the Company Applicable Period, if Thomson or Purchaser will have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in the Merger Agreement, such that (i) (A) the representations and warranties of Thomson or Purchaser set forth in the Merger Agreement that are qualified as to materiality or material adverse effect will not be true and correct, or any such representation and warranty of Thomson or Purchaser that is not so qualified will not be true and correct in all material respects, both when made and at and as of the expiration of the Offer, as if made at and as of such time (except to the extent expressly made as of any earlier date, in which case as of such date) or (B) Thomson or Purchaser will not have performed in all material respects all obligations required to be performed by it under the Merger Agreement at or prior to the expiration of the Offer and (ii) such breach or failure to perform is incapable of being, or is not, cured by Thomson or Purchaser, as the case may be, by the earlier of the Expiration Date or within five business days of notice thereof;

(d) by the Company, at any time during the Company Applicable Period, in accordance with the provisions of the Merger Agreement described above under the section entitled "No Solicitation by the Company" above; provided, that in order for the termination of the Merger Agreement pursuant to the provision of the Merger Agreement described in this paragraph to be deemed effective, the Company will have complied with the applicable notice provisions of the Merger Agreement and will have paid the Termination Fee (as defined below);

(e) by Thomson, during the Company Applicable Period, if the Company will have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in the Merger Agreement, which breach or failure to perform (A) would give rise to the failure of a condition set forth in (ii)(b) and (c) of "Section 14. Certain Conditions of the Offer"

and (B) is incapable of being, or is not, cured by the Company by the earlier of the Expiration Date or within five business days of notice thereof;

(f) by Thomson, if the Board of Directors or any committee thereof will, during the Company Applicable Period, have withdrawn or modified in a manner adverse to Thomson or Purchaser, the approval or recommendation of the Offer, the Merger, the Merger Agreement or the Stockholders Agreement, or approved or recommended any Company Takeover Proposal or any other acquisition of Shares (except for approvals not inconsistent with the Offer or the Merger as may be necessary or desirable in connection with the issuance of Shares as permitted under the Merger Agreement or to exempt acquisitions of Shares from liability under the Exchange Act) other than the Offer and the Merger, or the Board of Directors or any committee thereof will have resolved to do any of the foregoing; or

(g) by Thomson, if due to an occurrence or circumstance that would result in the failure to satisfy any conditions set forth in "Section 14. Certain Conditions of the Offer" (other than the Minimum Condition or the Regulatory Condition), Purchaser will have failed to commence the Offer within 30 days following the date of the Merger Agreement.

Effect of Termination. In the event of termination of the Merger Agreement by either Thomson or the Company as provided in the Merger Agreement, the Merger Agreement will forthwith become void and have no effect, without any liability or obligation on the part of the Company or Thomson, other than (a) certain provisions of the Merger Agreement relating to confidential information, (b) the provisions of the Merger Agreement relating to fees and expenses, (c) the provisions of the Merger Agreement relating to the effects of termination of the Merger Agreement, (d) the provisions of the Merger Agreement relating to the general provisions applicable to the Merger Agreement and (e) the Confidentiality Agreement (without giving effect to any waiver or amendment thereto contemplated by the Merger Agreement), which provisions and agreements will survive such termination. In addition, the termination of the Merger Agreement will not relieve a breaching party from liability for any breach by such party of any of its representations, warranties, covenants or agreements set forth in the Merger Agreement giving rise to such termination.

Fees and Expenses. The Merger Agreement provides that all fees and expenses incurred in connection with the Merger Agreement, the Stockholders Agreement and the transactions contemplated by the Merger Agreement or the Stockholders Agreement will be paid by the party incurring such fees or expenses, whether or not such transactions are consummated. The Company covenanted and agreed that the Company and its subsidiaries will not incur or cause to be incurred aggregate fees and disbursements of the Company's financial advisors that are incurred in connection with the preparation, negotiation, execution, delivery and performance of the Merger Agreement and the consummation of the transactions contemplated thereby (the "Transaction Fees") in excess of $2,500,000. In addition, the Company further covenanted and agreed that it will incur legal fees and expenses in connection with the preparation, negotiations, execution, delivery and performance of the Merger Agreement on a reasonable and customary basis, consistent with past practice.

The Merger Agreement provides that if (i) the Company terminates the Merger Agreement pursuant to the provision of the Merger Agreement described in paragraph (d) under the section entitled "Termination" above or (ii) any person will have commenced, publicly proposed or communicated to the Company a Company Takeover Proposal that is publicly disclosed and not withdrawn and (A) the Offer will have remained open for at least 20 business days, (B) the Minimum Condition will not have been satisfied, (C) the Merger Agreement will have been terminated pursuant to the provisions of the Merger Agreement described in the section entitled "Termination" above (other than the provisions of the Merger Agreement described in paragraph (a), (b)(iii) or (c) of the section entitled "Termination" above, and other than on account of the conditions set forth in paragraph (a), (d) or (g) of "Section 14. Certain Conditions of the Offer") and (D) other than in the case of termination pursuant to the provisions of the Merger Agreement described in paragraph (f) of the section entitled "Termination" above or on the account of the condition set forth in paragraph (f) of "Section 14. Certain Conditions to the Offer," the Company enters into an agreement with respect to a Company Takeover Proposal, or a Company Takeover Proposal is consummated, in each case within 12 months after the termination of the Merger Agreement in accordance with the terms thereof, and

the Company will not theretofore have been required to pay the Termination Fee to Thomson, then, in each case, the Company will pay, or cause to be paid to Thomson, an amount equal to $3,500,000 (the "Termination Fee").

THE STOCKHOLDERS AGREEMENT

THE FOLLOWING IS A SUMMARY OF CERTAIN PROVISIONS OF THE STOCKHOLDERS AGREEMENT. THIS SUMMARY IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE STOCKHOLDERS AGREEMENT, WHICH IS INCORPORATED HEREIN BY REFERENCE, AND A COPY OF WHICH HAS BEEN FILED WITH THE COMMISSION AS AN EXHIBIT TO THE SCHEDULE TO. FOR PURPOSES OF THE SUMMARY OF THE STOCKHOLDERS AGREEMENT BELOW, CAPITALIZED TERMS NOT OTHERWISE DEFINED HEREIN WILL HAVE THE MEANINGS ASCRIBED THERETO IN THE STOCKHOLDERS AGREEMENT. THE STOCKHOLDERS AGREEMENT MAY BE EXAMINED AND COPIES MAY BE OBTAINED AT THE PLACES SET FORTH IN "SECTION 7. CERTAIN INFORMATION CONCERNING THE COMPANY."

Tender of Shares. Pursuant to the Stockholders Agreement, each Significant Stockholder has agreed that, promptly following the commencement of the Offer, such Significant Stockholder (a) will tender, or cause to be tendered, to the Purchaser in the Offer, as promptly as practicable, but in any event within five business days of such commencement, all of such Significant Stockholder's Shares pursuant to the terms of the Offer and (b) will not withdraw, or cause to be withdrawn, such Shares.

Grant of Proxy. Pursuant to the Stockholders Agreement, each Significant Stockholder has granted an irrevocable proxy to Purchaser (and has agreed to execute such documents or certificates evidencing such proxy as Purchaser may reasonably request) to vote, at any meeting of the stockholders of the Company and in any action by written consent of the stockholders of the Company, all of such Significant Stockholder's Shares (a) in favor of the approval and adoption of the Merger Agreement and approval of the Merger and all other transactions contemplated by the Merger Agreement and the Stockholders Agreement, (b) against any action, agreement or transaction (other than the Merger Agreement or the transactions contemplated thereby) or proposal (including any Company Takeover Proposal) that would result in a breach of any covenant, representation or warranty or any other obligation or agreement of the Company under the Merger Agreement or that could result in any of the conditions to the Company's obligations under the Merger Agreement not being fulfilled, and (c) in favor of any other matter necessary to the consummation of the transactions contemplated by the Merger Agreement and considered and voted upon by the stockholders of the Company.

Transfer of Shares. The Stockholders Agreement provides that each Significant Stockholder will not, directly or indirectly, (a) sell, assign, transfer (including by operation of law), lien, pledge, dispose of or otherwise encumber any of the Shares or otherwise agree to do any of the foregoing, (b) deposit any Shares into a voting trust or enter into a voting agreement or arrangement or grant any proxy or power of attorney with respect thereto that is inconsistent with the Stockholders Agreement, (c) enter into any contract, option or other arrangement or undertaking with respect to the direct or indirect acquisition or sale, assignment, transfer (including by operation of law) or other disposition of any Shares, or (d) take any action that would make any representation or warranty of such Significant Stockholder in the Stockholders Agreement untrue or incorrect in any material respect or have the effect of preventing or disabling the Significant Stockholder from performing such Stockholder's obligations thereunder.

No Solicitation of Transactions. The Stockholders Agreement provides that none of the Significant Stockholders will, directly or indirectly, through any officer, director, agent or otherwise, (a) solicit, initiate or encourage the submission of any Company Takeover Proposal or (b) participate in any discussions or negotiations regarding, or furnish to any person, any information with respect to, or otherwise cooperate in any way with respect to, or assist or participate in, facilitate or encourage, any unsolicited proposal that constitutes, or may reasonably be expected to lead to, a Company Superior Proposal; provided, however, that nothing in the Stockholders Agreement will prevent a Significant Stockholder, in such Significant Stockholder's capacity as a director or executive officer of the Company from engaging in any activity permitted pursuant to the Merger Agreement. Each Significant Stockholder will, and will direct or cause such Significant Stockholder's

representatives and agents to, immediately cease and cause to be terminated any discussions or negotiations with any parties that may be ongoing with respect to any Company Takeover Proposal.

Termination. The obligations of the Significant Stockholders under the Stockholders Agreement will terminate upon the earliest of (a) the Effective Time, (b) any amendment to the Merger Agreement which adversely affects any Significant Stockholder and (c) termination of the Merger Agreement in accordance with its terms.

On April 4, 2003, the Significant Stockholders owned (either beneficially or of record) 1,698,605 Shares, constituting approximately 21.5% of the outstanding Shares (or approximately 17.6% of the outstanding Shares on a fully-diluted basis).

PURSUANT TO THE STOCKHOLDERS AGREEMENT, PURCHASER HAS THE RIGHT TO VOTE APPROXIMATELY 21.5% OF THE OUTSTANDING SHARES, AND WILL NEED TO ACQUIRE AN ADDITIONAL 2,246,696 SHARES TO HAVE THE RIGHT TO VOTE THE NUMBER OF SHARES SUFFICIENT TO CAUSE THE MERGER TO OCCUR WITHOUT THE AFFIRMATIVE VOTE OF ANY OTHER HOLDER OF SHARES. SEE "SECTION 11. PURPOSE OF THE OFFER, PLANS FOR THE COMPANY AFTER THE OFFER AND THE MERGER."

EMPLOYMENT AGREEMENT WITH CHRISTOPHER K. POOLE

THE FOLLOWING IS A SUMMARY OF CERTAIN PROVISIONS OF THE EMPLOYMENT AGREEMENT, DATED AS OF APRIL 10, 2003 (THE "POOLE AGREEMENT"), BETWEEN THE COMPANY AND CHRISTOPHER K. POOLE. THIS SUMMARY IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE POOLE AGREEMENT, WHICH IS INCORPORATED HEREIN BY REFERENCE, AND A COPY OF WHICH HAS BEEN FILED WITH THE COMMISSION AS AN EXHIBIT TO THE SCHEDULE TO. FOR PURPOSES OF THE SUMMARY OF THE POOLE AGREEMENT BELOW, CAPITALIZED TERMS NOT OTHERWISE DEFINED HEREIN WILL HAVE THE MEANINGS ASCRIBED TO THEM IN THE POOLE AGREEMENT. THE POOLE AGREEMENT MAY BE EXAMINED AND COPIES MAY BE OBTAINED AT THE PLACES SET FORTH IN "SECTION 7. CERTAIN INFORMATION CONCERNING THE COMPANY."

The Poole Agreement provides that Mr. Poole will serve as President and General Manager of the NAL Software Business Unit of the Surviving Corporation (the "NAL Unit") during a two-year term that is to commence upon the consummation of the Offer. The Poole Agreement will supersede Mr. Poole's existing employment agreement as of the Effective Date, including any right thereunder to receive payments as a result of a change of control of the Company following consummation of the Offer or the Merger.

As compensation for services under the Poole Agreement Mr. Poole will receive an annual base salary of $325,000 (subject to annual review and merit increases) and will be eligible to earn an annual bonus of up to 200% of his base salary (with a target bonus amount equal to 100% of his base salary), based on the achievement of certain performance objectives. Mr. Poole is also eligible to earn over a two-year measurement period commencing at the Effective Time and ending on the last day of the 2004 plan year a retention performance award of up to $800,000 (with a target amount equal to $400,000), based on the achievement of certain performance objectives. Mr. Poole will also be entitled to a one-time integration bonus of $75,000, payable on the 90th day following the Effective Date, provided that certain objectives relating to the integration of the business of the Company with the business of Thomson are satisfied. Mr. Poole will be entitled to participate in retirement, medical, disability, long-term care and life insurance plans applicable to senior executives of the NAL Unit. If Mr. Poole's employment is terminated without Cause, and where such termination is not the result of Mr. Poole's death or disability, Mr. Poole is entitled to a lump sum payment equal to the sum of (i) one and one-half times his then-current annual salary, (ii) the amount of medical, dental and vision benefits the Company would have contributed on behalf of Mr. Poole and his dependents had he remained employed for an additional 18 months, (iii) a pro-rated amount of Mr. Poole's annual target bonus amount for the year of termination, and (iv) any unpaid portion of the target amount of the retention performance award (in no event less than $400,000). He will also be entitled to outplacement assistance in a maximum amount of $20,000 in the event Mr. Poole's employment is terminated without Cause. If Mr. Poole resigns from his employment for Good Reason, he is entitled to the same lump sum payment that he is entitled to in the event his employment is terminated without Cause, except that he is not entitled to any amount under the retention performance award. Mr. Poole is bound by a covenant not to compete with the business of the Company (or any of its affiliates) anywhere in the United States, Canada, or the United Kingdom for one year after termination of his employment for any reason. In addition, Mr. Poole is bound by a

covenant not to solicit employees or customers of the Company (or any of its affiliates) for one year after termination of his employment for any reason.

CONFIDENTIALITY AGREEMENT

THE FOLLOWING IS A SUMMARY OF CERTAIN PROVISIONS OF THE CONFIDENTIALITY AGREEMENT. THIS SUMMARY IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE CONFIDENTIALITY AGREEMENT, WHICH IS INCORPORATED HEREIN BY REFERENCE, AND A COPY OF WHICH HAS BEEN FILED WITH THE COMMISSION AS AN EXHIBIT TO THE SCHEDULE TO. FOR PURPOSES OF THE SUMMARY OF THE CONFIDENTIALITY AGREEMENT BELOW, CAPITALIZED TERMS NOT OTHERWISE DEFINED HEREIN WILL HAVE THE MEANINGS ASCRIBED THERETO IN THE CONFIDENTIALITY AGREEMENT. THE CONFIDENTIALITY AGREEMENT MAY BE EXAMINED AND COPIES MAY BE OBTAINED AT THE PLACES SET FORTH IN "SECTION 7. CERTAIN INFORMATION CONCERNING THE COMPANY."

Pursuant to the Confidentiality Agreement, West has agreed that the Evaluation Material will be used solely for the purpose of evaluating a possible transaction between the Company and West, and that such information will be kept confidential by West and its advisors; provided, however, that (i) any of such information may be disclosed to directors, officers and employees of West and representatives of the advisors of West who need to know such information for the purpose of evaluating any such possible transaction between the Company and West and (ii) any disclosure of such information may be made to which the Company consents in writing.

West also has agreed that for a period of two years from the date of the Confidentiality Agreement that West will not, directly or indirectly, and West will cause any person or entity controlled by West not to, without the prior written consent of the Company, (i) in any manner acquire, agree to acquire or make any proposal to acquire, directly or indirectly, more than 4.9% of the outstanding voting securities or property of the Company or any of its affiliates, (ii) propose to enter into, directly or indirectly, any merger, consolidation, recapitalization, business combination or other similar transaction involving the Company or any of its affiliates, (iii) make, or in any way participate in, any "solicitation" of "proxies" (as such terms are used in the proxy rules of the Commission) to vote, or seek to advise or influence any person with respect to the voting of any voting securities of the Company or any of its affiliates, (iv) form, join or in any way participate in a "group" (within the meaning of the Exchange Act) with respect to any control or influence of the management, Board of Directors or policies of the Company, (v) disclose any intention, plan or arrangement inconsistent with the foregoing, or (vi) advise, assist or encourage any other persons in connection with any of the foregoing. West also agreed that during such period not to (x) request that the Company (or its Representatives), directly or indirectly, amends or waives any provision of the Confidentiality Agreement described in this paragraph, (y) take any action which might require the Company or any of its affiliates to make a public announcement regarding the Confidentiality Agreement or the possibility of a merger, consolidation, business combination or other similar transaction, or (z) communicate with the Company's stockholders regarding the subject matter of the Confidentiality Agreement.

In addition, West has agreed that for a period of one year from the date of the Confidentiality Agreement, neither West nor any of its affiliated companies would hire any of the employees of the Company or its subsidiaries with whom West had contact during the period of its review of the Company.

11. PURPOSE OF THE OFFER; PLANS FOR THE COMPANY AFTER THE OFFER AND THE MERGER.

Purpose of the Offer. The Offer is being made pursuant to the Merger Agreement. The purpose of the Offer and the Merger is for Thomson to acquire control of, and the entire equity interest in, the Company. The Offer, as the first step in the acquisition of the Company, is intended to facilitate the acquisition of all of the Shares. The purpose of the Merger is for Thomson to acquire all Shares not purchased pursuant to the Offer. Upon consummation of the Merger, the Company will become a wholly-owned subsidiary of Thomson.

Under Delaware Law, the approval of the Board of Directors and, in the event Purchaser owns less than 90% of the outstanding shares upon consummation of the Offer, the affirmative vote of the holders of a majority of the outstanding Shares are required to approve and adopt the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger. The Board of Directors has

unanimously determined that the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger, are fair to, and in the best interests of, Company's stockholders, has approved, adopted and declared advisable the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger, and has recommended that the Company's stockholders accept the Offer, tender their Shares pursuant to the Offer and vote to approve and adopt the Merger Agreement. Unless the Merger is consummated pursuant to the short-form merger provisions under Delaware Law described below, the only remaining required corporate action of the Company is the approval and adoption of the Merger Agreement and the Merger by the affirmative vote of the holders of a majority of the outstanding Shares. Accordingly, if the Minimum Condition is satisfied, Purchaser will have sufficient voting power to cause the approval and adoption of the Merger Agreement and the Merger without the affirmative vote of any other stockholder. PURSUANT TO THE STOCKHOLDERS AGREEMENT, PURCHASER HAS THE RIGHT TO VOTE APPROXIMATELY 21.5% OF THE OUTSTANDING SHARES, AND WILL NEED TO ACQUIRE AN ADDITIONAL 2,246,696 SHARES TO HAVE THE RIGHT TO VOTE THE NUMBER OF SHARES SUFFICIENT TO CAUSE THE MERGER TO OCCUR WITHOUT THE AFFIRMATIVE VOTE OF ANY OTHER HOLDER OF SHARES. SEE "SECTION 11. PURPOSE OF THE OFFER, PLANS FOR THE COMPANY AFTER THE OFFER AND THE MERGER."

In the Merger Agreement, the Company has agreed, as promptly as practicable, to duly call, give notice of, convene and hold a meeting of its stockholders for the purpose of obtaining the affirmative vote of the holders of a majority of the outstanding Shares to adopt the Merger Agreement, if such action is required by Delaware Law in order to effect the Merger under Delaware Law. Thomson has agreed to vote all Shares beneficially owned by it or any of its subsidiaries in favor of the adoption of the Merger Agreement and not to dispose of any Shares prior to the stockholders meeting.

The Merger Agreement provides that, effective upon the acceptance for payment of, and payment for, the Shares pursuant to the Offer, Thomson will be entitled to designate representatives to serve on the Board of Directors in proportion to Purchaser's percentage ownership of Shares following such purchase. See "Section 10. Background of the Offer; the Merger Agreement and Related Agreements." Purchaser expects that such representation on the Board of Directors would permit Purchaser to exert substantial influence over the Company's conduct of its business and operations.

Short-Form Merger. Under Delaware Law, if Purchaser acquires, pursuant to the Offer or otherwise, at least 90% of the then-outstanding Shares, Purchaser will be able to effect the Merger without a vote of the Company's stockholders. In such event, Thomson, Purchaser and the Company have agreed in the Merger Agreement to take all necessary and appropriate action to cause the Merger to become effective as promptly as reasonably practicable after consummation of the Offer and the satisfaction or waiver of the conditions set forth in the Merger Agreement, without a meeting of the Company's stockholders in accordance with Delaware Law. If, however, Purchaser does not acquire at least 90% of the outstanding Shares pursuant to the Offer or otherwise and a vote of the Company's stockholders is required under Delaware Law, a significantly longer period of time would be required to effect the Merger.

Appraisal Rights. No appraisal rights are available in connection with the Offer. However, if the Merger is consummated, stockholders who have not tendered their Shares will have certain rights under Delaware Law in connection with the Merger to demand appraisal of, and to receive payment in cash of the fair value of, their Shares. Stockholders who perfect such rights by complying with the procedures set forth in Section 262 of the Delaware Law ("Section 262") will have the "fair value" of their Shares (exclusive of any element of value arising from the accomplishment or expectation of the Merger) determined by the Delaware Court of Chancery and will be entitled to receive a cash payment equal to such fair value from the Surviving Corporation. In addition, such dissenting stockholders would be entitled to receive payment of a fair rate of interest from the date of consummation of the Merger on the amount determined to be the fair value of their Shares. In determining the fair value of the Shares, the court is required to take into account all relevant factors. Accordingly, such determination could be based upon considerations other than, or in addition to, the market value of the Shares, including, among other things, asset values and earning capacity. In Weinberger v. UOP, Inc., the Delaware Supreme Court stated, among other things, that "proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court" should be considered in an appraisal proceeding. The Weinberger court also noted that, under Section 262, fair value is to be determined "exclusive of any element of value arising from the accomplishment or

expectation of the merger." In Cede & Co. v. Technicolor, Inc., however, the Delaware Supreme Court stated that, in the context of a two-step cash merger, "to the extent that value has been added following a change in majority control before cash-out, it is still value attributable to the going concern," to be included in the appraisal process. As a consequence, the value so determined in any appraisal proceeding could be the same as or more or less than the purchase price per Share in the Offer or the Merger Consideration.

In addition, several decisions by Delaware courts have held that, in certain circumstances, a controlling stockholder of a company involved in a merger has a fiduciary duty to other stockholders which requires that the merger be fair to such other stockholders. In determining whether a merger is fair to minority stockholders, Delaware courts have considered, among other things, the type and amount of consideration to be received by the stockholders and whether there was fair dealing among the parties. The Delaware Supreme Court stated in Weinberger and Rabkin v. Philip A. Hunt Chemical Corp. that the remedy ordinarily available to minority stockholders in a cash-out merger is the right to appraisal described above. However, a damages remedy or injunctive relief may be available if a merger is found to be the product of procedural unfairness, including fraud, misrepresentation or other misconduct.

Thomson does not intend to object, assuming the proper procedures are followed, to the exercise of appraisal rights by any stockholder and the demand for appraisal of, and payment in cash for the fair value of, Shares. Thomson intends, however, to cause the Surviving Corporation to argue in an appraisal proceeding that, for purposes of such proceeding, the fair value of each Share is less than or equal to the Merger Consideration. In this regard, stockholders should be aware that opinions of investment banking firms as to the fairness from a financial point of view (including Broadview) are not necessarily opinions as to "fair value" under Section 262.

The foregoing summary of the rights of dissenting stockholders under Delaware Law does not purport to be a complete statement of the procedures to be followed by stockholders desiring to exercise any appraisal rights under Delaware Law. The preservation and exercise of appraisal rights require strict adherence to the applicable provisions of Delaware Law.

Going Private Transactions. The Commission has adopted Rule 13e-3 under the Exchange Act ("Rule 13e-3") which is applicable to certain "going private" transactions and which may under certain circumstances be applicable to the Merger or another business combination following the purchase of Shares pursuant to the Offer in which Purchaser seeks to acquire the remaining Shares not held by it or its affiliates. Purchaser believes that Rule 13e-3 will not be applicable to the Merger. Rule 13e-3 requires, among other things, that certain financial information concerning the Company and certain information relating to the fairness of the proposed transaction and the consideration offered to minority stockholders in such transaction be filed with the Commission and disclosed to stockholders prior to consummation of the transaction.

Plans for the Company. Except as disclosed in this Offer to Purchase, neither Thomson nor Purchaser has any present plans or proposals that would result in the acquisition by any person of additional securities of the Company, or the disposition of securities of the Company, an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Company or any of its subsidiaries or a sale or transfer of a material amount of assets of the Company or any of its subsidiaries. Thomson will continue to evaluate and review the Company and its business, assets, corporate structure, capitalization, operations, properties, policies, management and personnel with a view towards determining how optimally to realize any potential benefits which arise from the rationalization of the operations of the Company with those of other business units and subsidiaries of Thomson. Such evaluation and review is ongoing and is not expected to be completed until after the consummation of the Offer and the Merger. If, as and to the extent that, Thomson acquires control of the Company, Thomson will complete such evaluation and review of the Company and will determine what, if any, changes would be desirable in light of the circumstances and the strategic business portfolio which then exist. Such changes could include, among other things, restructuring the Company through changes in the Company's business, corporate structure, Certificate of Incorporation, By-laws, capitalization or management or could involve consolidating and streamlining certain operations and reorganizing other businesses and operations.

Thomson, Purchaser or an affiliate of Thomson may, following the consummation or termination of the Offer, seek to acquire additional Shares through open market purchases, privately negotiated transactions, a tender offer or exchange offer or otherwise, upon such terms and at such prices as they will determine, which may be more or less than the price paid in the Offer.

12. DIVIDENDS AND DISTRIBUTIONS.

The Merger Agreement provides that the Company will not, between the date of the Merger Agreement and the Effective Time, without the consent of Thomson in writing, (a) declare, set aside or pay any dividends payable in cash, stock or property on, or make any other distributions in respect of, any of its capital stock, other than dividends and distributions by a direct or indirect wholly-owned subsidiary of the Company to its parent, (b) split, combine or reclassify any of its capital stock or issue or authorize the issuance of any other securities in respect or in lieu of or in substitution for shares of its capital stock, (c) purchase, redeem or otherwise acquire any shares of capital stock of the Company or any of its subsidiaries or any other securities thereof or any rights, warrants or options to acquire any such shares or other securities, (d) issue, deliver, sell, pledge or otherwise encumber any shares of its capital stock, any other voting securities or any securities convertible into, or any rights, warrants or options to acquire, any such shares, voting securities or convertible securities, other than in accordance with the terms thereof, the issuance of Shares (and corresponding Rights) upon the exercise of Company Stock Options or otherwise pursuant to equity stock-based awards, in each case outstanding on April 2, 2003 and in accordance with their present terms or (e) sell, lease, license, mortgage or otherwise encumber or subject to any lien or otherwise dispose of any of its properties or assets, except sales of assets in the ordinary course of business; see "Section 10. Background of the Offer; the Merger Agreement and Related Agreements."

13. POSSIBLE EFFECTS OF THE OFFER ON THE MARKET FOR SHARES, NASDAQ LISTING, MARGIN REGULATIONS AND EXCHANGE ACT REGISTRATION.

Possible Effects of the Offer on the Market for the Shares. The purchase of Shares by Purchaser in the Offer will reduce the number of Shares that might otherwise trade publicly and will reduce the number of holders of Shares, which could adversely affect the liquidity and market value of the remaining Shares held by the public.

Thomson intends to cause the delisting of the Shares by Nasdaq following consummation of the Offer.

Nasdaq Listing. Depending upon the number of Shares purchased pursuant to the Offer, the Shares may no longer meet the standards for continued listing on Nasdaq. According to Nasdaq's published guidelines, Shares would not be eligible to be included for listing if, among other things, the number of Shares publicly held falls below 500,000, the number of beneficial owners of Shares falls below 300 or the market value of such publicly held Shares is not at least $1,000,000. If, as a result of the purchase of Shares pursuant to the Offer, the Merger or otherwise, the Shares no longer meet the requirements of Nasdaq for continued listing, the listing of the Shares will be discontinued. In such event, the market for the Shares would be adversely affected. In the event the Shares were no longer eligible for listing on Nasdaq, quotations might still be available from other sources. The extent of the public market for the Shares and the availability of such quotations would, however, depend upon the number of holders of such Shares remaining at such time, the interest in maintaining a market in such Shares on the part of securities firms, the possible termination of registration of such Shares under the Exchange Act as described below and other factors.

Exchange Act Registration. The Shares are currently registered under the Exchange Act. Such registration may be terminated upon application by the Company to the Commission if the Shares are not listed on a "national securities exchange" and there are fewer than 300 record holders. The termination of the registration of the Shares under the Exchange Act would substantially reduce the information required to be furnished by the Company to holders of Shares and to the Commission and would make certain provisions of the Exchange Act, such as the short-swing profit recovery provisions of Section 16(b) of the Exchange Act, the requirement of furnishing a proxy or information statement in connection with stockholders' meetings pursuant to Section 14(a) or 14(c) of the Exchange Act and the related requirements of an annual report, and the requirements of Rule 13e-3 with respect to "going private" transactions, no longer applicable to the

Shares. In addition, "affiliates" of the Company and persons holding "restricted securities" of the Company may be deprived of the ability to dispose of such securities pursuant to Rule 144 promulgated under the Securities Act of 1933, as amended. If registration of the Shares under the Exchange Act were terminated, the Shares would no longer be eligible for Nasdaq reporting. Purchaser currently intends to seek to cause the Company to terminate the registration of the Shares under the Exchange Act as soon after consummation of the Offer as the requirements for termination of registration are met.

Margin Regulations. The Shares are currently "margin securities," as such term is defined under the rules of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), which has the effect, among other things, of allowing brokers to extend credit on the collateral of such securities. Depending upon factors similar to those described above regarding listing and market quotations, following the Offer it is possible that the Shares might no longer constitute "margin securities" for purposes of the margin regulations of the Federal Reserve Board, in which event such Shares could no longer be used as collateral for loans made by brokers. In addition, if registration of the Shares under the Exchange Act were terminated, such Shares would no longer constitute "margin securities."

14. CERTAIN CONDITIONS OF THE OFFER.

Notwithstanding any other provision of the Offer, Purchaser will not be required to accept for payment or, subject to applicable law, pay for any Shares, and may, subject to the Company's right to require that Thomson cause Purchaser to extend the Offer pursuant to the Merger Agreement, terminate, amend or extend the Offer, if (i) immediately prior to the Expiration Date, (a) the Minimum Condition will not have been satisfied or (b) the Regulatory Condition will not have been satisfied or (c) a Litigation Event (as defined below) exists or (ii) at any time on or after the date of the Merger Agreement and prior to the expiration of the Offer, any of the following conditions, other than a Litigation Event, exists:

(a) there will be (x) any statute, rule, regulation, judgment, order or injunction enacted, entered, promulgated, issued or enforced by or on behalf of a Governmental Entity (and, in the case of any judgment, order or injunction, the same will have become final and nonappealable) or (y) there will have been instituted or be pending any litigation, suit, claim, action, proceeding or investigation before any Governmental Entity (and which is reasonably likely to be successful on its merits) or by any Governmental Entity (such event as described in this clause (y), a "Litigation Event") that, in the case of the circumstances described in either clause (x) or (y) above, (1) prohibits, restrains, seeks to prohibit or restrain or makes materially more costly the acquisition by Purchaser of any of the Shares under the Offer, or the making or consummation of the Offer, the Merger or the other transactions contemplated by the Merger Agreement or the Stockholders Agreement, (2) prohibits, limits or seeks to prohibit or limit the ownership or operation by the Company, Thomson or any of their respective subsidiaries of a material portion of the business or assets of the Company and its subsidiaries, or of Thomson and its subsidiaries, in each case, taken as a whole, or compels or seeks to compel the Company or Thomson or any of their respective subsidiaries to dispose of or hold separate any material portion of the business or assets of such person, in each case as a result of the Offer or the Merger, (3) imposes or seeks to impose any material limitations on the ability of Thomson or Purchaser to acquire or hold, or exercise full rights of ownership of, any Shares to be accepted for payment pursuant to the Offer, including, without limitation, the right to vote such Shares on all matters properly presented to the stockholders of the Company, (4) prohibits Thomson or any of its subsidiaries from effectively controlling in any material respect any material portion of the business or operations of the Company and its subsidiaries or of Thomson and its subsidiaries, in each case, taken as a whole, (5) requires or seeks to require the divestiture by Thomson, Purchaser or any other affiliate of Thomson of any Shares, (6) seeks an amount of monetary damages which, if awarded, would be reasonably likely to have a material adverse effect on the Company, or (7) otherwise would prevent or materially delay consummation of the Offer or the Merger or otherwise prevent or materially delay the Company from performing its obligations under the Merger Agreement or would be reasonably likely to have a material adverse effect on the Company; or

(b) the representations and warranties of the Company set forth in the Merger Agreement will not be true and correct when made and at and as of the Expiration Date, as if made at and as of such time

(except to the extent expressly made as of an earlier date, in which case as of such date), except where the failure of such representations and warranties to be so true and correct (without giving effect to any limitation as to "materiality" or "material adverse effect" set forth therein), individually or in the aggregate, does not have, and is not reasonably likely to have, a material adverse effect on the Company; or

(c) the Company will not have performed in all material respects all obligations required to be performed by it under the Merger Agreement at or prior to the Expiration Date; or

(d) there will have occurred and be continuing (1) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market in the United States for a period in excess of 24 hours or (2) any declaration of a banking moratorium or general suspension of payments in respect of lenders that regularly participate in the U.S. market in loans to large corporations; or

(e) any material adverse change in the Company will have occurred; or

(f) the Board of Directors, or any committee thereof, will have withdrawn or modified, in a manner adverse to Thomson or Purchaser, the approval or recommendation of the Offer, the Merger, the Merger Agreement or the Stockholders Agreement, or approved or recommended any Company Takeover Proposal or any other acquisition of Shares other than the Offer and the Merger or the Board of Directors, or any committee thereof, will have resolved to do any of the foregoing; or

(g) Purchaser and the Company will have agreed that Purchaser will terminate the Offer or postpone the acceptance for payment of Shares thereunder.

THE FOREGOING CONDITIONS ARE FOR THE SOLE BENEFIT OF PURCHASER AND THOMSON AND MAY BE ASSERTED BY PURCHASER OR THOMSON REGARDLESS OF THE CIRCUMSTANCES GIVING RISE TO ANY SUCH CONDITIONS (EXCEPT TO THE EXTENT THAT ANY SUCH CONDITION RESULTS FROM THE BREACH BY THOMSON OR PURCHASER OF ANY OF THEIR RESPECTIVE REPRESENTATIONS, WARRANTIES, COVENANTS OR OBLIGATIONS UNDER THE MERGER AGREEMENT) AND, EXCEPT WITH RESPECT TO THE MINIMUM CONDITION AND THE REGULATORY CONDITION, MAY BE WAIVED BY PURCHASER OR THOMSON IN WHOLE OR IN PART AT ANY TIME AND FROM TIME TO TIME PRIOR TO THE EXPIRATION OF THE OFFER. THE FAILURE BY PURCHASER OR THOMSON AT ANY TIME TO EXERCISE ANY OF THE FOREGOING RIGHTS WILL NOT BE DEEMED A WAIVER OF ANY SUCH RIGHT; THE WAIVER OF ANY SUCH RIGHT WITH RESPECT TO PARTICULAR FACTS AND OTHER CIRCUMSTANCES WILL NOT BE DEEMED A WAIVER WITH RESPECT TO ANY OTHER FACTS AND CIRCUMSTANCES; AND EACH SUCH RIGHT WILL BE DEEMED AN ONGOING RIGHT WHICH MAY BE ASSERTED AT ANY TIME AND FROM TIME TO TIME PRIOR TO THE EXPIRATION OF THE OFFER.

15. CERTAIN LEGAL MATTERS AND REGULATORY APPROVALS.

General. Based upon Purchaser's review of publicly available information regarding the Company and the review of certain information furnished by the Company to Thomson and discussions between representatives of Thomson and representatives of the Company during the investigation by Thomson of the Company (see "Section 10. Background of the Offer; the Merger Agreement and Related Agreements"), neither Purchaser nor Thomson is aware of (i) any license or other regulatory permit that appears to be material to the business of the Company or any of its subsidiaries, taken as a whole, which might be adversely affected by the acquisition of Shares by Purchaser pursuant to the Offer or (ii) except as described below, any approval or other action by any domestic (federal or state) or foreign Governmental Authority which would be required prior to the acquisition of Shares by Purchaser pursuant to the Offer. Should any such approval or other action be required, it is Purchaser's present intention to seek such approval or action. Purchaser does not currently intend, however, to delay the purchase of Shares tendered pursuant to the Offer pending the outcome of any such action or the receipt of any such approval (subject to Purchaser's right to decline to purchase Shares if any of the conditions in "Section 14. Certain Conditions of the Offer" will have occurred). There can be no assurance that any such approval or other action, if needed, would be obtained without substantial conditions or that adverse consequences might not result to the business of the Company, Thomson or Purchaser or that certain parts of the business of the Company, Thomson or Purchaser might not have to be disposed of or held separate or other substantial conditions complied with in order to obtain such approval or other action or in the event that such approval was not obtained or such other action was not taken. Purchaser's obligation under the

Offer to accept for payment and pay for Shares is subject to certain conditions, including conditions relating to the legal matters discussed in this "Section 15. Certain Legal Matters and Regulatory Approvals." See "Section 14. Certain Conditions of the Offer" for certain conditions of the Offer.

State Takeover Laws. The Company is incorporated under the laws of the State of Delaware. In general, Section 203 of Delaware Law prevents an "interested stockholder" (generally a person who owns or has the right to acquire 15% or more of a corporation's outstanding voting stock, or an affiliate or associate thereof) from engaging in a "business combination" (defined to include mergers and certain other transactions) with a Delaware corporation for a period of three years following the time such person became an interested stockholder, unless, among other things, prior to such time the board of directors of the corporation approved either the business combination or the transaction in which the interested stockholder became an interested stockholder. On April 2, 2003, prior to the execution of the Merger Agreement, the Board of Directors, by unanimous vote of all directors present at a meeting held on such date, approved the Merger Agreement and the Stockholders Agreement, and determined that each of the Offer and the Merger is fair to, and in the best interest of, the stockholders of the Company. Accordingly, Section 203 is inapplicable to the Offer, the Merger and the Stockholders Agreement.

A number of other states have adopted laws and regulations applicable to attempts to acquire securities of corporations which are incorporated, or have substantial assets, stockholders, principal executive offices or principal places of business, or whose business operations otherwise have substantial economic effects, in such states. In Edgar v. MITE Corp., the Supreme Court of the United States invalidated on constitutional grounds the Illinois Business Takeover Statute, which, as a matter of state securities law, made takeovers of corporations meeting certain requirements more difficult. However, in 1987 in CTS Corp. v. Dynamics Corp. of America, the Supreme Court held that the State of Indiana may, as a matter of corporate law and in particular with respect to those aspects of corporate law concerning corporate governance, constitutionally disqualify a potential acquiror from voting on the affairs of a target corporation without the prior approval of the remaining stockholders. The state law before the Supreme Court was by its terms applicable only to corporations that had a substantial number of stockholders in the state and were incorporated there.

The Company, directly or through its subsidiaries, conducts business in a number of states throughout the United States, some of which have enacted takeover laws. Purchaser does not know whether any of these laws will, by their terms, apply to the Offer or the Merger and it has not complied with any such laws. Should any person seek to apply any state takeover law, Purchaser will take such action as then appears desirable, which may include challenging the validity or applicability of any such statute in appropriate court proceedings. In the event it is asserted that one or more state takeover laws is applicable to the Offer or the Merger, and an appropriate court does not determine that it is inapplicable or invalid as applied to the Offer, Purchaser might be required to file certain information with, or receive approvals from, the relevant state authorities. In addition, if enjoined, Purchaser might be unable to accept for payment any Shares tendered pursuant to the Offer, or be delayed in continuing or consummating the Offer and the Merger. In such case, Purchaser may not be obligated to accept for payment any Shares tendered. See "Section 14. Certain Conditions of the Offer."

United States Antitrust Compliance. Under the HSR Act and the rules that have been promulgated thereunder by the FTC, certain acquisition transactions may not be consummated unless certain information has been furnished to the Antitrust Division of the Department of Justice (the "Antitrust Division") and the FTC and certain waiting period requirements have been satisfied. Purchaser's acquisition of Shares pursuant to the Offer and the Stockholders Agreement is subject to these requirements. See "Section 2. Acceptance for Payment and Payment for Shares."

Pursuant to the HSR Act, Thomson will file a Premerger Notification and Report Form in connection with the purchase of the Shares pursuant to the Offer with the Antitrust Division and the FTC. Under the provisions of the HSR Act applicable to the Offer, the purchase of Shares pursuant to the Offer may not be consummated until the expiration of a 15-calendar day waiting period following the filing by Thomson, unless such waiting period is earlier terminated by the FTC and the Antitrust Division or extended by a request from the FTC or the Antitrust Division for additional information or documentary material prior to the expiration of

the waiting period. Pursuant to the HSR Act, Thomson will request early termination of the waiting period applicable to the Offer. There can be no assurance, however, that the 15-day HSR Act waiting period will be terminated early. If either the FTC or the Antitrust Division were to request additional information or documentary material from Thomson with respect to the Offer, the waiting period would expire at 11:59 p.m., New York City time, on the tenth calendar day after the date of substantial compliance with such request. Thereafter, the waiting period could be extended only by court order. If the acquisition of the Shares is delayed pursuant to a request by the FTC or the Antitrust Division for additional information or documentary material pursuant to the HSR Act, the Offer may, but need not, be extended and, in any event, the purchase of and payment for Shares will be deferred until 10 days after the request is substantially complied with, unless the waiting period is sooner terminated by the FTC and the Antitrust Division. Only one extension of such waiting period pursuant to a request for additional information is authorized by the HSR Act and the rules promulgated thereunder, except by court order. Any such extension of the waiting period will not give rise to any withdrawal rights not otherwise provided for by applicable law. See "Section 4. Withdrawal Rights." It is a condition to the Offer that the waiting period applicable under the HSR Act to the Offer expire or be terminated. See "Section 1. Terms of the Offer; Expiration Date" and "Section 14. Certain Conditions of the Offer."

The FTC and the Antitrust Division frequently scrutinize the legality under the antitrust laws of transactions such as the proposed acquisition of Shares by Purchaser pursuant to the Offer. At any time before or after the purchase of Shares pursuant to the Offer by Purchaser, the FTC or the Antitrust Division could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the purchase of Shares pursuant to the Offer or seeking the divestiture of Shares purchased by Purchaser or the divestiture of substantial assets of Thomson, the Company or their respective subsidiaries. Private parties and state attorneys general may also bring legal action under federal or state antitrust laws under certain circumstances. Based upon an examination of information available to Thomson relating to the businesses in which Thomson, the Company and their respective subsidiaries are engaged, Thomson and Purchaser believe that the Offer will not violate the antitrust laws. Nevertheless, there can be no assurance that a challenge to the Offer on antitrust grounds will not be made or, if such a challenge is made, what the result would be. See "Section 14. Certain Conditions of the Offer" for certain conditions to the Offer, including conditions with respect to litigation.

Other Laws and Legal Matters. According to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002, the Company conducts operations in a number of foreign countries. In the event that one or more foreign laws is deemed to be applicable to the Offer, Purchaser and/or the Company may be required to file certain information or to receive the approval of the relevant foreign authority. Such government may also attempt to impose additional conditions on the Company's operations conducted in such countries. After completion of the Offer, Purchaser will seek further information regarding the applicability of any such laws and presently intends to take such action as such laws may require.

16. FEES AND EXPENSES.

Except as set forth below, Purchaser will not pay any fees or commissions to any broker, dealer or other person for soliciting tenders of Shares pursuant to the Offer.

Purchaser and Thomson retained Innisfree M&A Incorporated, as the Information Agent, and Computershare Trust Company of New York, as the Depositary, in connection with the Offer. The Information Agent may contact holders of Shares by mail, telephone, telex, telecopy, telegraph and personal interview and may request banks, brokers, dealers and other nominee stockholders to forward materials relating to the Offer to beneficial owners. As compensation for acting as Information Agent in connection with the Offer, Innisfree M&A Incorporated will be paid a fee of $10,000 and will also be reimbursed for certain out-of-pocket expenses and may be indemnified against certain liabilities and expenses in connection with the Offer, including certain liabilities under the federal securities laws.

Purchaser will pay the Depositary reasonable and customary compensation for its services in connection with the Offer, plus reimbursement for out-of-pocket expenses, and will indemnify the Depositary against certain liabilities and expenses in connection therewith, including under federal securities laws. Brokers,

dealers, commercial banks and trust companies will be reimbursed by Purchaser for customary handling and mailing expenses incurred by them in forwarding material to their customers.

17. MISCELLANEOUS.

The Offer is being made solely by this Offer to Purchase and the related Letter of Transmittal, and is being made to holders of Shares. Purchaser is not aware of any jurisdiction where the making of the Offer or the acceptance of Shares pursuant thereto is prohibited by any administrative or judicial action or by any valid law of such jurisdiction. If Purchaser becomes aware of any valid law of a jurisdiction prohibiting the making of the Offer or the acceptance of Shares pursuant thereto, Purchaser will make a good faith effort to comply with any such law. If, after such good faith effort, Purchaser cannot comply with any such law, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of Purchaser or by one or more registered brokers or dealers licensed under the laws of such jurisdiction.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION ON BEHALF OF PURCHASER OR THE COMPANY NOT CONTAINED IN THIS OFFER TO PURCHASE OR IN THE LETTER OF TRANSMITTAL, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED.

Pursuant to Rule 14d-3 of the General Rules and Regulations under the Exchange Act, Thomson and Purchaser have filed with the Commission the Schedule TO, together with exhibits, furnishing certain additional information with respect to the Offer. The Schedule TO and any amendments thereto, including exhibits, may be inspected at, and copies may be obtained from, the same places and in the same manner as set forth in "Section 7. Certain Information Concerning the Company" (except that they will not be available at the regional offices of the Commission).

GULF ACQUISITION CORP.

Dated: April 11, 2003

SCHEDULE I
INFORMATION CONCERNING THE DIRECTORS AND EXECUTIVE OFFICERS OF THOMSON AND PURCHASER

1. DIRECTORS AND EXECUTIVE OFFICERS OF THOMSON.

The following table sets forth the name, current business address, citizenship and current principal occupation or employment, and material occupations, positions, offices or employments and business addresses for the past five years of each director and executive officer of Thomson. Except for Messrs. Daleo, Denning, Harrington, Opperman, Shaffer, Hall, Schlosser and Smith and Ms. Stanley, each of whom are citizens of the United States, each such person is a citizen of Canada. Unless otherwise indicated, the business address of each person listed below is c/o The Thomson Corporation, Metro Center, One Station Place, Stamford, Connecticut 06902. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to employment with Thomson. Unless otherwise indicated, each such person has held his or her present occupation as set forth below, or has been an executive officer at Thomson, for the past five years.

PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT; NAME AND CURRENT ADDRESS MATERIAL POSITIONS HELD DURING THE PAST FIVE YEARS - ---------- --

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-------- David K.R. Thomson.....
Chairman and Director. Mr. Thomson was appointed The Woodbridge Company Limited Chairman of the board after the annual meeting on 65 Queen Street West May 8, 2002 and has been a director since 1988. He Toronto, Ontario M5H 2M8 has been Deputy Chairman of The Woodbridge Company Canada Limited ("Woodbridge"), Thomson's principal shareholder, since 1990. W. Geoffrey Beattie.....
Deputy Chairman and Director. Mr. Beattie has been The Woodbridge Company Limited Deputy Chairman of the board since 2000 and a 65 Queen Street West director since 1998. Mr. Beattie is President of Toronto, Ontario M5H 2M8 Woodbridge. Canada Ron D. Barbaro.....
Director. Mr. Barbaro has been a director since Ontario Lottery and Gaming Corporation 1993. Mr. Barbaro is President and Chief Executive 4120 Yonge Street, Suite 420 Officer of the Ontario Lottery and Gaming Toronto, Ontario M2P 2B8 Corporation. Canada Robert D. Daleo.....
Executive Vice President and Chief Financial Officer and Director. Mr. Daleo has been the Executive Vice President and Chief Financial Officer since 1998 and a director since 2001. Prior to his appointment as Executive Vice President and Chief Financial Officer of Thomson, Mr. Daleo was the Executive Vice President, Business Operations and Planning, of Thomson. Steven A. Denning.....
Director. Mr. Denning has been a director since General Atlantic Partners 2000. Mr. Denning is the Managing Partner of Pickwick Plaza General Atlantic Partners, LLC. Greenwich, Connecticut 06830 John F. Fraser.....
Director. Mr. Fraser has been a director since Air Canada 1989. Mr. Fraser is Chairman of Air Canada. 355 Portage Avenue, Suite 500 Winnipeg, Manitoba R3B 2C3 Canada

PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT; NAME AND CURRENT ADDRESS MATERIAL POSITIONS HELD DURING THE PAST FIVE YEARS - ---------- -

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---------- V. Maureen Kempston Darkes..... Director. Ms. Kempston Darkes has been a director General Motors Corporation since 1996. Ms. Kempston Darkes is Group Vice 2901 SW 149th Avenue, #400 President, General Motors Corporation, and Miramar, Florida 33027 President of GM Latin America, Africa and Middle East. Prior to 2001, Ms. Kempston Darkes was President and General Manager of General Motors of Canada Limited. Richard J. Harrington..... President and Chief Executive Officer and Director. Mr. Harrington has been the President and Chief Executive Officer since 1997 and a director since 1993. Roger L. Martin..... Director. Mr. Martin has been a director since Rotman School of Management 1999. Mr. Martin is Dean of the Joseph L. Rotman 105 St. George Street School of Management at the University of Toronto. Toronto, Ontario M5S 3E6 Canada Vance K. Opperman..... Director. Mr. Opperman has been a director since Key Investment Inc. 1996. Mr. Opperman is President and Chief Executive 601 Second Avenue South Officer of Key Investment Inc. Suite 5200 Minneapolis, Minnesota 55402 David H. Shaffer..... Executive Vice President of Thomson and Chief Executive Officer of Thomson Financial and Director. Mr. Shaffer has been Executive Vice President and a director of Thomson since 1998. In 2002, Mr. Shaffer was appointed Chief Executive Officer of Thomson Financial. Prior to this appointment, he was Chief Executive Officer of Thomson Learning. Mr. Shaffer has also been the Chief Operating Officer of Thomson. John M. Thompson..... Director. Mr. Thompson was appointed to the board TD Bank Financial Group in January 2003. He became the Lead Director and TD Tower Chairman of TD Financial Group in April 2003 and is 66 Wellington Street West the retired Vice Chairman of the board of directors 4th Floor of IBM Corporation. From 1995 to 2000, Mr. Thompson Toronto, Ontario M5K 1A2 served as Senior Vice President and Group Executive Canada of IBM's Software Group. Kenneth R. Thomson..... Director. Mr. Thomson stepped down as Chairman of The Woodbridge Company Limited the board after the annual meeting on May 8, 2002 65 Queen Street West after having served in that role since 1978. Mr. Toronto, Ontario M5H 2M8 Thomson continues to be a director and is also Canada Chairman of Woodbridge. Peter J. Thomson..... Director. Mr. Thomson has been a director since The Woodbridge Company Limited 1995. He is Deputy Chairman of Woodbridge. 65 Queen Street West Toronto, Ontario M5H 2M8 Canada Richard M. Thomson..... Director. Mr. Thomson has been a director since The Toronto Dominion Bank 1984 and also serves as the director of a number of 66 Wellington Street West other companies. Mr. Thomson is not related to the 10th Floor family of Kenneth R. Thomson. TD Tower, TD Centre Toronto, Ontario M5K 1A2 Canada

PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT; NAME AND CURRENT ADDRESS MATERIAL POSITIONS HELD DURING THE PAST FIVE YEARS
John A. Tory. Director. Mr. Tory has been a director since 1978. The Woodbridge Company Limited Mr. Tory is President of Thomson Investments 65 Queen Street West Limited, a Thomson family holding company. Toronto, Ontario M5H 2M8 Canada
Brian H. Hall. Executive Vice President of Thomson and President and Chief Executive Officer of Thomson Legal and Regulatory.
Ronald H. Schlosser. Executive Vice President of Thomson and President and Chief Executive Officer of Thomson Learning. In 2002, Mr. Schlosser was appointed President and Chief Executive Officer of Thomson Learning. Prior to this appointment, Mr. Schlosser was President and Chief Executive Officer of Thomson Scientific and Healthcare.
James C. Smith. Executive Vice President of Executive Development and Corporate Affairs. Mr. Smith has been Executive Vice President of Executive Development and Corporate Affairs since January 2002. Prior to this appointment, Mr. Smith held a number of operating positions with Thomson, primarily in the newspaper group that was sold in 2000 and 2001.
Deirdre Stanley. Senior Vice President and General Counsel. Ms. Stanley has been Senior Vice President and General Counsel since July 2002. Prior to joining Thomson, Ms. Stanley was Executive Vice President, Business Development and Strategy for the Electronic Commerce Solutions division of USA Interactive (formerly USA Networks, Inc.). Ms. Stanley joined USA Networks in 1999 as the deputy general counsel. Prior to joining USA Networks, Ms. Stanley was the associate general counsel for domestic strategic transactions at GTE Corporation.

2. DIRECTORS AND EXECUTIVE OFFICERS OF PURCHASER.

The following table sets forth the name, current business address, citizenship and present principal occupation or employment, and material occupations, positions, offices or employments and business addresses thereof for the past five years of each director and executive officer of Purchaser. The current business address of each person is c/o The Thomson Corporation, Metro Center, One Station Place, Stamford, Connecticut 06902. Other than Mr. Beckingham, who is a citizen of the United Kingdom, each such person is a citizen of the United States of America, and each occupation set forth opposite an individual's name refers to the position held with Purchaser.

PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT; NAME AND CURRENT ADDRESS MATERIAL POSITIONS HELD DURING THE PAST FIVE YEARS
Brian H. Hall. Chief Executive Officer since March 2003. Mr. Hall is the Executive Vice President of Thomson and President and Chief Executive Officer of Thomson Legal and Regulatory.
Dennis J. Beckingham. Chief Financial Officer since March 2003. Mr. Beckingham is the Executive Vice President and Chief Financial and Operations Officer of Thomson Legal and Regulatory.

PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT; NAME AND CURRENT ADDRESS MATERIAL POSITIONS HELD DURING THE PAST FIVE YEARS
---------- Michael E. Wilens..... President since March 2003. Mr. Wilens is President of Thomson West. Prior to his appointment as President of Thomson West in 2000, Mr. Wilens served as Executive Vice President and Chief Technology Officer for West Group and Thomson. Edward A. Friedland..... Director, Vice President and Secretary since March 2003. Mr. Friedland is the Vice President and Deputy General Counsel of Thomson. Marc E. Gold..... Director and Assistant Secretary since March 2003. Mr. Gold has been Senior Counsel of Thomson since January 2003. Prior to joining Thomson, Mr. Gold was an attorney at the law firm of Akin Gump Strauss Hauer & Feld LLP.

Manually signed facsimiles of the Letter of Transmittal, properly completed and duly signed, will be accepted. The Letter of Transmittal and the Share Certificates and any other required documents should be sent or delivered by each stockholder or such stockholder's broker, dealer, commercial bank, trust company or other nominee to the Depositary at one of its addresses or to the facsimile number set forth below.

The Depositary for the Offer is:

[COMPUTERSHARE LOGO]

By Mail:
Computershare Trust Company
of New York
Wall Street Station
P.O. Box 1010
New York, NY 10268-1010

By Hand or Overnight Courier:
Computershare Trust Company
of New York
Wall Street Plaza
88 Pine Street, 19th Floor
New York, NY 10005

By Facsimile Transmission:
(For Eligible Institutions Only):
(212) 701-7636

Confirm Receipt of Facsimile by Telephone Only:
(212) 701-7624

Questions or requests for assistance may be directed to the Information Agent at its address and telephone number listed below. Additional copies of this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained from the Information Agent. A stockholder may also contact brokers, dealers, commercial banks or trust companies for assistance concerning the Offer.

The Information Agent for the Offer is:

[INNISFREE LOGO]

501 Madison Avenue, 20th Floor
New York, New York 10022
Banks and Brokers Call Collect: (212) 750-5833
All Others Please Call Toll-Free: (888) 750-5834

LETTER OF TRANSMITTAL
TO TENDER SHARES OF COMMON STOCK
OF

ELITE INFORMATION GROUP, INC.

PURSUANT TO THE OFFER TO PURCHASE
DATED APRIL 11, 2003
OF

GULF ACQUISITION CORP.
AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF
THE THOMSON CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, MAY 8, 2003, UNLESS THE OFFER IS EXTENDED.

The Depositary for the Offer is:
[COMPUTERSHARE LOGO]

By Mail:
Computershare Trust Company
of New York
Wall Street Station
P.O. Box 1010
New York, NY 10268-1010

By Hand or Overnight Courier:
Computershare Trust Company
of New York
Wall Street Plaza
88 Pine Street, 19th Floor
New York, NY 10005

By Facsimile Transmission:
(For Eligible Institutions Only):
(212) 701-7636

Confirm Receipt of Facsimile by Telephone Only:
(212) 701-7624

DESCRIPTION OF SHARES TENDERED

NAME(S) AND ADDRESS(ES) OF REGISTERED HOLDER(S) (PLEASE FILL IN, IF BLANK, EXACTLY AS NAME(S) APPEAR(S) ON SHARE CERTIFICATE(S))	SHARE CERTIFICATE(S) AND SHARE(S) TENDERED (ATTACH ADDITIONAL LIST, IF NECESSARY)		
	SHARE CERTIFICATE NUMBER(S)*	TOTAL NUMBER OF SHARES EVIDENCED BY SHARE CERTIFICATE(S)*	NUMBER OF SHARES TENDERED**
	TOTAL SHARES		

* Need not be completed by stockholders delivering Shares by book-entry transfer.
** Unless otherwise indicated, it will be assumed that all Shares evidenced by each Share Certificate delivered to the Depositary are being tendered hereby. See Instruction 4.

This Letter of Transmittal is to be completed by stockholders of Elite Information Group, Inc. either if certificates evidencing Shares (as defined below) are to be forwarded herewith or if delivery of Shares is to be made by book-entry transfer to an account maintained by the Depositary at the Book-Entry Transfer Facility (as defined in and pursuant to the procedures set forth in "Section 3. Procedures for Accepting the Offer and Tendering Shares" of the Offer to Purchase). DELIVERY OF DOCUMENTS TO A BOOK-ENTRY TRANSFER FACILITY DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

Stockholders whose certificates evidencing Shares ("Share Certificates") are not immediately available or who cannot deliver their Share Certificates and all other documents required hereby to the Depositary prior to the Expiration Date (as defined in "Section 1. Terms of the Offer; Expiration Date" of the Offer to Purchase) or who cannot complete the procedure for delivery by book-entry transfer on a timely basis and who wish to tender their Shares must do so pursuant to the guaranteed delivery procedure described in "Section 3. Procedures for Accepting the Offer and Tendering Shares" of the Offer to Purchase. See Instruction 2.

[ ] CHECK HERE IF SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE DEPOSITARY'S ACCOUNT AT THE BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING:

Name of Tendering Institution:

Account Number:

Transaction Code Number:

[ ] CHECK HERE IF SHARES ARE BEING TENDERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING:

Name(s) of Registered Holder(s):

Window Ticket No. (if any):

Date of Execution of Notice of Guaranteed Delivery:

Name of Institution that Guaranteed Delivery:

If delivery is by book-entry transfer, give the following information:
Account Number:

Transaction Code Number:

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS, OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE NUMBER, OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

NOTE: SIGNATURES MUST BE PROVIDED BELOW
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

Ladies and Gentlemen:

The undersigned hereby tenders to GULF ACQUISITION CORP., a Delaware corporation ("Purchaser") and an indirect wholly-owned subsidiary of THE THOMSON CORPORATION, a corporation organized under the laws of Ontario, Canada, the above-described shares of common stock, par value $0.01 per share ("Shares"), of ELITE INFORMATION GROUP, INC., a Delaware corporation (the "Company"), pursuant to Purchaser's offer to purchase any and all of the outstanding Shares at a purchase price of $14.00 per Share, net to the seller in cash, without interest, upon the terms and subject to the conditions described in the Offer to Purchase, dated April 11, 2003 (the "Offer to Purchase"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (which, together with the Offer to Purchase and any amendments or supplements hereto or thereto, collectively constitute the "Offer"). The undersigned understands that Purchaser reserves the right to transfer or assign, in whole or from time to time in part, to one or more of its affiliates, the right to purchase all or any portion of the Shares tendered pursuant to the Offer.

Upon the terms and subject to the conditions of the Offer (and if the Offer is extended or amended, the terms of any such extension or amendment), and subject to, and effective upon, acceptance for payment of Shares tendered herewith, in accordance with the terms of the Offer, the undersigned hereby sells, assigns and transfers to or upon the order of Purchaser all right, title and interest in and to all Shares that are being tendered hereby and all dividends, distributions (including, without limitation, distributions of additional Shares) and rights declared, paid or distributed in respect of such Shares on or after April 2, 2003 (collectively, "Distributions") and irrevocably appoints the Depositary the true and lawful agent and attorney-in-fact of the undersigned with respect to such Shares (and all Distributions), with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to (i) deliver Share Certificates evidencing such Shares (and all Distributions), or transfer ownership of such Shares (and all Distributions) on the account books maintained by the Book-Entry Transfer Facility, together, in either case, with all accompanying evidences of transfer and authenticity, to or upon the order of Purchaser, (ii) present such Shares (and all Distributions) for transfer on the books of the Company and (iii) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares (and all Distributions), all in accordance with the terms of the Offer.

By executing this Letter of Transmittal, the undersigned hereby irrevocably appoints Edward A. Friedland and Marc E. Gold, and each of them, as the attorneys and proxies of the undersigned, each with full power of substitution, to vote in such manner as each such attorney and proxy or his substitute shall, in his sole discretion, deem proper and otherwise act (by written consent or otherwise) with respect to all Shares tendered hereby which have been accepted for payment by Purchaser prior to the time of such vote or other action and all Shares and other securities issued in Distributions in respect of such Shares, which the undersigned is entitled to vote at any meeting of stockholders of the Company (whether annual or special and whether or not an adjourned or postponed meeting) or consent in lieu of any such meeting or otherwise. This proxy and power of attorney is coupled with an interest in Shares tendered hereby, is irrevocable and is granted in consideration of, and is effective upon, the acceptance for payment of such Shares by Purchaser in accordance with other terms of the Offer. Such acceptance for payment shall revoke all other proxies and powers of attorney granted by the undersigned at any time with respect to such Shares (and all Shares and other securities issued in Distributions in respect of such Shares), and no subsequent proxies, powers of attorney, consents or revocations may be given by the undersigned with respect thereto (and if given will not be deemed effective). The undersigned understands that, in order for Shares or Distributions to be deemed validly tendered, immediately upon Purchaser's acceptance of such Shares for payment, Purchaser must be able to exercise full voting and other rights with respect to such Shares (and any and all Distributions), including, without limitation, voting at any meeting of the Company's stockholders then scheduled.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer Shares tendered hereby and all Distributions, that when such Shares are accepted for payment by Purchaser, Purchaser will acquire good, marketable and unencumbered title thereto and to all Distributions, free and clear of all liens, restriction, charges and encumbrances, and that none of such Shares and Distributions will be subject to any adverse claim. The undersigned, upon request, shall execute and deliver all additional documents deemed by the Depositary or Purchaser to be necessary or desirable to complete the sale, assignment and transfer of Shares tendered

hereby and all Distributions. In addition, the undersigned shall remit and transfer promptly to the Depositary for the account of Purchaser all Distributions in respect of Shares tendered hereby, accompanied by appropriate documentation of transfer, and, pending such remittance and transfer or appropriate assurance thereof, Purchaser shall be entitled to all rights and privileges as owner of each such Distribution and may withhold the entire purchase price of Shares tendered hereby, or deduct from such purchase price, the amount or value of such Distribution as determined by Purchaser in its sole discretion.

No authority herein conferred or agreed to be conferred shall be affected by, and all such authority shall survive, the death or incapacity of the undersigned. All obligations of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable.

The undersigned understands that the valid tender of Shares pursuant to any one of the procedures described in "Section 3. Procedures for Accepting the Offer and Tendering Shares" of the Offer to Purchase and in the Instructions hereto will constitute the undersigned's acceptance of the terms and conditions of the Offer. Purchaser's acceptance of such Shares for payment will constitute a binding agreement between the undersigned and Purchaser upon the terms and subject to the conditions of the Offer (and, if the Offer is extended or amended, the terms or conditions of any such extension or amendment).

Unless otherwise indicated in the box entitled "Special Payment Instructions" on page 5 hereof, please issue the check for the purchase price of all Shares purchased and return all Share Certificates evidencing Shares not tendered or not accepted for payment in the name(s) of the registered holder(s) appearing above under "Description of Shares Tendered." Similarly, unless otherwise indicated in the box entitled "Special Delivery Instructions" on page 5 hereof, please mail the check for the purchase price of all Shares purchased and return all Share Certificates evidencing Shares not tendered or not accepted for payment (and accompanying documents, as appropriate) to the address(es) of the registered holder(s) appearing above under "Description of Shares Tendered" on the cover page hereof. In the event that the boxes on page 5 hereof entitled "Special Payment Instructions" and "Special Delivery Instructions" are both completed, please issue the check for the purchase price of all Shares purchased and return all Share Certificates evidencing Shares not tendered or not accepted for payment in the name(s) of, and deliver such check and return such Share Certificates (and any accompanying documents, as appropriate) to, the person(s) so indicated. Unless otherwise indicated in the box entitled "Special Payment Instructions" on page 5 hereof, please credit any Shares tendered hereby and delivered by book-entry transfer that are not accepted for payment by crediting the account at the Book-Entry Transfer Facility designated above. The undersigned recognizes that Purchaser has no obligation, pursuant to the Special Payment Instructions, to transfer any Shares from the name of the registered holder(s) thereof if Purchaser does not accept for payment any Shares tendered hereby.

SPECIAL PAYMENT INSTRUCTIONS
(SEE INSTRUCTIONS 1, 5, 6 AND 7)

To be completed ONLY if the check for the purchase price of Shares and Share Certificate(s) evidencing Shares not tendered or not purchased are to be issued in the name of someone other than the undersigned.

Issue Check and Share Certificate(s) to:

Name:

(PLEASE PRINT)

Address:

(ZIP CODE)

(TAXPAYER IDENTIFICATION OR SOCIAL SECURITY NUMBER)
(SEE SUBSTITUTE FORM W-9 ON REVERSE SIDE)

SPECIAL DELIVERY INSTRUCTIONS
(SEE INSTRUCTIONS 1, 5, 6 AND 7)

To be completed ONLY if the check for the purchase price of Shares purchased and Share Certificate(s) evidencing Shares not tendered or not purchased are to be mailed to someone other than the undersigned, or the undersigned at an address other than that shown under "Description of Shares Tendered."

Mail Check and Share Certificate(s) to:

Name:

(PLEASE PRINT)

Address:

(ZIP CODE)

IMPORTANT

STOCKHOLDERS: SIGN HERE
(PLEASE COMPLETE SUBSTITUTE FORM W-9 BELOW)

- ----------

- ----------
(SIGNATURE(S) OF HOLDER(S))

Dated:
- ----------, 2003

(Must be signed by registered holder(s) exactly as name(s) appear(s) on Share Certificates or on a security position listing by person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, please provide the following information and see Instruction 5.)

Name(s):
- ----------
(PLEASE PRINT)

Capacity (full title):
- ----------

Address:
- ----------
- ----------
(INCLUDE ZIP CODE)

Daytime Area Code and Telephone No:
- ----------

Taxpayer Identification or Social Security No.:
- ----------
(SEE SUBSTITUTE FORM W-9 ON REVERSE SIDE)

GUARANTEE OF SIGNATURE(S)
(SEE INSTRUCTIONS 1 AND 5)

FOR USE BY FINANCIAL INSTITUTIONS ONLY.
FINANCIAL INSTITUTIONS: PLACE MEDALLION GUARANTEE IN SPACE BELOW

INSTRUCTIONS

Forming Part of the Terms and Conditions of the Offer

1. Guarantee of Signatures. All signatures on this Letter of Transmittal must be guaranteed by a firm which is a member of the Security Transfer Agent Medallion Signature Program, or by any other "eligible guarantor institution", as such term is defined in Rule 17Ad-15 promulgated under the Securities Exchange Act of 1934, as amended (each of the foregoing being an "Eligible Institution") unless (i) this Letter of Transmittal is signed by the registered holder(s) of Shares (which term, for purposes of this document, shall include any participant in the Book-Entry Transfer Facility whose name appears on a security position listing as the owner of Shares) tendered hereby and such holder(s) has (have) not completed the box entitled "Special Payment Instructions" or "Special Delivery Instructions" on page 5 hereof or (ii) such Shares are tendered for the account of an Eligible Institution. See Instruction 5.

2. Delivery of Letter of Transmittal and Share Certificates. This Letter of Transmittal is to be used either if Share Certificates are to be forwarded herewith or if tenders are to be made pursuant to the procedures for tenders by book-entry transfer pursuant to the procedure set forth in "Section 3. Procedures for Accepting the Offer and Tendering Shares" of the Offer to Purchase. Share Certificates evidencing all physically tendered Shares, or a confirmation of a book-entry transfer into the Depositary's account at the Book-Entry Transfer Facility of all Shares delivered by book-entry transfer, as well as a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof) and any other documents required by this Letter of Transmittal, must be received by the Depositary at one of its addresses set forth on the back cover page hereof prior to the Expiration Date (as defined in "Section 1. Terms of the Offer; Expiration Date" of the Offer to Purchase) or the expiration of a subsequent offering period, if applicable. If Share Certificates are forwarded to the Depositary in multiple deliveries, a properly completed and duly executed Letter of Transmittal must accompany each such delivery. Stockholders whose Share Certificates are not immediately available, who cannot deliver their Share Certificates and all other required documents to the Depositary prior to the Expiration Date or who cannot complete the procedure for delivery by book-entry transfer on a timely basis may tender their Shares pursuant to the guaranteed delivery procedure described in "Section 3. Procedures for Accepting the Offer and Tendering Shares" of the Offer to Purchase. Pursuant to such procedure: (i) such tender must be made by or through an Eligible Institution; (ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form made available by Purchaser, must be received by the Depositary prior to the Expiration Date; and (iii) the Share Certificates evidencing all physically delivered Shares in proper form for transfer by delivery, or a confirmation of a book-entry transfer into the Depositary's account at the Book-Entry Transfer Facility of all Shares delivered by book-entry transfer, in each case together with a Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, with any required signature guarantees (or in the case of a book-entry transfer, an Agent's Message (as defined in "Section 3. Procedures for Accepting the Offer and Tendering Shares" of the Offer to Purchase)) and any other documents required by this Letter of Transmittal, must be received by the Depositary within three Nasdaq National Market ("Nasdaq") trading days after the date of execution of such Notice of Guaranteed Delivery, all as described in "Section 3. Procedures for Accepting the Offer and Tendering Shares" of the Offer to Purchase.

THE METHOD OF DELIVERY OF THIS LETTER OF TRANSMITTAL, SHARE CERTIFICATES AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH THE BOOK-ENTRY TRANSFER FACILITY, IS AT THE OPTION AND RISK OF THE TENDERING STOCKHOLDER, AND THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

No alternative, conditional or contingent tenders will be accepted and no fractional Shares will be purchased. By execution of this Letter of Transmittal (or a manually signed facsimile hereof), all tendering stockholders waive any right to receive any notice of the acceptance of their Shares for payment.

3. Inadequate Space. If the space provided on the cover page hereof under "Description of Shares Tendered" is inadequate, the Share Certificate numbers, the number of Shares evidenced by such Share Certificates and the number of Shares tendered should be listed on a separate signed schedule and attached hereto.

4. Partial Tenders (not applicable to stockholders who tender by book-entry transfer). If fewer than all Shares evidenced by any Share Certificate delivered to the Depositary herewith are to be tendered hereby, fill in the number of Shares that are to be tendered in the box entitled "Number of Shares Tendered" on the cover page hereof. In such cases,

new Share Certificate(s) evidencing the remainder of Shares that were evidenced by the Share Certificates delivered to the Depositary herewith will be sent to the person(s) signing this Letter of Transmittal, unless otherwise provided in the box entitled "Special Delivery Instructions" on page 5 hereof, as soon as practicable after the Expiration Date or the termination of the Offer. All Shares evidenced by Share Certificates delivered to the Depositary will be deemed to have been tendered unless otherwise indicated.

5. Signatures on Letter of Transmittal; Stock Powers and Endorsements. If this Letter of Transmittal is signed by the registered holder(s) of Shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the Share Certificates evidencing such Shares without alteration, enlargement or any other change whatsoever.

If any Shares tendered hereby are held of record by two or more persons, all such persons must sign this Letter of Transmittal.

If any Shares tendered hereby are registered in different names, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of such Shares.

If this Letter of Transmittal is signed by the registered holder(s) of Shares tendered hereby, no endorsements of Share Certificates or separate stock powers are required, unless payment is to be made to, or Share Certificates evidencing Shares not tendered or not accepted for payment are to be issued in the name of, a person other than the registered holder(s). If the Letter of Transmittal is signed by a person other than the registered holder(s) of the Share Certificate(s) evidencing Shares tendered, the Share Certificate(s) tendered hereby must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear(s) on such Share Certificate(s). Signatures on such Share Certificate(s) and stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of Shares tendered hereby, the Share Certificate(s) evidencing Shares tendered hereby must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear(s) on such Share Certificate(s). Signatures on such Share Certificate(s) and stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal or any Share Certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to Purchaser of such person's authority so to act must be submitted.

6. Stock Transfer Taxes. Except as otherwise provided in this Instruction 6, Purchaser will pay all stock transfer taxes with respect to the sale and transfer of any Shares to it or its order pursuant to the Offer. If, however, payment of the purchase price of any Shares purchased is to be made to, or Share Certificate(s) evidencing Shares not tendered or not accepted for payment are to be issued in the name of, any person other than the registered holder(s) or if tendered certificates are registered in the name of any person other than the person(s) signing the Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered holder(s), or such other person, or otherwise) payable on account of the transfer to such other person will be deducted from the purchase price of such Shares purchased, unless evidence satisfactory to Purchaser of the payment of such taxes, or exemption therefrom, is submitted.

Except as provided in this Instruction 6, it will not be necessary for transfer tax stamps to be affixed to the Share Certificates evidencing Shares tendered hereby.

7. Special Payment and Delivery Instructions. If a check for the purchase price of any Shares tendered hereby is to be issued in the name of, and/or Share Certificate(s) evidencing Shares not tendered or not accepted for payment are to be issued in the name of and/or returned to, a person other than the person(s) signing this Letter of Transmittal or if such check or any such Share Certificate is to be sent to a person other than the signor of this Letter of Transmittal or to the person(s) signing this Letter of Transmittal but at an address other than that shown in the box entitled "Description of Shares Tendered" on the cover page hereof, the appropriate boxes herein must be completed.

8. Questions and Requests for Assistance or Additional Copies. Questions and requests for assistance may be directed to the Information Agent at its address or telephone number set forth on the back cover page hereof. Additional copies of the Offer to Purchase, this Letter of Transmittal, the Notice of Guaranteed Delivery and the Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 may be obtained from the Information Agent.

9. Substitute Form W-9. Each tendering stockholder is required to provide the Depositary with a correct Taxpayer Identification Number ("TIN") on the Substitute Form W-9 which is provided under "Important Tax Information" on page 11 hereof, and to certify, under penalty of perjury, that such number is correct and that such stockholder is not subject to backup withholding of federal income tax. If a tendering stockholder has been notified by the Internal Revenue Service that such stockholder is subject to backup withholding, such stockholder must cross out item (2) of the Certification box of the Substitute Form W-9, unless such stockholder has since been notified by the Internal Revenue Service that such stockholder is no longer subject to backup withholding. Failure to provide the information on the Substitute Form W-9 may subject the tendering stockholder to 30% federal income tax withholding on the payment of the purchase price of all Shares purchased from such stockholder. If the tendering stockholder has not been issued a TIN and has applied for one or intends to apply for one in the near future, such stockholder should write "Applied For" in the space provided for the TIN in Part I of the Substitute Form W-9, and sign and date the Substitute Form W-9. If "Applied For" is written in Part I and the Depositary is not provided with a TIN within 60 days, the Depositary will withhold 30% on all payments of the purchase price to such stockholder until a TIN is provided to the Depositary.

10. Lost, Destroyed, or Stolen Share Certificates. If any Share Certificate has been lost, destroyed, or stolen, the tendering stockholder should promptly notify EquiServe at (877) 282-1169. The tendering stockholder will be instructed as to the steps that must be taken in order to replace the Share Certificate. This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost or destroyed Share Certificates have been followed.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR A MANUALLY SIGNED FACSIMILE HEREOF), PROPERLY COMPLETED AND DULY EXECUTED (TOGETHER WITH ANY REQUIRED SIGNATURE GUARANTEES (OR, IN THE CASE OF A BOOK-ENTRY TRANSFER, AN AGENT'S MESSAGE) AND SHARE CERTIFICATES OR CONFIRMATION OF BOOK-ENTRY TRANSFER AND ALL OTHER REQUIRED DOCUMENTS), OR A PROPERLY COMPLETED AND DULY EXECUTED NOTICE OF GUARANTEED DELIVERY MUST BE RECEIVED BY THE DEPOSITARY PRIOR TO THE EXPIRATION DATE (AS DEFINED IN THE OFFER TO PURCHASE) OR THE EXPIRATION OF A SUBSEQUENT OFFERING PERIOD, IF APPLICABLE.

IMPORTANT TAX INFORMATION

Under U.S. federal income tax law, a stockholder whose tendered Shares are accepted for payment is generally required to provide the Depositary (as payer) with such stockholder's correct TIN on Substitute Form W-9 provided herewith. If such stockholder is an individual, the TIN generally is such stockholder's social security number. If the Depositary is not provided with the correct TIN, the stockholder may be subject to a $50 penalty imposed by the Internal Revenue Service and payments that are made to such stockholder with respect to Shares purchased pursuant to the Offer may be subject to backup withholding of 30%. In addition, if a stockholder makes a false statement that results in no imposition of backup withholding, and there was no reasonable basis for making such statement, a $500 penalty may also be imposed by the Internal Revenue Service.

Certain stockholders (including, among others, corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order for a foreign individual to qualify as an exempt recipient, such individual must submit a statement (Internal Revenue Service Form W-8), signed under penalties of perjury, attesting to such individual's exempt status. Forms of such statements can be obtained from the Depositary. See the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional instructions. A stockholder should consult his or her tax advisor as to such stockholder's qualification for exemption from backup withholding and the procedure for obtaining such exemption.

If backup withholding applies, the Depositary is required to withhold 30% of any payments made to the stockholder. Backup withholding is not an additional tax. Rather, the federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained provided that the required information is furnished to the Internal Revenue Service.

PURPOSE OF SUBSTITUTE FORM W-9

To prevent backup withholding on payments that are made to a stockholder with respect to Shares purchased pursuant to the Offer, the stockholder is required to notify the Depositary of such stockholder's correct TIN by completing the form on page 11 hereof certifying that (1) the TIN provided on Substitute Form W-9 is correct (or that such stockholder is awaiting a TIN), and (2)(a) such stockholder is exempt from backup withholding, (b) such stockholder has not been notified by the Internal Revenue Service that such stockholder is subject to backup withholding as a result of a failure to report all interest or dividends or (c) the Internal Revenue Service has notified such stockholder that such stockholder is no longer subject to backup withholding.

WHAT NUMBER TO GIVE THE DEPOSITARY

The stockholder is required to give the Depositary the TIN (e.g., social security number or employer identification number) of the record holder of Shares tendered hereby. If Shares are in more than one name or are not in the name of the actual owner, consult the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional guidance on which number to report. If the tendering stockholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future, the stockholder should write "Applied For" in the space provided for the TIN in Part I, and sign and date the Substitute Form W-9. If "Applied For" is written in Part I and the Depositary is not provided with a TIN within 60 days, the Depositary will withhold 30% of all payments of the purchase price to such stockholder until a TIN is provided to the Depositary.

PAYER'S NAME: COMPUTERSHARE TRUST COMPANY OF NEW YORK

SUBSTITUTE FORM W-9 DEPARTMENT OF THE TREASURY INTERNAL REVENUE SERVICE	PART I -- Taxpayer Identification Number -- For all accounts, enter your taxpayer identification number in the box at right. (For most individuals, this is your social security number. If you do not have a number, see "Obtaining a Number" in the enclosed Guidelines.) Certify by signing and dating below. Note: If the account is in more than one name, see the chart in the enclosed Guidelines to determine which number to give the payer.	Social security number or Employer identification number (If awaiting TIN write "Applied For")
PAYER'S REQUEST FOR TAXPAYER IDENTIFICATION NUMBER (TIN) AND CERTIFICATION	PART II -- For Payees Exempt from Backup Withholding, see the enclosed Guidelines and complete as instructed therein.	

CERTIFICATION -- Under penalties of perjury, I certify that:

(1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me), and

(2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to back-up withholding as a result of failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

CERTIFICATE INSTRUCTIONS -- You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out item (2). (Also see instructions in the enclosed Guidelines.)

SIGNATURE: ---------- DATE: ---------- , 2003

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 30% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED "GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9" FOR ADDITIONAL DETAILS.

NOTE: YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU ARE AWAITING A TAXPAYER IDENTIFICATION NUMBER.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I CERTIFY UNDER PENALTIES OF PERJURY THAT A TAXPAYER IDENTIFICATION NUMBER HAS NOT BEEN ISSUED TO ME, AND EITHER (1) I HAVE MAILED OR DELIVERED AN APPLICATION TO RECEIVE A TAXPAYER IDENTIFICATION NUMBER TO THE APPROPRIATE IRS CENTER OR SOCIAL SECURITY ADMINISTRATION OFFICE, OR (2) I INTEND TO MAIL OR DELIVER AN APPLICATION IN THE NEAR FUTURE. I UNDERSTAND THAT IF I DO NOT PROVIDE A TAXPAYER IDENTIFICATION NUMBER BY THE TIME OF PAYMENT, 30% OF ALL REPORTABLE CASH PAYMENTS MADE TO ME THEREAFTER WILL BE WITHHELD UNTIL I PROVIDE A TAXPAYER IDENTIFICATION NUMBER.

SIGNATURE: ---------- DATE: ----------

Manually signed facsimiles of this Letter of Transmittal, properly completed and duly signed, will be accepted. This Letter of Transmittal and the Share Certificates and any other required documents should be sent or delivered by each stockholder or such stockholder's broker, dealer, commercial bank, trust company or other nominee to the Depositary at one of its addresses or to the facsimile number set forth below.

The Depositary for the Offer is:

[COMPUTERSHARE LOGO]

By Mail:
Computershare Trust Company
of New York
Wall Street Station
P.O. Box 1010
New York, NY 10268-1010

By Hand or Overnight Courier:
Computershare Trust Company
of New York
Wall Street Plaza
88 Pine Street, 19th Floor
New York, NY 10005

By Facsimile Transmission
(For Eligible Institutions Only):

(212) 701-7636

Confirm Receipt of Facsimile by Telephone Only:

(212) 701-7624

Questions or requests for assistance may be directed to the Information Agent at its address and telephone number listed below. Additional copies of the Offer to Purchase, this Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained from the Information Agent. A stockholder may also contact brokers, dealers, commercial banks or trust companies for assistance concerning the Offer.

The Information Agent for the Offer is:

[INNISFREE LOGO]

501 Madison Avenue, 20th Floor
New York, New York 10022
Bankers and Brokers Call Collect: (212) 750-5833
All Others Please Call Toll-Free: (888) 750-5834

NOTICE OF GUARANTEED DELIVERY
FOR
TENDER OF SHARES OF COMMON STOCK
OF

ELITE INFORMATION GROUP, INC.
TO

GULF ACQUISITION CORP.
AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF

THE THOMSON CORPORATION

(NOT TO BE USED FOR SIGNATURE GUARANTEES)

This Notice of Guaranteed Delivery, or a form substantially equivalent hereto, must be used to accept the Offer (as defined below) (i) if certificates ("Share Certificates"), evidencing shares of common stock, par value $0.01 per share ("Shares"), of Elite Information Group, Inc., a Delaware corporation (the "Company"), are not immediately available, (ii) if Share Certificates and all other required documents cannot be delivered to Computershare Trust Company of New York, as Depositary (the "Depositary"), prior to the Expiration Date (as defined in "Section 1. Terms of the Offer; Expiration Date" of the Offer to Purchase (as defined below)) or (iii) if the procedure for delivery by book-entry transfer cannot be completed on a timely basis. This Notice of Guaranteed Delivery may be delivered by hand or mail or transmitted by telegram or facsimile transmission to the Depositary. See "Section 3. Procedures for Accepting the Offer and Tendering Shares" of the Offer to Purchase.

The Depositary for the Offer is:

[COMPUTERSHARE LOGO]

By Mail:
Computershare Trust Company
of New York
Wall Street Station
P.O. Box 1010
New York, NY 10268-1010

By Hand or Overnight Courier:
Computershare Trust Company
of New York
Wall Street Plaza
88 Pine Street, 19th Floor
New York, NY 10005

By Facsimile Transmission:
(For Eligible Institutions Only):
(212) 701-7636

Confirm Receipt of Facsimile by Telephone Only:
(212) 701-7624

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TRANSMISSION OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

This form is not to be used to guarantee signatures. If a signature on a Letter of Transmittal is required to be guaranteed by an "Eligible Institution" under the instructions thereto, such signature guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.

Ladies and Gentlemen:

The undersigned hereby tenders to GULF ACQUISITION CORP., a Delaware corporation and an indirect wholly-owned subsidiary of THE THOMSON CORPORATION, a corporation organized under the laws of Ontario, Canada, upon the terms and subject to the conditions described in the Offer to Purchase, dated April 11, 2003 (the "Offer to Purchase"), and in the related Letter of Transmittal (which, together with the Offer to Purchase and any amendments or supplements thereto, collectively constitute the "Offer"), receipt of each of which is hereby acknowledged, the number of Shares specified below pursuant to the guaranteed delivery procedure set forth in "Section 3. Procedures for Accepting the Offer and Tendering Shares" of the Offer to Purchase.

Number of Shares:
- ----------
Certificate Numbers (If Available):
- ----------
- ----------
(SIGNATURE(S) OF HOLDER(S))

Dated: ----------, 2003

- ----------
(PLEASE TYPE OR PRINT)

Address:
- ----------

- ----------
(ZIP CODE)

- ----------
(DAYTIME AREA CODE AND TELEPHONE NO.)
[ ] Check this box if Shares will be delivered by book-entry transfer.
Book-Entry Transfer Facility
Account Number:
- ----------

GUARANTEE
(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a participant in the Security Transfer Agents Medallion Program or an "eligible guarantor institution," as such term is defined in Rule 17 Ad-15 under the Securities Exchange Act of 1934, as amended, guarantees to delivery to the Depositary either certificates representing the Shares tendered hereby, in proper form for transfer, or confirmation of book-entry transfer of such Shares into the Depositary's account at The Depositary Trust Company, in each case with delivery of a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof), with any required signature guarantees, or, in the case of a book-entry transfer, an Agent's Message (as defined in the Offer to Purchase), and, in each case, together with any other documents required by the Letter of Transmittal, within three National Association of Securities Dealers Automated Quotation System trading days (as defined in the Offer to Purchase) after the date hereof.

The Eligible Institution that completes this form must communicate the guarantee to the Depositary and must delivery the Letter of Transmittal and Share Certificates to the Depositary within the time period shown herein. Failure to do so could result in a financial loss to such Eligible Institution.

Name of Firm:
- ----------
- ----------
(AUTHORIZED SIGNATURE)

Address:
- ----------
(ZIP CODE)

Area Code and Telephone Number:
- ----------

Name:
- ----------
(PLEASE TYPE OR PRINT)

Title:
- ----------

Dated:
- ----------, 2003

DO NOT SEND SHARE CERTIFICATES WITH THIS NOTICE.
SHARE CERTIFICATES SHOULD BE SENT WITH YOUR
LETTER OF TRANSMITTAL.

OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF COMMON STOCK

OF

ELITE INFORMATION GROUP, INC.

AT

$14.00 NET PER SHARE IN CASH

BY

GULF ACQUISITION CORP.

AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF

THE THOMSON CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT,
NEW YORK CITY TIME, ON THURSDAY, MAY 8, 2003, UNLESS THE OFFER IS EXTENDED.

April 11, 2003

To Brokers, Dealers, Commercial Banks,
Trust Companies and Other Nominees:

GULF ACQUISITION CORP., a Delaware corporation ("Purchaser") and an indirect wholly-owned subsidiary of THE THOMSON CORPORATION, a corporation organized under the laws of Ontario, Canada ("Thomson"), has offered to purchase any and all of the outstanding shares of common stock, par value $0.01 per share ("Shares"), of ELITE INFORMATION GROUP, INC., a Delaware corporation (the "Company"), at a purchase price of $14.00 per Share, net to the seller in cash, without interest, upon the terms and subject to the conditions described in the Purchaser's Offer to Purchase, dated April 11, 2003 (the "Offer to Purchase"), and in the related Letter of Transmittal (which, together with the Offer to Purchase and any amendments or supplements thereto, collectively constitute the "Offer") enclosed herewith. Please furnish copies of the enclosed materials to those of your clients for whose accounts you hold Shares registered in your name or in the name of your nominee.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (I) THERE HAVING BEEN VALIDLY TENDERED AND NOT WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER, THE NUMBER OF SHARES THAT, TOGETHER WITH THE SHARES THEN OWNED BY THOMSON OR ANY SUBSIDIARY OF THOMSON, REPRESENTS AT LEAST A MAJORITY OF THE SHARES OUTSTANDING ON A FULLY-DILUTED BASIS (INCLUDING, WITHOUT LIMITATION, ALL SHARES ISSUABLE UPON THE CONVERSION OF ANY CONVERTIBLE SECURITIES OR UPON THE EXERCISE OF ANY OPTIONS, WARRANTS OR RIGHTS (OTHER THAN THE RIGHTS ISSUED PURSUANT TO THE RIGHTS AGREEMENT, DATED AS OF APRIL 14, 1999, AS AMENDED, BETWEEN THE COMPANY AND EQUISERVE TRUST COMPANY, N.A., AS RIGHTS AGENT)) AND (II) ANY APPLICABLE WAITING PERIOD UNDER THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED, OR ANY APPLICABLE FOREIGN ANTITRUST LAW, HAVING EXPIRED OR BEEN TERMINATED PRIOR TO THE EXPIRATION OF THE OFFER. THE OFFER IS ALSO SUBJECT TO CERTAIN OTHER CONDITIONS CONTAINED IN THE OFFER TO PURCHASE. SEE "SECTION 1. TERMS OF THE OFFER; EXPIRATION DATE" AND "SECTION 14. CERTAIN CONDITIONS OF THE OFFER," WHICH SET FORTH IN FULL THE CONDITIONS TO THE OFFER.

For your information and for forwarding to your clients for whom you hold Shares registered in your name or in the name of your nominee, enclosed are the following documents:

1. Offer to Purchase, dated April 11, 2003;

2. Letter of Transmittal for your use in accepting the Offer and tendering Shares and for the information of your clients;

3. Notice of Guaranteed Delivery to be used to accept the Offer if the Shares and all other required documents are not immediately available or cannot be delivered to Computershare Trust Company of New York (the "Depositary") prior to the Expiration Date (as defined in the Offer to Purchase) or if the procedure for book-entry transfer cannot be completed prior to the Expiration Date;

4. A letter to stockholders of the Company from Christopher K. Poole, President/Chief Executive Officer of the Company, together with a Solicitation/Recommendation Statement on Schedule 14D-9 filed with the Securities and Exchange Commission by the Company;

5. A letter which may be sent to your clients for whose accounts you hold Shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Offer;

6. Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9; and

7. Return envelope addressed to the Depositary.

YOU ARE URGED TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE. PLEASE NOTE THAT THE OFFER AND WITHDRAWAL RIGHTS EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, MAY 8, 2003, UNLESS THE OFFER IS EXTENDED.

In all cases, payment for Shares accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of (i) certificates representing such Shares (or a confirmation of a book-entry transfer of such Shares into the Depositary's account at the Book-Entry Transfer Facility (as defined in the Offer to Purchase)), (ii) a Letter of Transmittal (or a manually signed facsimile thereof) properly completed and duly executed with any required signature guarantees or, in the case of a book-entry transfer, an Agent's Message (as defined in the Offer to Purchase) and (iii) any other documents required by the Letter of Transmittal.

If holders of Shares wish to tender, but it is impracticable for them to forward their certificates or other required documents prior to the expiration of the Offer, a tender may be effected by following the guaranteed delivery procedure described in "Section 3. Procedures for Accepting the Offer and Tendering Shares" of the Offer to Purchase.

Purchaser will not pay any fees or commissions to any broker, dealer or other person (other than the Depositary and the Information Agent as described in the Offer to Purchase) in connection with the solicitation of tenders of Shares pursuant to the Offer. However, Purchaser will reimburse you for customary mailing and handling expenses incurred by you in forwarding any of the enclosed materials to your clients. Purchaser will pay or cause to be paid any stock transfer taxes payable with respect to the transfer of Shares to it, except as otherwise provided in Instruction 6 of the Letter of Transmittal.

Any inquiries you may have with respect to the Offer should be addressed to Innisfree M&A Incorporated (the "Information Agent") at its address and telephone number set forth on the back cover of the Offer to Purchase.

Additional copies of the enclosed material may be obtained from the Information Agent at its address and telephone number set forth on the back cover of the Offer to Purchase.

Very truly yours,

Gulf Acquisition Corp.

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON THE AGENT OF THOMSON, PURCHASER, THE COMPANY, THE INFORMATION AGENT OR THE DEPOSITARY, OR OF ANY AFFILIATE OF ANY OF THE FOREGOING, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR TO MAKE ANY STATEMENT ON BEHALF OF ANY OF THE FOREGOING IN CONNECTION WITH THE OFFER OTHER THAN THE ENCLOSED DOCUMENTS AND THE STATEMENTS CONTAINED THEREIN.

OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF COMMON STOCK

OF

ELITE INFORMATION GROUP, INC.

AT

$14.00 NET PER SHARE IN CASH

BY

GULF ACQUISITION CORP.

AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF

THE THOMSON CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT,
NEW YORK CITY TIME, ON THURSDAY, MAY 8, 2003, UNLESS THE OFFER IS EXTENDED.

April 11, 2003

To Our Clients:

Enclosed for your consideration are an Offer to Purchase, dated April 11, 2003 (the "Offer to Purchase"), and the related Letter of Transmittal (which, together with the Offer to Purchase and any amendments or supplements thereto, collectively constitute the "Offer") in connection with the offer by GULF ACQUISITION CORP., a Delaware corporation ("Purchaser") and an indirect wholly-owned subsidiary of THE THOMSON CORPORATION, a corporation organized under the laws of Ontario, Canada ("Thomson"), to purchase any and all of the outstanding shares of common stock, par value $0.01 per share ("Shares"), of ELITE INFORMATION GROUP, INC., a Delaware corporation (the "Company"), at a purchase price of $14.00 per Share (such amount being the "Per Share Amount"), net to the seller in cash, without interest, upon the terms and subject to the conditions described in the Offer to Purchase and in the related Letter of Transmittal. We are (or our nominee is) the holder of record of Shares held for your account. A TENDER OF SUCH SHARES CAN BE MADE ONLY BY US AS THE HOLDER OF RECORD AND PURSUANT TO YOUR INSTRUCTIONS. THE ENCLOSED LETTER OF TRANSMITTAL IS FURNISHED TO YOU FOR YOUR INFORMATION ONLY AND CANNOT BE USED BY YOU TO TENDER SHARES HELD BY US FOR YOUR ACCOUNT.

We request instructions as to whether you wish to have us tender on your behalf any or all Shares held by us for your account, upon the terms and subject to the conditions described in the Offer.

Your attention is invited to the following:

1. The tender price is $14.00 per Share, net to you in cash, without interest.

2. The Offer is being made for any and all outstanding Shares.

3. The Board of Directors of the Company has unanimously determined that the Merger Agreement (as defined below) and the transactions contemplated thereby, including the Offer and the Merger (as defined in the Offer to Purchase), are fair to, and in the best interest of, the Company's stockholders, has approved, adopted and declared advisable the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger, and has recommended that the Company's stockholders accept the Offer and tender their Shares pursuant to the Offer.

4. THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, THURSDAY, MAY 8, 2003, UNLESS THE OFFER IS EXTENDED.

5. The Offer is conditioned upon, among other things, (i) there having been validly tendered and not withdrawn prior to the expiration of the Offer, the number of Shares that, together with the Shares then owned by Thomson or any subsidiary of Thomson, represents at least a majority of the Shares outstanding on a fully-diluted basis (including, without limitation, all Shares issuable upon the conversion of any convertible securities or upon the exercise of any options, warrants or rights (other than the rights issued pursuant to the Rights Agreement, dated as of April 14, 1999, as amended, between the Company and Equiserve Trust Company, N.A., as Rights Agent)) and (ii) any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or any applicable foreign antitrust law, having expired or been terminated prior to the expiration of the Offer. The Offer is also subject to certain other conditions contained in this Offer to Purchase. See "Section 1. Terms of the Offer; Expiration Date" and "Section 14. Certain Conditions of the Offer," which set forth in full the conditions to the Offer.

6. Tendering stockholders will not be obligated to pay brokerage fees or commissions or, except as otherwise provided in Instruction 6 of the Letter of Transmittal, stock transfer taxes with respect to the purchase of Shares by Purchaser pursuant to the Offer.

If you wish to have us tender any or all of your Shares, please so instruct us by completing, executing and returning to us the instruction form contained in this letter. An envelope in which to return your instructions to us is enclosed. If you authorize the tender of your Shares, all such Shares will be tendered unless otherwise specified in your instructions. YOUR INSTRUCTIONS SHOULD BE FORWARDED TO US IN AMPLE TIME TO PERMIT US TO SUBMIT A TENDER ON YOUR BEHALF PRIOR TO THE EXPIRATION OF THE OFFER.

The Offer is being made solely by the Offer to Purchase and the related Letter of Transmittal and is being made to holders of Shares. Purchaser is not aware of any jurisdiction where the making of the Offer or the acceptance of Shares pursuant thereto is prohibited by any administrative or judicial action or by any valid law of such jurisdiction. If Purchaser becomes aware of any valid law of a jurisdiction prohibiting the making of the Offer or the acceptance of Shares pursuant thereto, Purchaser will make a good faith effort to comply with such law. If, after such good faith effort, Purchaser cannot comply with such law, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of Purchaser by one or more registered brokers or dealers licensed under the laws of such jurisdiction.

INSTRUCTIONS WITH RESPECT TO THE OFFER TO PURCHASE FOR CASH

ALL OUTSTANDING SHARES

OF

GULF INFORMATION GROUP, INC.

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase, dated April 11, 2003, and the related Letter of Transmittal (which, together with the Offer to Purchase and any amendments or supplements thereto, collectively constitute the "Offer") in connection with the offer by GULF ACQUISITION CORP., a Delaware corporation and an indirect wholly-owned subsidiary of THE THOMSON CORPORATION, a corporation organized under the laws of Ontario, Canada, to purchase any and all of the outstanding shares of common stock, par value $0.01 per share ("Shares"), of ELITE INFORMATION GROUP, INC., a Delaware corporation, at a purchase price of $14.00 per Share, net to the seller in cash, without interest, upon the terms and subject to the conditions described in the Offer to Purchase and in the related Letter of Transmittal.

This will instruct you to tender the number of Shares indicated below (or, if no number is indicated below, all Shares) that are held by you for the account of the undersigned, upon the terms and subject to the conditions described in the Offer.

Dated:
- ----------, 2003

Number of Shares
To Be Tendered:
Shares*: ----------

SIGN HERE

Signature(s)

Please type or print names(s)

Please type or print address

Area Code and Telephone Number

Taxpayer Identification or Social Security Number

- ---

* Unless otherwise indicated, it will be assumed that all Shares held by us for your account are to be tendered.

EXHIBIT 99.8

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

OBTAINING A NUMBER

If you don't have a taxpayer identification number ("TIN") or you don't know your number, obtain Form SS-5, Application for a Social Security Card, Form W-7, Application for I.R.S. Individual Taxpayer Identification Number, or Form SS-4, Application for Employer Identification Number, at the local office of the Social Security Administration or the Internal Revenue Service and apply for a number.

PAYEES EXEMPT FROM BACKUP WITHHOLDING

Payees specifically exempted from backup withholding on all dividend and interest payments and on broker transactions include the following:

- - A corporation.
- - A financial institution.
- - An organization exempt from tax under section 501(a), or an individual retirement account, or a custodial account under section 403(b)(7), if the account satisfies the requirements of section 401(f)(2).
- - The U.S. or any agency or instrumentality thereof.
- - A state, the District of Columbia, a possession of the United States, or any subdivision or instrumentality thereof.
- - A foreign government, a political subdivision of a foreign government, or any agency or instrumentality thereof.
- - An international organization, or any agency or instrumentality thereof.
- - A registered dealer in securities or commodities registered in the U.S., the District of Columbia, or a possession of the U.S.
- - A real estate investment trust.
- - A common trust fund operated by a bank under section 584(a).
- - An entity registered at all times during the tax year under the Investment Company Act of 1940.
- - A foreign central bank of issue.

Further, an exempt charitable remainder trust, or a non-exempt trust described in section 4947(a)(1) is similarly exempted, except on broker transactions.

Payments of dividends and patronage dividends not generally subject to backup withholding include the following:

- - Payments to nonresident aliens subject to withholding under section 1441.
- - Payments to partnerships not engaged in a trade or business in the U.S. and which have at least one nonresident alien partner.
- - Payments of patronage dividends where the amount received is not paid in money.
- - Payments made by certain foreign organizations.
- - Payments made by an Employee Stock Ownership Plan pursuant to Section 404(k).

Payments of interest not generally subject to backup withholding include the following:

- - Payments of interest on obligations issued by individuals.

NOTE: You may be subject to backup withholding if this interest is $600 or more and is paid in the course of the payer's trade or business and you have not provided your correct taxpayer identification number to the payer.

- - Payments of tax-exempt interest (including exempt-interest dividends under section 852).
- - Payments described in section 6049(b)(5) to nonresident aliens.
- - Payments on tax-free covenant bonds under section 1451.
- - Payments made by certain foreign organizations.

EXEMPT PAYEES DESCRIBED ABOVE SHOULD FILE THE SUBSTITUTE FORM W-9 TO AVOID POSSIBLE ERRONEOUS BACKUP WITHHOLDING. COMPLETE THE SUBSTITUTE FORM W-9 AS FOLLOWS:

ENTER YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" ACROSS THE FACE OF THE FORM, SIGN, DATE, AND RETURN THE FORM TO THE PAYER.

IF YOU ARE A NONRESIDENT ALIEN OR A FOREIGN ENTITY NOT SUBJECT TO BACKUP WITHHOLDINGS, GIVE THE PAYER THE APPROPRIATE COMPLETED INTERNAL REVENUE SERVICE FORM W-8.

Certain payments other than interest, dividends, and patronage dividends that are not subject to information reporting are also not subject to backup withholding. For details, see the sections 6041, 6041A, 6042, 6044, 6045, 6049, 6050A and 6050N and the regulations thereunder.

PRIVACY ACT NOTICE. -- Section 6109 requires most recipients of dividend, interest or other payments to give taxpayer identification numbers to payers who must report the payments to the IRS. The IRS uses the numbers for identification purposes and to help verify the accuracy of tax returns. Payers must be given the numbers whether or not recipients are required to file tax returns. Payers must generally withhold 30% (or such reduced rate as applicable) of taxable interest, dividend, and certain other payments made prior to January 1, 2004 to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

PENALTIES

(1) PENALTY FOR FAILURE TO FURNISH TAXPAYER IDENTIFICATION NUMBER -- If you fail to furnish your correct taxpayer identification number to a payer, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

(2) CIVIL PENALTY FOR FALSE INFORMATION WITH RESPECT TO WITHHOLDING -- If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of $500.

(3) CRIMINAL PENALTY FOR FALSIFYING INFORMATION -- Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

(4) MISUSE OF TAXPAYER IDENTIFICATION NUMBERS -- If the payer discloses or uses taxpayer identification numbers in violation of Federal law, the payer may be subject to civil and criminal penalties.

FOR ADDITIONAL INFORMATION
CONTACT YOUR TAX CONSULTANT OR THE
INTERNAL REVENUE SERVICE

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

GUIDELINES FOR DETERMINING THE PROPER TAXPAYER IDENTIFICATION NUMBER TO GIVE THE PAYER. -- Social security numbers have nine digits separated by two hyphens: i.e., 000-00-0000. Employer identification numbers have nine digits separated by only one hyphen: i.e., 00-0000000. The table below will help determine the number to give the payer.

GIVE THE SOCIAL SECURITY FOR THIS TYPE OF ACCOUNT: NUMBER OF --	GIVE THE EMPLOYER IDENTIFICATION FOR THIS TYPE OF ACCOUNT: NUMBER OF --
1. An individual's account The individual	
2. Two or more individuals (joint The actual owner of account) the account or, if combined funds, the first individual on the account(1)	
3. Custodian account of a minor The minor(2) (Uniform Gift to Minors Act)	
4. a. The usual revocable savings The grantor trust account (grantor is also trustee(1) trustee)	
b. So-called trust account that is The actual owner(1) not a legal or valid trust under state law	
5. Sole proprietorship account The owner(3)	
	6. A valid trust, estate, or pension trust The legal entity(4)
	7. Corporate account The corporation
	8. Association, club, religious, charitable, educational, or other tax-exempt organization account The organization
	9. Partnership account The partnership
	10. A broker or registered nominee The broker or nominee
	11. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments The public entity

---------- 6. A valid trust, estate, or pension The legal entity trust (Do not furnish the identifying number of the representative or trustee unless the legal entity itself is not designated in the account title) (4) 7. Corporate Account The corporation 8. Partnership account held in the The partnership name of the business 9. Association, club, religious, The organization charitable, educational, or other tax-exempt organization 10. A broker or registered nominee The broker or nominee 11. Account with the Department of The public entity Agriculture in the name of the public entity (such as a state or local government, school district, or prison) that receives agricultural program payments - -- ---------- ---------- ---------- ---------- ------

(1) List first and circle the name of the person whose number you furnish. If only one person on a joint account has a social security number, that person's number must be furnished.
(2) Circle the minor's name and furnish the minor's social security number.
(3) Show the name of the owner. The name of the business or the "doing business as" name may also be entered. Either the social security number or the employer identification number may be used.
(4) List first and circle the name of the legal trust, estate, or pension trust.

NOTE: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares (as defined below). The Offer (as defined below) is being made solely by the Offer to Purchase, dated April 11, 2003, and the related Letter of Transmittal, and is being made to holders of Shares. Purchaser (as defined below) is not aware of any jurisdiction where the making of the Offer or the acceptance of Shares pursuant thereto is prohibited by any administrative or judicial action or by any valid law of such jurisdiction. If Purchaser becomes aware of any valid law of a jurisdiction prohibiting the making of the Offer or the acceptance of Shares pursuant thereto, Purchaser will make a good faith effort to comply with such law. If, after such good faith effort, Purchaser cannot comply with such law, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Purchaser by one or more registered brokers or dealers licensed under the laws of such jurisdiction.

NOTICE OF OFFER TO PURCHASE FOR CASH

ALL OUTSTANDING SHARES OF COMMON STOCK

OF

ELITE INFORMATION GROUP, INC.

AT

$14.00 NET PER SHARE

BY

GULF ACQUISITION CORP.

AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF

THE THOMSON CORPORATION

Gulf Acquisition Corp., a Delaware corporation ("Purchaser") and an indirect wholly-owned subsidiary of The Thomson Corporation, a corporation organized under the laws of Ontario, Canada ("Thomson"), is offering to purchase any and all of the outstanding shares of common stock, par value $0.01 per share (the "Shares"), of Elite Information Group, Inc., a Delaware corporation (the "Company"), at a purchase price of $14.00 per Share, net to the seller in cash, without interest, upon the terms and subject to the conditions described in the Offer to Purchase and in the related Letter of Transmittal (which, together with the Offer to Purchase and any amendments or supplements thereto, collectively constitute the "Offer"). Following the Offer, Purchaser intends to effect the Merger described below.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, MAY 8, 2003, UNLESS THE OFFER IS EXTENDED.

The Offer is conditioned upon, among other things, (i) there having been validly tendered and not withdrawn prior to the expiration of the Offer, the number of Shares that,

together with the Shares then owned by Thomson or any subsidiary of Thomson, represents at least a majority of the Shares outstanding on a fully-diluted basis (including, without limitation, all Shares issuable upon the conversion of any convertible securities or upon the exercise of any options, warrants or rights (other than the rights issued pursuant to the Rights Agreement, dated as of April 14, 1999, as amended, between the Company and Equiserve Trust Company, N.A., as Rights Agent)) and (ii) any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or any applicable foreign antitrust law, having expired or been terminated prior to the expiration of the Offer (the "Regulatory Condition"). The Offer is also subject to certain other conditions contained in the Offer to Purchase. See "Section 1. Terms of the Offer; Expiration Date" and "Section 14. Certain Conditions of the Offer" of the Offer to Purchase, which describes in full the conditions to the Offer.

The Offer is being made pursuant to an Agreement and Plan of Merger, dated as of April 2, 2003 (the "Merger Agreement"), among Thomson, Purchaser and the Company. The Merger Agreement provides, among other things, that, after the purchase of Shares pursuant to the Offer and on the first business day after the satisfaction or, if permissible, waiver, of the other conditions described in the Merger Agreement, and in accordance with the relevant provisions of the General Corporation Law of the State of Delaware ("Delaware Law"), Purchaser will be merged with and into the Company (the "Merger"). As a result of the Merger, the Company, which will continue as the surviving corporation (the "Surviving Corporation"), will become an indirect wholly-owned subsidiary of Thomson. At the effective time of the Merger (the "Effective Time"), each Share issued and outstanding immediately prior to the Effective Time (other than Shares owned by Thomson or the Company (or by any direct or indirect wholly-owned subsidiary of Thomson or the Company), and any Shares held by stockholders who shall have demanded and perfected appraisal rights under Delaware Law) will be canceled and converted into the right to receive $14.00 per Share (or any greater amount per Share paid pursuant to the Offer), in cash, without interest.

THE BOARD OF DIRECTORS OF THE COMPANY HAS UNANIMOUSLY DETERMINED THAT THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE OFFER AND THE MERGER, ARE FAIR TO, AND IN THE BEST INTEREST OF, THE COMPANY'S STOCKHOLDERS, HAS APPROVED, ADOPTED AND DECLARED ADVISABLE THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING THE OFFER AND THE MERGER, AND HAS RECOMMENDED THAT THE COMPANY'S STOCKHOLDERS ACCEPT THE OFFER AND TENDER THEIR SHARES PURSUANT TO THE OFFER.

Concurrently with entering into the Merger Agreement, Thomson, Purchaser and each of PAR Investment Partners, L.P., Arthur G. Epker III, Christopher K. Poole, David A. Finley, Roger Noall, Alan Rich and William G. Seymour (collectively, the "Significant Stockholders") entered into a Stockholders Support Agreement, dated as of April 2, 2003, pursuant to which the Significant Stockholders have agreed, among other things, to (i) validly tender (and not withdraw) their Shares into the Offer and (ii) grant a proxy to Purchaser to vote their Shares in favor of the Merger, if applicable. On April 4, 2003, the Significant Stockholders owned (either beneficially or of record) 1,698,605 Shares, constituting approximately 21.5% of the outstanding Shares (or approximately 17.6% of the outstanding Shares on a fully diluted basis).

For purposes of the Offer (including during any Subsequent Offering Period (as defined below)), Purchaser will be deemed to have accepted for payment (and thereby purchased) Shares validly tendered and not properly withdrawn as, if and when Purchaser gives oral or written notice to Computershare Trust Company of New York (the "Depositary") of Purchaser's acceptance for payment of such Shares pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, payment for Shares purchased pursuant to the Offer will be made by deposit of the purchase price therefor with the Depositary, which will act as agent for tendering stockholders whose Shares have been accepted for payment for the purpose of receiving payments from Purchaser and transmitting such payments to validly tendering stockholders. UNDER NO CIRCUMSTANCES WILL PURCHASER PAY INTEREST ON THE PURCHASE PRICE FOR SHARES, REGARDLESS OF ANY DELAY IN MAKING SUCH PAYMENT. In all cases (including during any Subsequent Offering Period), Purchaser will pay for Shares tendered and accepted for payment pursuant to the Offer only after timely receipt by the Depositary of (i) the certificates evidencing such Shares (the "Share Certificates") or timely confirmation of a book-entry transfer of such Shares into the Depositary's account at The Depository Trust Company (the "Book-Entry Transfer Facility") pursuant to the procedures described in "Section 3. Procedures for Accepting the Offer and Tendering Shares" of the Offer to Purchase, (ii) the Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees or, in the case of a book-entry transfer, an Agent's Message (as defined in "Section 2. Acceptance for Payment and Payment for Shares" of the Offer to Purchase) and (iii) any other documents required under the Letter of Transmittal.

The Merger Agreement provides that Purchaser has the right to extend the Offer, provided that such extension does not extend beyond the later of (x) July 31, 2003 and (y) the date that is 30 days after the date that the Company has complied with certain of its obligations under the Merger Agreement (i) from time to time if, at the scheduled or extended Expiration Date, any of the conditions to the Offer will not have been satisfied or waived, until such conditions are satisfied or waived or (ii) for any period required by any rule, regulation, interpretation or position of the Securities and Exchange Commission (the "Commission") or the staff thereof applicable to the Offer or any period required by applicable law. The Merger Agreement also provides that if, at any scheduled or extended Expiration Date, the Offer has not been consummated as a result of the failure to satisfy the Regulatory Condition or the occurrence of a Litigation Event (as defined in "Section 14. Certain Conditions of the Offer" of the Offer to Purchase), Thomson will, if requested by the Company, cause Purchaser to extend the Expiration Date for one or more periods (not in excess of 10 business days each) until such condition is satisfied, but in no event later than September 9, 2003. During any such extension, all Shares previously tendered and not withdrawn will remain subject to the Offer and subject to the right of a tendering stockholder to withdraw such stockholder's Shares.

Purchaser will provide for a subsequent offering period in connection with the Offer if at the expiration of the Offer all of the conditions of the Offer have been satisfied or waived but the number of Shares validly tendered and not withdrawn in the Offer constitute less than 90% of the outstanding Shares. Subject to the applicable rules and regulations of the Commission, Purchaser will extend its offer to purchase Shares beyond the Expiration Date for a subsequent offering period not to exceed 20 business days (the "Subsequent Offering Period"), if, among other things, at the expiration date of the Offer (i) all of the conditions to the Offer have been satisfied or waived but the number of Shares validly tendered and not withdrawn in

the Offer constitute less than 90% of the outstanding Shares on a fully-diluted basis and (ii) Purchaser immediately accepts for payment, and promptly pays for, all Shares validly tendered (and not withdrawn in accordance with the procedures set forth in "Section 4. Withdrawal Rights" of the Offer to Purchase) prior to the Expiration Date. SHARES TENDERED DURING THE SUBSEQUENT OFFERING PERIOD MAY NOT BE WITHDRAWN. Purchaser will immediately accept for payment, and promptly pay for, all validly tendered Shares as they are received during the Subsequent Offering Period. If the Purchaser provides for a Subsequent Offering Period, it will be effected by Purchaser giving oral or written notice of the Subsequent Offering Period to the Depositary and making an announcement to that effect by issuing a press release to the PR Newswire on the next business day after the previously scheduled Expiration Date.

Tenders of Shares made pursuant to the Offer are irrevocable except that such Shares may be withdrawn at any time prior to the Expiration Date and, unless theretofore accepted for payment by Purchaser pursuant to the Offer, may also be withdrawn at any time after June 9, 2003. For a withdrawal of Shares to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover of the Offer to Purchase. Any such notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of such Shares, if different from that of the person who tendered such Shares. If Share Certificates evidencing Shares to be withdrawn have been delivered or otherwise identified to the Depositary, then, prior to the physical release of such Share Certificates, the serial numbers shown on such Share Certificates must be submitted to the Depositary and the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution (as defined in "Section 3. Procedures for Accepting the Offer and Tendering Shares" of the Offer to Purchase), unless such Shares have been tendered for the account of an Eligible Institution. If Shares have been tendered pursuant to the procedure for book-entry transfer as described in "Section 3. Procedures for Accepting the Offer and Tendering Shares" of the Offer to Purchase, any notice of withdrawal must specify the name and number of the account at the Book-Entry Transfer Facility to be credited with the withdrawn Shares. All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by Purchaser, in its sole discretion, which determination will be final and binding.

The information required to be disclosed by Rule 14d-6(d)(1) of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference.

The Company has provided Purchaser with the Company's stockholder list and security position listings for the purpose of disseminating the Offer to the holders of Shares. Purchaser will mail the Offer to Purchase and the related Letter of Transmittal to record holders of Shares whose names appear on the Company's stockholder list and will furnish the Offer to Purchase and the related Letter of Transmittal, for subsequent transmittal to beneficial owners of Shares, to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing.

THE OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ CAREFULLY BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.

Questions and requests for assistance or for additional copies of the Offer to Purchase and the related Letter of Transmittal and other Offer materials may be directed to the Information Agent at its address and telephone number listed below, and copies will be furnished promptly at Purchaser's expense. No fees or commissions will be paid to brokers, dealers or other persons (other than the Information Agent) for soliciting tenders of Shares pursuant to the Offer.

The Information Agent for the Offer is:

Innisfree M&A Incorporated

501 Madison Avenue, 20th Floor
New York, New York 10022
Banks and Brokers Call Collect: (212) 750-5833
All Others Please Call Toll-Free: (888) 750-5834

April 11, 2003

The Thomson Corporation
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News Release

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For Immediate Release

THOMSON COMMENCES CASH TENDER OFFER TO ACQUIRE ELITE INFORMATION GROUP, INC.

(Unless otherwise stated, all amounts are in US dollars)

STAMFORD, Conn. and TORONTO, April 11, 2003 – The Thomson Corporation (TSX: TOC; NYSE: TOC) announced today that it has commenced a cash tender offer for all of the issued and outstanding shares of common stock of Elite Information Group, Inc. (NASDAQ: ELTE) for a price of $14 per share.

The cash tender offer is being made in connection with the proposed acquisition of Elite by a newly formed Thomson subsidiary, Gulf Acquisition Corp., pursuant to a previously announced definitive agreement between Thomson, Gulf Acquisition Corp. and Elite. If the proposed merger is consummated, Elite will become an indirect wholly owned subsidiary of Thomson. The Elite board of directors has unanimously recommended that Elite stockholders accept the cash tender offer.

The cash tender offer is subject to the tender of at least a majority of Elite's fully diluted shares and other customary conditions. The cash tender offer and withdrawal rights will expire at 12:00 midnight (EDT), on May 8, 2003, unless extended.

The Thomson subsidiary, Gulf Acquisition Corp., today is mailing to registered holders of Elite shares an Offer to Purchase regarding the cash tender offer, the Elite Solicitation Recommendation Statement on Schedule 14D-9, a Letter of Transmittal to be used to tender Elite shares in the cash tender offer, and other tender offer documents. Beneficial owners of Elite

holding shares in “street name” should receive information about the tender offer from their bank or broker custodian. Elite shareholders with questions about the tender offer or who need additional copies of the tender offer documents may call the Information Agent, Innisfree M&A Incorporated, at 888.750.5834. Banks and brokers may call collect at 212.750.5833. The Depositary for the cash tender offer is Computershare Trust Company of New York.

This news release is for informational purposes only. It does not constitute an offer to purchase shares of Elite or a Solicitation/Recommendation Statement under the rules and regulations of the Securities and Exchange Commission. The tender offer will only be made through the Offer to Purchase and related Letter of Transmittal. Thomson has filed with the Securities and Exchange Commission a Tender Offer Statement on Schedule TO and Elite has filed a Solicitation/Recommendation Statement on Schedule 14D-9. These documents contain important information and security holders of Elite are advised to read these documents carefully before making any decision with respect to the cash tender offer. These documents may be obtained free of charge at the Securities and Exchange Commission’s website at www.sec.gov. Persons with questions regarding the offer should contact Innisfree M&A Incorporated at 888.750.5834.

About Elite

Elite Information Group, Inc., is a leading provider of integrated practice and financial management systems for professional service firms worldwide. The company has built on its success as the premier provider of world-class time and billing systems for the legal industry to deliver a variety of products and consulting services to other professional service markets, including accounting, engineering, marketing and management and IT consulting. More than one-third of the top 1,000 US law firms, more than one-half of the top 100 US law firms, and 30 of the top 100 UK law firms use Elite’s practice and financial management systems. Headquartered in Los Angeles, Elite was named a top-ten software developer by the *Los Angeles Business Journal* in 2002 for the second consecutive year. The company was also ranked among the Deloitte and Touche Fast 50 technology growth companies. Elite employs more than 400 professionals and has offices worldwide including Los Angeles, New York, Philadelphia and London. For more information, visit www.elite.com.

About The Thomson Corporation

The Thomson Corporation (http://www.thomson.com), with 2002 revenues of $7.8 billion, is a global leader in providing integrated information solutions to business and professional customers. Thomson provides value-added information, software applications and tools to more than 20 million users in the fields of law, tax, accounting, financial services, higher education, reference information, corporate training and assessment, scientific research and healthcare. The Corporation’s common shares are listed on the Toronto and New York stock exchanges (TSX: TOC; NYSE: TOC).

This news release may include forward-looking statements, which are based on certain assumptions and reflect current expectations of Thomson and Elite. Any forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Some of the factors that could cause actual results to differ materially from current expectations are discussed in materials Thomson or Elite has filed with the securities regulatory authorities in Canada and the United States, as the case may be, from time to time, including the Thomson annual report on Form 40-F for the year ended December 31, 2002 and the Elite annual report on form 10-K for the year ended December 31, 2002, filed with the SEC. These risks include those associated with the ability of Thomson to fully derive anticipated benefits from its acquisitions. Thomson disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

AGREEMENT AND PLAN OF MERGER (this "Agreement"), dated as of April 2, 2003, by and among The Thomson Corporation, a corporation organized under the laws of Ontario, Canada ("Parent"), Gulf Acquisition Corp., a Delaware corporation and an indirect wholly-owned subsidiary of Parent and a direct wholly-owned subsidiary of Thomson Legal and Regulatory Inc. ("Merger Sub"), and Elite Information Group, Inc., a Delaware corporation (the "Company").

WHEREAS, the Boards of Directors of the Company, Parent and Merger Sub have each determined that it is in the best interests of their respective stockholders for Merger Sub to acquire the Company upon the terms and subject to the conditions set forth herein; and

WHEREAS, in furtherance thereof, it is proposed that Merger Sub will make a cash tender offer to acquire all shares of the issued and outstanding common stock, $.01 par value, of the Company (the "Company Common Stock" or the "Shares") for $14.00 per share, net to the seller in cash (such amount, or any greater amount per Share paid pursuant to the Offer (as hereinafter defined), being the "Per Share Amount"); and

WHEREAS, the Board of Directors of the Company has unanimously approved the making of the Offer and resolved to recommend that holders of Shares tender their Shares pursuant to the Offer; and

WHEREAS, also in furtherance of such acquisition, the Boards of Directors of the Company, Merger Sub and Parent have each approved the merger of Merger Sub with and into the Company (the "Merger"), with the Company as the surviving corporation (the "Surviving Corporation"), following the Offer in accordance with the laws of the State of Delaware and upon the terms and subject to the conditions set forth herein; and

WHEREAS, the Board of Directors of each of the Company, Parent and Merger Sub has approved and declared advisable this Agreement and the Merger, upon the terms and subject to the conditions set forth in this Agreement, whereby each issued and outstanding share of Company Common Stock, other than shares directly or indirectly owned by Parent or the Company and other than Dissenting Shares (as hereinafter defined), will be converted into the right to receive cash; and

WHEREAS, Parent, Merger Sub and certain stockholders of the Company (the "Stockholders") have entered into a Stockholders Support Agreement, dated as of the date hereof (the "Stockholders Agreement"), providing that, among other things, the Stockholders (i) will tender their Shares into the Offer and (ii) vote their Shares in favor of the Merger, if applicable, in each case, subject to the conditions set forth therein; and

WHEREAS, the Company, Parent and Merger Sub desire to make certain representations, warranties, covenants and agreements in connection with the Offer and the Merger and also to prescribe various conditions to the Offer and the Merger.

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement, the parties agree as follows:

ARTICLE I

THE OFFER

SECTION 1.01 The Offer.

(a) Provided that nothing shall have occurred that, had the Offer referred to below been commenced, would give rise to a right to terminate the Offer pursuant to any of the conditions set forth in paragraphs (ii)(a) - (ii)(g) of Annex I hereto, then as promptly as practicable after the date hereof (and in any event within eight (8) business days of the date of this Agreement), Merger Sub shall (A) commence (within the meaning of Rule 14d-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) an offer (the "Offer") to purchase any and all of the outstanding shares of Company Common Stock at a price per Share equal to the Per Share Amount, net to the seller in cash, without interest and (B) after affording the Company a reasonable opportunity to review and comment thereon, file a Tender Offer Statement on Schedule TO (the "Schedule TO") and all other necessary documents (collectively, the "Offer Documents") with the Securities and Exchange Commission (the "SEC"), make all deliveries, mailings and telephonic notices required by Rule 14d-3 under the Exchange Act, and publish, send or give the disclosure required by Rule 14d-6 under the Exchange Act by complying with the dissemination requirements of Rule 14d-4 under the Exchange Act in each case in connection with the Offer Documents. The Offer shall be subject only to the condition that there shall be validly tendered in accordance with the terms of the Offer and not withdrawn prior to the Expiration Date (as hereinafter defined) a number of Shares that, together with the Shares then owned by Parent and/or Merger Sub or any other subsidiary of Parent, represents at least a majority of the Shares outstanding on a Fully-Diluted Basis (as hereinafter defined) (the "Minimum Condition") and to the other conditions set forth in Annex I hereto. Merger Sub expressly reserves the right to waive any of the conditions to the Offer and to make any change in the terms of or conditions to the Offer, provided that without the prior written consent of the Company, (i) the Minimum Condition may not be waived, (ii) the condition to the Offer that the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended (the "HSR Act") or under any applicable foreign antitrust statutes or regulations shall have expired or been terminated (the "Regulatory Condition") may not be waived, (iii) no change may be made that changes the form of consideration to be paid, decreases the Per Share Amount or the number of Shares sought in the Offer or imposes conditions to the Offer in addition to those set forth in Annex I and (iv) no other change may be made to any term of the Offer in any manner adverse to the holders of the Shares. Notwithstanding the foregoing, except as otherwise provided in this Section 1.01(a), without the consent of the Company, Merger Sub shall have the right to extend the Offer, provided that such extension does not extend beyond the later of (x) July 31, 2003 and (y) the date that is 30 days after the date that the Company has complied with its obligations under Section 6.03 (the "Outside Date") (i) from time to time if, at the scheduled or extended Expiration Date, any of the conditions to the Offer shall not have been satisfied or waived, until such conditions are satisfied or waived or (ii) for any period required by any rule, regulation, interpretation or position of the SEC or the staff thereof applicable to the Offer or any period required by applicable law. The Offer shall remain open until 12:00 midnight on the date that is twenty (20) business days after the commencement of the Offer (the "Expiration Date"), unless Merger Sub shall have extended the period of time for which the Offer is open pursuant to, and in accordance with, the terms of this Agreement or as may be

required by applicable law, in which event, the term "Expiration Date" shall mean the latest time and date as the Offer, as so extended, may expire. If, at any scheduled or extended Expiration Date, the Offer shall not have been consummated as a result of the failure to satisfy the Regulatory Condition or the occurrence of a Litigation Event, Parent shall, if requested by the Company, cause Merger Sub to extend the Expiration Date for one or more periods (not in excess of ten (10) business days each) until such condition is satisfied, but in no event later than September 9, 2003 (the "Alternative Outside Date"). If at the expiration of the Offer all of the conditions to the Offer have been satisfied or waived, but the number of Shares validly tendered and not withdrawn in the Offer constitute less than 90% of the outstanding Shares, Merger Sub shall extend the Offer pursuant to an amendment to the Offer providing for a "subsequent offering period" not to exceed twenty (20) business days to the extent permitted under, and in compliance with, Rule 14d-11 under the Exchange Act. Subject to the foregoing and upon the terms and subject to the conditions of the Offer, Merger Sub shall, and Parent shall cause it to, accept for payment and pay for, as promptly as practicable after the expiration of the Offer, all Shares validly tendered and not withdrawn pursuant to the Offer. Notwithstanding the immediately preceding sentence and subject to the applicable rules of the SEC and the terms and conditions of the Offer, Merger Sub expressly reserves the right to delay payment for Shares in order to comply in whole or in part with applicable laws. Any such delay shall be effected in compliance with Rule 14e-1(c) under the Exchange Act. If the payment equal to the Per Share Amount in cash, without interest (the "Merger Consideration") is to be made to a person other than the person in whose name the surrendered certificate formerly evidencing Shares is registered on the stock transfer books of the Company, it shall be a condition of payment that the certificate so surrendered shall be endorsed properly or otherwise be in proper form for transfer and that the person requesting such payment shall have paid all transfer and other taxes required by reason of the payment of the Merger Consideration to a person other than the registered holder of the certificate surrendered, or shall have established to the satisfaction of Merger Sub that such taxes either have been paid or are not applicable.

(b) Parent, Merger Sub and the Company each agrees promptly to correct any information provided by it for use in the Offer Documents if and to the extent that such information shall have become false or misleading in any material respect. Parent and Merger Sub agree to take all steps necessary to cause the Schedule TO as so corrected to be filed with the SEC and the other Offer Documents as so corrected to be disseminated to holders of Shares, in each case as and to the extent required by applicable federal securities laws. The Company and its counsel shall be given a reasonable opportunity to review and comment on the Offer Documents and any amendments thereto prior to their being filed with the SEC or disseminated to the holders of Shares. Parent and Merger Sub shall provide the Company and its counsel with a copy of any written comments or telephonic notification of any oral comments Parent, Merger Sub or their counsel may receive from the SEC or its staff with respect to the Offer promptly after the receipt thereof, shall consult with the Company and its counsel prior to responding to any such comments, and shall provide the Company and its counsel with a copy of any written responses thereto and telephonic notification of any oral responses thereto of Parent or Merger Sub or their counsel.

(c) Parent shall provide or cause to be provided to Merger Sub on a timely basis the funds necessary to purchase any and all Shares that Merger Sub becomes obligated to purchase pursuant to the Offer.

SECTION 1.02 Company Action.

(a) The Company hereby approves of and consents to the Offer and represents that its Board of Directors, at a meeting duly called and held has unanimously (i) determined that this Agreement, the Stockholders Agreement and the transactions contemplated hereby and thereby, including the Offer and the Merger, are fair to and in the best interests of the Company's stockholders, (ii) approved, adopted and declared advisable this Agreement, the Stockholders Agreement and the transactions contemplated hereby and thereby, including the Offer and the Merger, in accordance with the requirements of the General Corporation Law of the State of Delaware (the "DGCL"), including, without limitation Section 203 of the DGCL and (iii) resolved to recommend to its stockholders that they tender their Shares in the Offer and vote to approve and adopt this Agreement. The Company will promptly furnish Parent with a list of its stockholders, mailing labels and any available listing or computer file containing the names and addresses of all record holders of Shares and lists of securities positions of Shares held in stock depositories, in each case true and correct as of the most recent practicable date, and will provide to Parent such additional information (including updated lists of stockholders, mailing labels and lists of securities positions) and such other assistance as Parent may reasonably request in connection with the Offer. From and after the date of this Agreement, all such information concerning the Company's record holders and, to the extent known, beneficial holders, shall be made available to Merger Sub. Subject to the requirements of applicable laws and except for such steps as are necessary to disseminate the Offer Documents and any other documents necessary to consummate the Offer, the Merger and the other transactions contemplated by this Agreement, Parent and Merger Sub shall, until consummation of the Offer, hold in confidence the information contained in any of such labels and lists, shall use such information only in connection with the Offer, the Merger and the other transactions contemplated by this Agreement and, if this Agreement shall be terminated in accordance with Section 8.01, shall deliver to the Company all copies of such information then in their possession or under their control. The Company further represents that Broadview International LLC has delivered to the Company's Board of Directors a written opinion that, as of the date of this Agreement, the Merger Consideration to be received by the holders of Shares pursuant to each of the Offer and the Merger is fair to the holders of Shares from a financial point of view (the "Fairness Opinion"). The Company hereby consents to the inclusion in the Offer Documents of the recommendation of the Company's Board of Directors described in Section 1.02(a)(iii), and the Company shall not withdraw or modify such recommendation in any manner adverse to Merger Sub or Parent except as provided in Section 5.04(b). The Company has been advised by its directors that they currently intend either to tender all Shares beneficially owned by them to Merger Sub pursuant to the Offer or to vote such Shares in favor of the approval and adoption by the stockholders of the Company of this Agreement and the transactions contemplated hereby.

(b) As soon as practicable on the day that the Offer is commenced (which shall not be prior to the fifth business day after the date hereof without the Company's consent), the Company shall file with the SEC and disseminate to holders of Shares, in each case as and to the extent required by applicable federal securities laws, a Solicitation/Recommendation Statement on Schedule 14D-9 (together with any amendments or supplements thereto, the "Schedule 14D-9") that shall contain the Fairness Opinion and, subject to Section 5.04(b), shall reflect the recommendations of the Company's Board of Directors referred to above. The Company, Parent and Merger Sub each agrees promptly to correct any information provided by it for use in the

Schedule 14D-9 if and to the extent that such information shall have become false or misleading in any material respect. The Company agrees to take all steps necessary to cause the Schedule 14D-9 as so corrected to be filed with the SEC and to be disseminated to holders of Shares, in each case as and to the extent required by applicable federal securities laws. Parent and its counsel shall be given a reasonable opportunity to review and comment on the Schedule 14D-9 and each amendment thereto prior to its being filed with the SEC or disseminated to the holders of Shares. The Company shall provide Parent, Merger Sub and their counsel with a copy of any written comments or telephonic notification of any oral comments the Company or its counsel may receive from the SEC or its staff with respect to the Schedule 14D-9 promptly after the receipt thereof, shall consult with Parent, Merger Sub and their counsel prior to responding to any such comments, and shall provide Parent, Merger Sub and their counsel with a copy of any written responses thereto and telephonic notification of any oral responses thereto of the Company and its counsel.

SECTION 1.03 Directors.

(a) Effective upon the acceptance for payment of, and payment for, the Shares pursuant to the Offer, Parent shall be entitled to designate the number of directors, rounded up to the next whole number, on the Company's Board of Directors that equals the product of (i) the total number of directors on the Company's Board of Directors (giving effect to the election of any additional directors pursuant to this Section) and (ii) the percentage that the number of Shares beneficially owned by Parent and/or Merger Sub (including Shares accepted for payment) bears to the total number of Shares outstanding, and the Company shall promptly take all action necessary to cause Parent's designees to be elected or appointed to the Company's Board of Directors, including increasing the number of directors, and seeking and accepting resignations of incumbent directors. At such times, the Company shall use its best efforts to cause persons designated by Parent to constitute the same percentage of each committee of the Company's Board of Directors as persons designated by Parent shall constitute of the Company's Board of Directors, to the extent permitted by applicable law or the rules of NASDAQ or any other stock exchange or automated quotation system in which the Company Common Stock is then listed or quoted.

(b) The Company's obligations to appoint Parent's designees to the Board of Directors shall be subject to Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder. The Company shall promptly take all actions, and shall include in the Schedule 14D-9 such information with respect to the Company and its officers and directors, as Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder require in order to fulfill its obligations under this Section. Parent shall supply to the Company in writing and be solely responsible for any information with respect to itself and its nominees, officers, directors and affiliates required by Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder.

(c) Following the election or appointment of Parent's designees pursuant to Section 1.03(a) and until the Effective Time (as hereinafter defined), there shall be in office at least one Continuing Director (as hereinafter defined) and the approval of not less than a majority of the directors of the Company then in office, which majority shall include the concurrence of a majority of the directors neither designated by or otherwise affiliated with Parent nor employed by the Company (the "Continuing Directors"), shall be required to authorize any termination of

this Agreement by the Company, any amendment of this Agreement requiring action by the Board of Directors of the Company, any extension of time for performance of any obligation or action hereunder by Parent or Merger Sub and any waiver of compliance with any of the agreements or conditions contained herein for the benefit of the Company or other action by the Company hereunder which adversely affects the holders of Shares (other than Parent and Merger Sub); provided, however, if the foregoing provisions of this subsection are invalid or incapable of being enforced under applicable law, then neither Parent nor Merger Sub shall approve (either in its capacity as a stockholder or as a party to this Agreement, as applicable), and Parent and Merger Sub shall use their commercially reasonable efforts to prevent the occurrence of, such action unless such action shall have received the unanimous approval of the Board of Directors of the Company. Following the election or appointment of Parent's designees pursuant to Section 1.03(a) and until the Effective Time, the Company shall use its reasonable best efforts to ensure that at least two Continuing Directors shall remain members of the Board of Directors; provided that, if there shall be in office fewer than two Continuing Directors for any reason, the parties shall use their commercially reasonable efforts to cause the Board of Directors of the Company to cause the person designated by the remaining Continuing Director to be elected to fill such vacancy, which person shall be deemed to be a Continuing Director for all purposes of this Agreement. If no Continuing Directors then remain, the other directors of the Company then in office shall designate two persons to fill such vacancies who will not be directors, officers, employees or affiliates of Parent, Merger Sub or the Company, and such persons shall be deemed to be Continuing Directors for all purposes of this Agreement. The Board of Directors of the Company shall not delegate any matter covered by this Section 1.03 to any committee of the Board of Directors of the Company unless such committee consists only of Continuing Directors.

ARTICLE II

THE MERGER

SECTION 2.01 The Merger. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the DGCL, Merger Sub shall be merged with and into the Company at the Effective Time. Following the Effective Time, the Company, as the Surviving Corporation, shall succeed to and assume all the rights and obligations of Merger Sub in accordance with the DGCL.

SECTION 2.02 Closing. The closing of the Merger (the "Closing") will take place at 10:00 a.m. on the first business day after satisfaction or waiver of the conditions set forth in Article VII (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the fulfillment or waiver of those conditions), unless another time or date is agreed to by the parties hereto (the "Closing Date").

SECTION 2.03 Effective Time. Subject to the provisions of this Agreement, as soon as practicable on the Closing Date, the parties shall acknowledge and file a certificate of merger (the "Certificate of Merger") executed in accordance with the relevant provisions of the DGCL. The Merger shall become effective at such time as the Certificate of Merger is duly filed with the Secretary of State of the State of Delaware, or at such subsequent date or time as the

Company and Parent shall agree and specify in the Certificate of Merger (the time the Merger becomes effective being hereinafter referred to as the "Effective Time").

SECTION 2.04 Effects of the Merger. The Merger shall have the effects set forth in Section 259 of the DGCL.

SECTION 2.05 Certificate of Incorporation and By-laws.

(a) The Certificate of Incorporation of the Company shall be amended in the Merger to read in its entirety as set forth on Exhibit A hereto and as so amended, shall be the certificate of incorporation of the Surviving Corporation until thereafter changed or amended as provided therein or by applicable law.

(b) Subject to Section 6.05(b), the By-laws of Merger Sub, as in effect immediately prior to the Effective Time, shall be the by-laws of the Surviving Corporation until thereafter changed or amended as provided therein or by applicable law.

SECTION 2.06 Board of Directors. The Board of Directors of Merger Sub shall be the Board of Directors of the Surviving Corporation, until the earlier of their resignation or removal or until their respective successors are duly elected and qualified, as the case may be.

SECTION 2.07 Officers. The officers of the Company immediately prior to the Effective Time shall be the officers of the Surviving Corporation, until the earlier of their resignation or removal or until their respective successors are duly elected and qualified, as the case may be.

ARTICLE III

EFFECT OF THE MERGER ON THE CAPITAL STOCK OF THE CONSTITUENT CORPORATIONS

SECTION 3.01 Effect on Capital Stock. As of the Effective Time, by virtue of the Merger and without any action on the part of the holder of any shares of the Company Common Stock or capital stock of Merger Sub:

(a) Cancellation of Company Stock. Each share of the Company Common Stock that is owned by Parent or the Company (or by any direct or indirect wholly-owned subsidiary of Parent or the Company) shall automatically be canceled and shall cease to exist, and no consideration shall be delivered in exchange therefor.

(b) Conversion of the Company Common Stock. Each share of the Company Common Stock issued and outstanding immediately prior to the Effective Time (other than shares to be canceled in accordance with Section 3.01(a) and other than Dissenting Shares) shall be converted into the right to receive the Merger Consideration without interest thereon. As of the Effective Time, all shares of the Company Common Stock shall no longer be outstanding and shall automatically be canceled and shall cease to exist, and each holder of a certificate that immediately prior to the Effective Time represented shares of Company Common Stock (a

"Certificate") shall cease to have any rights with respect thereto except (other than in the case of shares to be canceled in accordance with Section 3.01(a)) the right to receive the Merger Consideration to be paid in consideration therefor upon surrender of such Certificate in accordance with Section 3.02, without interest, or, in the case of Dissenting Shares, the rights, if any, accorded under Section 262 of the DGCL.

(c) Capital Stock of Merger Sub. Each issued and outstanding share of capital stock of Merger Sub shall be converted into and become one fully paid and nonassessable share of Common Stock of the Surviving Corporation.

SECTION 3.02 Surrender of Certificates.

(a) Deposit with the Paying Agent. Prior to the Effective Time, Merger Sub shall appoint an agent reasonably acceptable to the Company (the "Paying Agent") for the purpose of exchanging Certificates for the Merger Consideration. As of the Effective Time, Parent shall cause the Surviving Corporation to deposit with the Paying Agent, for the benefit of the holders of Certificates, the cash representing the Merger Consideration (the "Payment Fund") payable pursuant to Section 3.01 in exchange for Certificates.

(b) Exchange Procedures. As soon as reasonably practicable after the Effective Time, the Paying Agent shall mail to each holder of record of a Certificate or Certificates (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to such Certificate shall pass, only upon delivery of such Certificates to the Paying Agent and shall be in such form and have such other provisions as the Surviving Corporation and the Company may reasonably specify) and (ii) instructions for use in effecting the surrender of such Certificates in exchange for the Merger Consideration. Upon surrender of such a Certificate for cancellation to the Paying Agent or to such other agent or agents as may be appointed by the Surviving Corporation, together with such letter of transmittal, duly executed, and such other documents as may reasonably be required by the Paying Agent, the holder of such Certificate shall be entitled to receive in exchange therefor the cash which such holder has the right to receive pursuant to this Article III, and the Certificate so surrendered shall forthwith be canceled. In the event of a transfer of ownership of Company Common Stock that is not registered in the transfer records of the Company, cash may be paid to a person other than the person in whose name the Certificate surrendered is registered, if such Certificate shall be properly endorsed or otherwise be in proper form for transfer and the person requesting such issuance shall pay any transfer or other taxes required by reason of the payment of cash to a person other than the registered holder of such Certificate or establish to the satisfaction of the Surviving Corporation that such tax has been paid or is not applicable. Until surrendered as contemplated by this Section 3.02(b), each Certificate shall be deemed at any time after the Effective Time to represent only the right to receive upon such surrender the Merger Consideration which the holder thereof has the right to receive in respect of such Certificate pursuant to the other provisions of this Article III. No interest will be paid or will accrue on any cash payable to holders of Certificates pursuant to the provisions of this Article III. The Surviving Corporation shall pay the charge and expenses of the Paying Agent.

(c) No Further Ownership Rights in Company Common Stock. All cash paid upon the surrender of Certificates in accordance with the terms of this Article III shall be deemed to

have been paid and issued in full satisfaction of all rights pertaining to the shares of Company Common Stock formerly represented by such Certificates, and after the Effective Time there shall be no further registration of transfers on the stock transfer books of the Surviving Corporation of the shares of Company Common Stock that were outstanding immediately prior to the Effective Time. If, after the Effective Time, Certificates are presented to the Surviving Corporation or the Paying Agent for any reason, they shall be canceled and exchanged as provided in this Article III, except as otherwise provided by law.

(d) Termination of Payment Fund. Any portion of the Payment Fund that remains undistributed to the holders of the Certificates for one year after the Effective Time shall be delivered to the Surviving Corporation, upon demand, and any holders of Certificates who have not theretofore complied with this Article III shall thereafter look only to the Surviving Corporation for payment of their claim for any cash to which such holders may be entitled.

(e) No Liability. None of Parent, the Company, Merger Sub, the Surviving Corporation or the Paying Agent shall be liable to any person in respect of any cash from the Payment Fund delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

(f) Investment of Payment Fund. The Paying Agent shall invest any cash included in the Payment Fund as directed by the Surviving Corporation; provided that such investments shall be in obligations of or guaranteed by the United States of America, in commercial paper obligations rated A-1 or P-1 or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation, respectively, or in certificates of deposit, bank repurchase agreements or banker's acceptances of commercial banks with capital exceeding $1 billion. Any net profit resulting from, or interest or income produced by, such investments shall be payable to the Surviving Corporation.

(g) Lost Certificates. If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such Certificate to be lost, stolen or destroyed and, if required by the Surviving Corporation, the posting by such person of a bond in such reasonable amount as the Surviving Corporation may direct as indemnity against any claim that may be made against it with respect to such Certificate, the Paying Agent will issue in exchange for such lost, stolen or destroyed Certificate the Merger Consideration, deliverable in respect thereof, pursuant to this Agreement.

(h) Withholding Rights. The Surviving Corporation or the Paying Agent shall be entitled to deduct and withhold from the Merger Consideration otherwise payable pursuant to this Agreement to any holder of a Certificate such amounts as the Surviving Corporation or the Paying Agent is required to deduct and withhold with respect to the making of such payment under the Internal Revenue Code of 1986, as amended (the "Code"), or any provisions of state, local or foreign tax law. To the extent that amounts are so withheld and paid over to the appropriate taxing authority by the Surviving Corporation or the Paying Agent, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the Certificate in respect of which such deduction and withholding was made by the Surviving Corporation or the Paying Agent.

SECTION 3.03 Shares of Dissenting Shareholders. Notwithstanding anything in this Agreement to the contrary, any issued and outstanding shares of Company Common Stock held by a person (a "Dissenting Stockholder") who shall not have voted to adopt this Agreement and who properly demands appraisal for such shares in accordance with Section 262 of the DGCL ("Dissenting Shares") shall not be converted as described in Section 3.01, but shall be converted into the right to receive such consideration as may be determined to be due to such Dissenting Stockholder pursuant to the DGCL, unless such holder fails to perfect or withdraws or otherwise loses his right to appraisal. If, after the Effective Time, such Dissenting Stockholder fails to perfect or withdraws or loses his right to appraisal, such Dissenting Stockholder's shares of Company Common Stock shall no longer be considered Dissenting Shares for the purposes of this Agreement and shall thereupon be deemed to have been converted into and to have become exchangeable for, at the Effective Time, the right to receive for each such share the Merger Consideration, without any interest thereon, upon surrender, pursuant to Section 3.02, of the Certificates evidencing such Shares. The Company shall give Parent (i) prompt notice of any demands for appraisal of shares of Company Common Stock received by the Company and (ii) the opportunity to participate in all negotiations and proceedings with respect to any such demands. The Company shall not, without the prior written consent of Parent, make any payment with respect to, or settle, offer to settle or otherwise negotiate, any such demands.

SECTION 3.04 Exemption from Liability under Section 16(b). Notwithstanding anything in this Agreement to the contrary, each of Parent, Merger Sub and Company agree to cooperate fully in the structuring and timing of any dispositions and acquisitions of equity securities by directors and officers (as defined in Rule 16a-1 under the Exchange Act) of the Company pursuant to the transactions contemplated by this Agreement and to take, and cause their respective boards of directors, compensation committees or stockholders to take, prior to the Expiration Date, or Effective Time, as applicable, any and all such actions as may be necessary or desirable to afford an exemption from liability under Section 16(b) of the Exchange Act for such acquisitions and dispositions.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.01 Representations and Warranties of the Company. Except as set forth on the Disclosure Schedule dated the date hereof and delivered by the Company to Parent in connection with the execution of this Agreement (the "Company Disclosure Schedule") (provided that the listing of an item in one schedule of the Company Disclosure Schedule shall be deemed to be a listing in each schedule of the Company Disclosure Schedule and to apply to any other representation and warranty of the Company in this Agreement to the extent that it is reasonably apparent from a reading of such disclosure item that it would also qualify or apply to such other schedule or representation and warranty), the Company represents and warrants to Parent as follows:

(a) Organization, Standing and Corporate Power. Each of the Company and its subsidiaries (as defined in Section 9.03) is duly organized, validly existing and in good standing

under the laws of the respective jurisdiction in which it is incorporated and has the requisite corporate power and authority to carry on its business as now being conducted. Each of the Company and its subsidiaries is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification or licensing necessary and has all necessary governmental approvals to own, lease and operate its properties and to carry on its business as it is now being conducted, other than in such jurisdictions where the failure to be so qualified or licensed or where the failure to have such governmental approvals, individually or in the aggregate, is not reasonably likely to have a material adverse effect (as defined in Section 9.03) on the Company. The Company has made available to Parent prior to the date hereof complete and correct copies of its Certificate of Incorporation and By-laws and the certificates of incorporation, by-laws and other organizational documents of its subsidiaries, in each case as amended to the date hereof. Such Certificates of Incorporation, By-laws and other organizational documents are in full force and effect. Neither the Company nor any of its subsidiaries is in violation of any of the provisions of its Certificate of Incorporation, By-laws or other organizational documents.

(b) Subsidiaries. Schedule 4.01(b) of the Company Disclosure Schedule lists each subsidiary of the Company. All the outstanding shares of capital stock of, or other ownership interests in, each subsidiary of the Company have been validly issued and are fully paid and nonassessable and are owned directly or indirectly by the Company, free and clear of all Liens (as defined in Section 4.01(t)) and free of any other restriction (including any restriction on the right to vote, sell or otherwise dispose of such capital stock or such other ownership interest). The Company does not own, directly or indirectly, any capital stock or other ownership interest in any corporation, partnership, limited liability company, joint venture or other entity.

(c) Capital Structure. The authorized capital stock of the Company consists of 20,000,000 shares of Company Common Stock and 2,000,000 shares of preferred stock, par value $.01 per share. At the close of business on March 31, 2003, (i) 7,870,203 shares of the Company Common Stock and no shares of preferred stock were issued and outstanding, (ii) 1,637,783 shares of the Company Common Stock were held by the Company in its treasury and (iii) 400,000 shares of Series A Junior Participating Preferred Stock, par value $.01 per share, of the Company (the "Series A Junior Participating Preferred Stock") were reserved for issuance in connection with the rights (the "Rights") to purchase shares of Series A Junior Participating Preferred Stock, issued pursuant to the Rights Agreement, dated as of April 14, 1999, as amended on December 14, 1999, and as further amended on August 11, 2000 (the "Rights Agreement"), between the Company and Equiserve Trust Company, N.A., as Rights Agent. As of March 31, 2003, collectively, 1,638,294 shares of the Company Common Stock were subject to options or other purchase rights (the "Company Stock Options") granted pursuant to the grants described in Schedule 4.01(c) of the Company Disclosure Schedule (the "Individual Grants"), and under the Restated 1985 Incentive Stock Option Plan (the "1985 Stock Option Plan"), the Amended and Restated 1996 Stock Option Plan (the "1996 Stock Option Plan") and the 2000 Employee Stock Purchase Plan (the "ESPP," and together with Individual Grants, the 1985 Stock Option Plan and the 1996 Stock Option Plan, the "Company Stock Plans"). As of March 31, 2003, there were 2,218,304 shares of the Company Common Stock reserved for issuance under the Company Stock Plans. Except as set forth above, at the close of business on March 31, 2003, no shares of capital stock or other voting securities of the Company were issued, reserved for issuance or outstanding. There are no outstanding stock appreciation rights ("SARs") or rights

(other than the Company Stock Options) to receive shares of the Company Common Stock on a deferred basis granted under the Company Stock Plans. Schedule 4.01(c) of the Company Disclosure Schedule sets forth a true and complete list, as of March 31, 2003, of all the Company Stock Options, the holders thereof, the number of shares subject to each such option, the grant dates and the exercise prices thereof. All outstanding shares of capital stock of the Company are, and all shares which may be issued pursuant to the Company Stock Plans will be, if and when issued, duly authorized, validly issued, fully paid and nonassessable and not subject to preemptive rights. As of the date of this Agreement, no bonds, debentures, notes or other indebtedness of the Company having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which stockholders of the Company may vote are issued or outstanding. Except as set forth above, as of the date of this Agreement, there are no preemptive or other outstanding securities, options, warrants, calls, rights, conversion rights, redemption rights, repurchase rights, commitments, agreements, arrangements or undertakings of any kind to which the Company or any of its subsidiaries is a party or by which any of them is bound obligating the Company or any of its subsidiaries to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or other voting securities of the Company or any of its subsidiaries, or giving any person a right to subscribe for or acquire, any securities of the Company or any of its subsidiaries or obligating the Company or any of its subsidiaries to issue, grant, extend or enter into any such security, option, warrant, call, right, conversion right, redemption right, repurchase right, commitment, agreement, arrangement or undertaking. There are no outstanding contractual obligations of the Company or any of its subsidiaries to repurchase, redeem or otherwise acquire any shares of capital stock of the Company or any of its subsidiaries. There are no outstanding contractual obligations of the Company to vote or to dispose of any shares of the capital stock of any of its subsidiaries. All outstanding shares of Company Common Stock, all outstanding Company Stock Options and all outstanding shares of capital stock of each subsidiary of the Company have been issued and granted in compliance with (i) all applicable securities laws and other applicable laws and (ii) all requirements set forth in applicable contracts.

(d) Authority; Noncontravention.

(i) The Company has all requisite corporate power and authority to enter into this Agreement and, subject to receipt of the Company Stockholder Approval (as defined in Section 4.01(m)), if required by law, to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement by the Company and the consummation of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate action on the part of the Company, subject to receipt of the Company Stockholder Approval, if required by law. This Agreement has been duly executed and delivered by the Company and, assuming the due execution and delivery of this Agreement by Parent and Merger Sub, constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms subject to (A) applicable bankruptcy, insolvency, fraudulent transfer and conveyance, moratorium, reorganization, receivership and similar laws relating to or affecting the enforcement of the rights and remedies of creditors generally, and (B) principles of equity (regardless of whether considered and applied in a proceeding in equity or at law). The execution and delivery of this Agreement does not, and the consummation of the transactions contemplated by this Agreement and compliance with

the provisions of this Agreement by the Company will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, amendment, cancellation or acceleration of any obligation or to loss of a material benefit under, or result in the creation of any Lien upon any of the properties or assets of the Company or any of its subsidiaries under, (A) the Certificate of Incorporation or By-laws of the Company or the comparable certificate of incorporation or organizational documents of any of its subsidiaries, (B) any loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, instrument, permit, concession, franchise, license or other instrument or obligation applicable to the Company or any of its subsidiaries or their respective properties or assets or (C) subject to the governmental filings and other matters referred to in the following sentence, any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to the Company or any of its subsidiaries or their respective properties or assets, other than, in the case of clauses (B) and (C), any such conflicts, violations, defaults, obligations, losses, rights, Liens, judgments, orders, decrees, statutes, laws, ordinances, rules or regulations that, individually or in the aggregate, are not reasonably likely to have a material adverse effect on the Company. No consent, approval, order or authorization of, or registration, declaration or filing with, any Federal, state or local government or any court, administrative agency or commission or other governmental authority or agency, domestic or foreign (a "Governmental Entity"), is required to be made or obtained by or with respect to the Company or any of its subsidiaries in connection with the execution and delivery of this Agreement by the Company or the consummation by the Company of any of the transactions contemplated by this Agreement, except for (A) the filing of a premerger notification and report form and the expiration or termination of the waiting period under the HSR Act; (B) if required by law, the filing with the SEC of a proxy statement relating to the Company Stockholders Meeting (as defined in Section 6.01(b)) (such proxy statement, as amended or supplemented from time to time, the "Proxy Statement"); (C) the filing with the Secretary of State of the State of Delaware of the Certificate of Merger and the filing of appropriate documents with the relevant authorities of other states in which the Company is qualified to do business; (D) the filing of the Schedule 14D-9 with the SEC; (E) such filings as may be required under state securities, or "blue sky" laws; (F) such filings as may be required under the rules of any securities exchange or automated quotation system on which the Company Common Stock is then listed or quoted; and (G) such consents, approvals, orders or authorizations the failure of which to be made or obtained, individually or in the aggregate, is not reasonably likely to have a material adverse effect on the Company.

(ii) As of the date hereof, the Board of Directors of the Company at a meeting duly called and held (A) has unanimously approved, adopted and declared advisable this Agreement, the Stockholders Agreement, the Offer, the Merger and the other transactions contemplated by this Agreement and the Stockholders Agreement and (B) has resolved to recommend that the holders of Company Common Stock approve and adopt this Agreement and tender their Shares in the Offer.

(e) SEC Documents; Undisclosed Liabilities. The Company has filed all required reports, schedules, forms, statements and other documents with the SEC since December 31, 2000 (including all filed reports, schedules, forms, statements and other documents whether or

not required, the "Company SEC Documents"). As of their respective dates of filing with the SEC, the Company SEC Documents complied in all material respects with the requirements of the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to the Company SEC Documents, and none of the Company SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the Company SEC Documents comply as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with U.S. generally accepted accounting principles (except, in the case of unaudited statements, as permitted by Form 10-Q of the SEC) applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and fairly present the consolidated financial position of the Company and its consolidated subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end adjustments). Except for liabilities and obligations reflected or reserved for on the most recent audited consolidated financial statements and the notes thereto included in the Company SEC Documents and liabilities and obligations incurred in the ordinary course of business since the date of the most recent audited consolidated balance sheet included in the Company SEC Documents and except for liabilities and obligations which, individually or in the aggregate, would not be reasonably likely to have a material adverse effect on the Company, neither the Company nor any of its subsidiaries has any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise).

(f) Information Supplied. None of the Schedule 14D-9, the Proxy Statement or the information supplied or to be supplied by the Company for inclusion or incorporation by reference in the Offer Documents will, at the date the Schedule 14D-9, the Proxy Statement, the Offer Documents or any amendments or supplements thereto are filed with the SEC, are first published or mailed to the Company's stockholders, at the time of the Company Stockholders Meeting, if such meeting is required by law, and at the Effective Time, as the case may be, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of proxies for the Stockholders' Meeting which shall have become false or misleading. The Schedule 14D-9 and Proxy Statement will comply as to form in all material respects with the requirements of the Exchange Act, and the rules and regulations promulgated thereunder, except that no representation or warranty is made by the Company with respect to statements made or incorporated by reference therein based on information supplied by Parent or Merger Sub specifically for inclusion or incorporation by reference in the Schedule 14D-9 or Proxy Statement.

(g) Absence of Certain Changes or Events. Except as disclosed in the Company SEC Documents filed and publicly available prior to the date of this Agreement (as amended to the date of this Agreement, the "Company Filed SEC Documents"), since the date of the most recent audited financial statements included in the Company Filed SEC Documents, the Company has conducted its business only in the ordinary course, and there has not been since such date, (i) any

material adverse change (as defined in Section 9.03) in the Company, (ii) any declaration, setting aside or payment of any dividend or other distribution (whether in cash, stock or property) with respect to any of the Company's capital stock, (iii) any split, combination or reclassification of any of the Company's capital stock or any issuance or the authorization of any issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock, (iv) (A) any granting by the Company or any of its subsidiaries to any director, executive officer or key employee of the Company or any of its subsidiaries of any award or incentive payment or increase in compensation or benefits, except in the ordinary course of business consistent with past practice (including, without limitation, pursuant to the Company's annual performance review of its employees in March 2003) or as was required under employment agreements in effect as of the date of this Agreement, (B) any granting by the Company or any of its subsidiaries to any such director, executive officer or key employee of any increase in severance or termination pay, except as was required under any employment, severance or termination agreements in effect as of the date of this Agreement (all of which are listed in Schedule 4.01(j) of the Company Disclosure Schedule) or (C) any entry by the Company or any of its subsidiaries into any employment, severance or termination agreement with any such director, executive officer or key employee, (v) any change in accounting methods, principles or practices by the Company, other than reasonable and usual actions in the ordinary course of business and consistent with past practice, except insofar as may have been required by a change in U.S. generally accepted accounting principles, or (vi) action by the Company or any of its subsidiaries that, if taken after the date of this Agreement, would constitute a breach of any of the covenants set forth in Sections 5.01(d), (e), (h), (i) or (l).

(h) Litigation. Except as disclosed in the Company Filed SEC Documents, there is no suit, action, proceeding or (to the knowledge of the Company) investigation pending or, to the knowledge of the Company, threatened against or affecting the Company or any of its subsidiaries, nor is there any judgment, decree, injunction, rule or order of any Governmental Entity or arbitrator outstanding against the Company or any of its subsidiaries; provided, that for purposes of this paragraph (h) only (and not for purposes of paragraph (a) of Annex I), any such suit, action, proceeding, judgment, decree, injunction, rule or order arising after the date hereof shall not be deemed to have a material adverse effect on the Company if and to the extent such suit, action, proceeding, judgment, decree, injunction, rule or order (or any relevant part thereof) is based on this Agreement, or the transactions contemplated hereby.

(i) Labor Relations.

(i) There are no collective bargaining or other labor union agreements to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound. As of the date hereof, none of the employees of the Company or any of its subsidiaries are represented by any union with respect to their employment by the Company or such subsidiary. As of the date hereof, since December 31, 2000, neither the Company nor any of its subsidiaries has experienced any labor disputes, union organization attempts or work stoppages, slowdowns or lockouts due to labor disagreements.

(ii) The Company and each of its subsidiaries is currently in compliance in all material respects with all applicable laws relating to the employment of labor, including

those related to wages, hours, collective bargaining and the payment and withholding of taxes and other sums as required by any appropriate Governmental Entity and has withheld and paid to the appropriate Governmental Entity or is holding for payment not yet due to such Governmental Entity all amounts required to be withheld from employees of the Company or any of its subsidiaries and is not liable for any arrears of wages, taxes, penalties or other sums for failure to comply with any of the foregoing; and no third party has requested information from the Company or any of its subsidiaries that suggests that any such claim set forth in any of the foregoing might be contemplated.

(iii) To the knowledge of the Company, no employee has: (A) violated or is violating any of the terms or conditions of any employment, non-competition, non-solicitation, or non-disclosure agreement between such employee and any former employer or other third party, (B) disclosed or may be disclosing, or utilized or may be utilizing, any trade secret or proprietary information or documentation of such third party, or (C) interfered or may be interfering in the employment relationship between such third party and any employee or any former employee, except for such matters contemplated by (A), (B) or (C) as are not, individually or in the aggregate, reasonably likely to have a material adverse effect on the Company.

(iv) All officers and employees of the Company or any of its subsidiaries are under written obligation to the Company or its subsidiaries to maintain in confidence all confidential or proprietary information acquired by them in the course of their employment or engagement, as the case may be, and to assign to the Company or its subsidiaries, as applicable, all inventions made by them within the scope of their employment or engagement, as the case may be, during such employment or engagement, as the case may be, and for a reasonable period thereafter. All independent contractors retained by the Company or any of its subsidiaries are under written obligation to the Company or its subsidiaries to maintain in confidence all confidential or proprietary information acquired by them in the course of their engagement and to assign or grant to the Company or its subsidiaries, as applicable, such rights in any work product of such contractor as are required by the Company or its subsidiaries to use internally, and/or create derivative works, and/or license, and/or sublicense such work product to end user customers as appropriate.

(j) Benefit Plans.

(i) Schedule 4.01(j) of the Company Disclosure Schedule contains a list and brief description of (A) all "employee pension benefit plans" (as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) (sometimes collectively referred to herein as the "Company Pension Plans"), "employee welfare benefit plans" (as defined in Section 3(l) of ERISA, hereinafter a "Welfare Plan"), severance, termination, change in control, incentive compensation profit sharing stock option, stock purchase, stock ownership, phantom stock, deferred compensation plans, and other employee fringe benefit plans or arrangements and all employment, termination, severance or other contracts or agreements, to which the Company or any of its subsidiaries is a party, with respect to which the Company or any of its subsidiaries has any obligation or which are maintained, contributed to or required to be maintained

or contributed to by the Company or its subsidiaries for the benefit of any present or former officers, employees, directors or independent contractors of the Company or any of its subsidiaries, (B) each employee benefit plan (as defined in Section 3(3) of ERISA) for which the Company could incur liability under Section 4069 of ERISA in the event such plan has been or were to be terminated and (C) any employee benefit plan in respect of which the Company could incur liability under Section 4212(c) of ERISA (all the foregoing being herein called the "Company Benefit Plans"). The Company has made available to Parent true, complete and correct copies of (A) each Company Benefit Plan (or, in the case of any unwritten Benefit Plans, descriptions thereof), (B) the most recent annual report on Form 5500 filed with the Internal Revenue Service with respect to each Company Benefit Plan (if any such report was required by applicable law), (C) the most recent summary plan description for each Company Benefit Plan for which such a summary plan description is required by applicable law and (D) each currently effective trust agreement and insurance or annuity contract relating to any Company Benefit Plan.

(ii) Except as required by COBRA, none of the Company Benefit Plans provides for or promises retiree medical, disability or life insurance benefits to any current or former employee, officer or director of the Company or any of its subsidiaries.

(iii) Each Company Benefit Plan has been administered in all material respects in accordance with its terms. To the knowledge of the Company, the Company, its subsidiaries and all the Company Benefit Plans are in material compliance with the applicable provisions of ERISA, the Code and other applicable laws as to the Company Benefit Plans. No action, claim or proceeding is pending, or to the knowledge of the Company, threatened with respect to any Company Benefit Plan (other than claims for benefits in the ordinary course) and to the knowledge of the Company, no fact or event exists that could give rise to any such action, claim or proceeding.

(iv) The Company has not, and no subsidiary of the Company, and no entity that at any time was required to be treated as a single employer together with the Company under Section 414 of the Code or Section 4001 of ERISA (an "ERISA Affiliate"), has, at any time maintained, sponsored or contributed to, and none of the Company Benefit Plans is, a single employer plan, within the meaning of Section 4001(a)(15) of ERISA, a multiemployer plan (within the meaning of Section 3(37) or 4001(a)(3) of ERISA) (a "Multiemployer Plan") or a single employer pension plan (within the meaning of Section 4001(a)(15) of ERISA) for which the Company or any subsidiary of the Company could incur liability under Section 4063 or 4064 of ERISA (a "Multiple Employer Plan"). Neither the Company nor any subsidiary of the Company has incurred any liability under, arising out of or by operation of Title IV of ERISA (other than liability for premiums to the Pension Benefit Guaranty Corporation arising in the ordinary course), including, without limitation, any liability in connection with (i) the termination or reorganization of any employee benefit plan subject to Title IV of ERISA or (ii) the withdrawal from any Multiemployer Plan or Multiple Employer Plan, and no fact or event exists which could give rise to any such liability.

(v) Each Company Benefit Plan that is intended to comply with the provisions of Section 401(a) of the Code has been the subject of a determination letter from the

Internal Revenue Service to the effect that such Company Benefit Plan is qualified and exempt from Federal income taxes under Sections 401(a) and 501(a), respectively, of the Code; no such determination letter has been revoked, and, to the knowledge of the Company, revocation has not been threatened; and no amendment to such Company Benefit Plan as to which the remedial amendment period has expired would adversely affect its qualification or materially increase its cost. The Company has made available to Parent a copy of the most recent determination letter received with respect to each Company Benefit Plan for which such a letter has been issued, as well as a copy of any pending application for a determination letter. Schedule 4.01(j) of the Company Disclosure Schedule lists all the Company Benefit Plan amendments as to which a favorable determination letter has not yet been received.

(vi) With respect to each Company Benefit Plan that is not subject to United States Law (a "Foreign Benefit Plan"): (A) all employer and employee contributions to each Foreign Benefit Plan required by applicable law or by the terms of such Foreign Benefit Plan have been made or, if applicable, accrued in accordance with applicable accounting practices; (B) the fair market value of the assets of each funded Foreign Benefit Plan, the liability of each insurer for any Foreign Benefit Plan funded through insurance or the book reserve established for any Foreign Benefit Plan, together with any accrued contributions, is sufficient to procure or provide for the accrued benefit obligations, as of the date of this Agreement, with respect to all current and former participants in such plan according to the actuarial assumptions and valuations most recently used to determine employer contributions to such Foreign Benefit Plan and no transaction contemplated by this Agreement shall cause such assets or insurance obligations to be less than such benefit obligations; and (C) each Foreign Benefit Plan required to be registered has been registered and has been maintained in good standing with applicable regulatory authorities.

(vii) No employee of the Company or other person will be entitled to any payment or additional benefits or any acceleration of the time of payment, funding or vesting of any benefits under any Company Benefit Plan solely or partially as a result of the transactions contemplated by this Agreement or as a result of a "change in ownership or control," within the meaning of such term under Section 280G of the Code.

(viii) Since the date of the most recent audited financial statements included in the Company Filed SEC Documents, there has not been any adoption or amendment in any material respect by the Company or any of its subsidiaries of any Company Benefit Plan.

(ix) Schedule 4.01(j) sets forth a complete list of the Company's employees as of March 31, 2003.

(k) Taxes.

(i) Each of the Company and its subsidiaries has filed all Tax returns and reports required to be filed by it or extensions to file such returns or reports have been timely filed, granted and have not expired, except to the extent that all such failures to

file, taken together, are not reasonably likely to have a material adverse effect on the Company. All returns filed by the Company and each of its subsidiaries are complete and accurate in all material respects. The Company and each of its subsidiaries have paid (or the Company has paid on its behalf) all Taxes shown as due on such returns, and the most recent financial statements contained in the Company Filed SEC Documents reflect an adequate reserve for all Taxes payable by the Company and its subsidiaries for all taxable periods and portions thereof accrued through the date of such financial statements.

(ii) No deficiencies for any Taxes have been proposed, asserted or assessed against the Company or any of its subsidiaries that are not adequately reserved for, except for deficiencies that, individually or in the aggregate, are not reasonably likely to have a material adverse effect on the Company, and no requests for waivers of the time to assess any such taxes have been granted or are pending.

(iii) Neither the Company nor any of its subsidiaries is a party to any agreement or arrangement that would result, separately or in the aggregate, in the payment of any "excess parachute payment" within the meaning of Section 280G of the Code, without regard to Section 280G(b)(4) of the Code.

(l) Compliance with Applicable Laws.

(i) Each of the Company and its subsidiaries has in effect all approvals, authorizations, certificates, filings, franchises, licenses, notices, permits, consents and rights ("Permits") from all Governmental Entities necessary for it to own, lease or operate its assets and to carry on its business as now conducted, and there has occurred no default under or cancellations, suspensions or limitation with respect to any such Permit and no suspension or cancellation of any of the Permits is pending or, to the knowledge of the Company, threatened, except for the lack of Permits and for defaults under actual or pending, or to the knowledge of the Company, threatened cancellations, suspensions or limitations of Permits which, individually or in the aggregate, are not likely to have a material adverse effect on the Company. The Company and its subsidiaries are, and have been, in compliance with all applicable statutes, laws, ordinances, rules, orders and regulations of any Governmental Entity, except for instances of noncompliance which, individually or in the aggregate, are not reasonably likely to have a material adverse effect on the Company. No investigation, examination or review by any Governmental Entity with respect to the Company or any of its subsidiaries is pending or, to the knowledge of the Company, threatened, nor has any Governmental Entity indicated, to the knowledge of the Company, an intention to conduct the same, except for those the outcome of which, individually or in the aggregate, are not likely to have a material adverse effect on the Company.

(ii) The businesses of each of the Company and its subsidiaries are being and have been conducted in compliance in all respects with all applicable statutes, laws, ordinances, rules, orders and regulations which are administered, interpreted or enforced by the U.S. Environmental Protection Agency and state and local agencies with jurisdiction over pollution or protection of the environment, except for instances of

noncompliance which, individually or in the aggregate, are not reasonably likely to have a material adverse effect on the Company.

(m) Voting Requirements. The affirmative vote at the Company Stockholders Meeting (as hereinafter defined) of the holders of a majority in voting power of all outstanding shares of the Company Common Stock to adopt this Agreement (the "Company Stockholder Approval"), if required by law, is the only vote of the holders of any class or series of the Company's capital stock necessary to adopt this Agreement.

(n) State Takeover Statutes. No "fair price," "moratorium," "control share acquisition" or other similar antitakeover statute or regulation enacted under state or federal laws in the United States (with the exception of Section 203 of the DGCL) applicable to the Company is applicable to the Offer, the Merger or the other transactions contemplated hereby or by the Stockholders Agreement. Assuming the accuracy of the representation and warranty set forth in Section 4.02(f), the action of the Board of Directors of the Company in approving this Agreement and the Stockholders Agreement (and the transactions provided for herein or therein) is sufficient to render inapplicable to this Agreement and the Stockholders Agreement (and the transactions provided for herein or therein) the restrictions on "business combinations" (as defined in Section 203 of the DGCL) as set forth in Section 203 of the DGCL.

(o) Brokers. No broker, investment banker, financial advisor or other person, other than Broadview International LLC, is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Company. The Company has heretofore furnished to Parent a complete and correct copy of all agreements between the Company and Broadview International LLC pursuant to which such firm would be entitled to any payment relating to the transactions contemplated hereby.

(p) Opinion of Financial Advisor. The Company has received an opinion (a copy of which has been, or promptly upon receipt thereof will be, delivered to Parent) of Broadview International LLC, dated as of the date hereof, that the consideration to be paid in the Offer and the Merger is fair, from a financial point of view, to the holders of shares of the Company Common Stock.

(q) Material Contracts.

(i) Subsections (A) through (P) of Schedule 4.01(q) of the Company Disclosure Schedule contain a list of the following types of contracts and agreements to which the Company or any of its subsidiaries is a party (such contracts, agreements and arrangements as are required to be set forth in Schedule 4.01(q) of the Disclosure Schedule being the "Material Contracts"):

(A) each contract and agreement, whether or not made in the ordinary course of business (1) between Elite Information Systems, Inc. ("EIS") and any customer, which agreement was one of the 20 largest sources of customer billings for EIS during the fiscal year ended December 31, 2002; and (2) between Law Manager, Inc. ("LMI") and any customer, which agreement was one of the 5

largest sources of customer billings for LMI during the fiscal year ended December 31, 2002;

(B) each contract relating to the sale of Company Intellectual Property, information services, data services or content by the Company or any of its subsidiaries, other than in the ordinary course of business;

(C) all contracts and agreements evidencing indebtedness in excess of $50,000;

(D) all joint venture, partnership and business acquisition or divestiture agreements executed since December 31, 1998 (and all letters of intent and term sheets relating to any pending transactions);

(E) all agreements relating to issuances of securities of the Company or any of its subsidiaries (and all letters of intent, term sheets and draft agreements relating to any such pending transactions);

(F) exclusive and non-exclusive distribution contracts (for the distribution of the Company's products) to which the Company or any of its subsidiaries is a party;

(G) leases of real property;

(H) agreements to which the Company or any of its subsidiaries is a party for the distribution by the Company or its subsidiaries of a third party's products;

(I) all contracts not listed in subsections (F) or (H) above, involving the payment of royalties or other amounts, which exceeded $150,000 in 2002 or reasonably could be expected to exceed $150,000 in 2003, calculated based upon the revenues, income, or sales of the Company or any of its subsidiaries or income or revenues related to any product of the Company or any of its subsidiaries to which the Company or any of its subsidiaries is a party;

(J) all contracts and agreements that limit, or purport to limit, the ability of the Company or any of its subsidiaries to compete in any line of business or with any person or entity or in any geographic area or during any period of time;

(K) all material contracts or arrangements that result in any person or entity holding a power of attorney from the Company or any of its subsidiaries that relates to the Company, any of its subsidiaries or their respective businesses;

(L) all agreements related to professional services rendered to the Company or any of its subsidiaries in connection with the Offer, the Merger and this Agreement;

(M) market research, marketing consulting and advertising contracts and agreements;

(N) all agreements that license Company Software (excluding application program interfaces ("APIs")) to a third party for the purpose of allowing such third party to develop software code to be delivered to the Company or its subsidiary;

(O) all agreements that license Company Software (excluding APIs) to third parties for their internal use, or for use on behalf of a licensed customer of the Company or its subsidiaries, for the purpose of allowing such third party to perform development or implementation services relating to such Company Software for such customer; and

(P) all other contracts and agreements between the Company and any party (other than customers) that contemplate an exchange of consideration with a value of more than $200,000 in the aggregate over the term of such contract or agreement.

(ii) Each Material Contract is a legal, valid and binding agreement. None of the Company or any of its subsidiaries has received any claim of default under or cancellation of any Material Contract and none of the Company or any of its subsidiaries is in breach or violation of, or default under, any Material Contract. To the Company's knowledge, no other party is in breach or violation of, or default under, any Material Contract. Neither the execution of this Agreement nor the consummation of any transaction contemplated hereby shall constitute default, give rise to cancellation rights, or otherwise adversely affect any of the Company's rights under any Material Contract. The Company has furnished or made available to Parent true and complete copies of all Material Contracts, including any amendments thereto.

(r) Intellectual Property.

(i) (A) "Intellectual Property" means patents, trademarks, service marks, trade dress, trade names, domain names, copyrights, computer software (source code and object code), trade secrets, know-how, technology, data rights and other proprietary or technical information, including registrations and applications for registration of the foregoing; (B) "Company Intellectual Property" means all Intellectual Property owned by or proprietary to the Company and its subsidiaries; (C) "Company Software" means all computer software and applications, data and databases that are material to the operation of the Company's business, or manufactured, distributed, sold, licensed or marketed by the Company or any Subsidiary in connection with their business; (D) "Third Party Intellectual Property" means all Intellectual Property that is owned by or proprietary to a party other than the Company or any of its subsidiaries; and (E) "Company IP Licenses" means all agreements under which the Company or its subsidiary licenses or provides any other right to Intellectual Property to a third party or which the Company or its subsidiary licenses or obtains any other right to Intellectual Property from a third party.

(ii) The Company Disclosure Schedule sets forth a true and complete list of all (A) patents, patent applications, trademark registrations and applications, copyright registrations and applications and domain name registrations included in the Company Intellectual Property, (B) Company Software that is material to the business of the Company and its subsidiaries, and (C) Company IP Licenses that are material to the business of the Company and its subsidiaries (other than shrink-wrap or click-through licenses of commercially available, commodity software).

(iii) (A) The Company or its subsidiary is the exclusive owner of the entire and unencumbered right, title and interest in and to the Intellectual Property asserted to be owned by the Company or its subsidiaries in the Company Disclosure Schedule, free and clear of any Liens; (B) the Company and its subsidiaries own, license or have a valid right to use all Intellectual Property used, held for use or necessary in the operation of their business; (C) neither the Company or any of its subsidiaries is under any obligation to pay royalties, license fees or any other monetary consideration to a third party for the use of any Intellectual Property other than pursuant to the Company IP Licenses; (D) no Company Intellectual Property is subject to any outstanding decree, order, injunction, judgment, settlement or ruling restricting the use of such Intellectual Property or that would impair the validity or enforceability of such Intellectual Property; (E) all Company Intellectual Property and the Company IP Licenses are valid and enforceable, and all registrations and applications for registration of Company Intellectual Property listed in the Company Disclosure Schedule are in good standing, have not lapsed or been abandoned, and are in full force and effect; and (F) no party to any Company IP License is in breach thereof or default thereunder and none of the Company or any of its subsidiaries has received any notice of termination, cancellation, breach or default under any Company IP License.

(iv) The consummation of the transactions contemplated in this Agreement will not terminate or impair (A) the validity or enforceability of any of the material Company Intellectual Property, (B) any Company IP License, or (C) any right of the Company and its subsidiaries to use any material Third Party Intellectual Property currently used or held for use by the Company and its subsidiaries.

(v) Except as set forth in the Company Disclosure Schedule: (A) the operation of the Company and its subsidiaries' business, including the manufacture, sale, license or provision of their products and services, do not infringe, misappropriate, dilute or otherwise violate any Third-Party Intellectual Property, and the Company has no knowledge of any basis of a claim therefor; and (B) there are no actions, proceedings or litigation pending, or to the knowledge of the Company, threatened, before any court, tribunal or governmental authority alleging any of the foregoing, or challenging the Company or any of its subsidiaries' right to use any Intellectual Property or the ownership, validity, enforceability or effectiveness of the Company Intellectual Property.

(vi) The Company is in compliance in all material respects with all regulations or law governing the import and export of computer software. No rights in the Company Software have been transferred to any third party except pursuant to agreements listed on Schedule 4.01(q)(i)(N) or (O) of the Company Disclosure Schedule or relating to APIs

which were provided pursuant to agreements substantially in the form included on Schedule 4.01(r)(vi) of the Company Disclosure Schedule.

(vii) The Company and its subsidiaries have taken reasonable steps in accordance with normal industry practice to maintain the confidentiality of the trade secrets and other confidential Intellectual Property used in connection with their business. To the knowledge of the Company: (A) there has been no misappropriation of any material trade secrets or other material confidential Intellectual Property used in connection with their business by any person; (B) no employee, independent contractor or agent of the Company or any of its subsidiaries has misappropriated any trade secrets of any other person in the course of performance as an employee, independent contractor or agent of their business; and (C) no employee, independent contractor or agent of the Company or any of its subsidiaries is in default or breach of any term of any employment agreement, nondisclosure agreement, assignment of invention agreement or similar agreement or contract relating in any way to the protection, ownership, development, use or transfer of Intellectual Property.

(s) Rights Agreement. The Company has amended the Rights Agreement to ensure that (a) none of a "Section 11(a)(ii) Event," a "Section 13 Event," a "Distribution Date," or a "Stock Acquisition Date" (in each case as defined in the Rights Agreement) will occur, and none of Parent, Merger Sub or any of their "Affiliates" or "Associates" will be deemed to be an "Acquiring Person" (in each case as defined in the Rights Agreement), solely by reason of the execution and delivery of this Agreement or the Stockholders Agreement, the making of the Offer, the acceptance for payment of Shares by Merger Sub pursuant to the Offer, the consummation of the Merger, or the consummation of the other transactions contemplated by this Agreement or the Stockholders Agreement; and (b) the Rights will expire immediately prior to the acceptance for payment of, and payment for, the Shares pursuant to the Offer.

(t) Real Property; Leases.

(i) None of the Company or any of its subsidiaries owns or has owned (within the past five (5) years) any real property.

(ii) Schedule 4.01(t)(ii) of the Company Disclosure Schedule sets forth a true and complete list of all real property currently leased by the Company or any of its subsidiaries. Each parcel of real property leased by the Company or any of its subsidiaries (i) is, except as may be set forth in the lease agreement for such real property, leased free and clear of all mortgages, pledges, liens, security interests, conditional and installment sale agreements, encumbrances, charges or other claims of third parties of any kind, including, without limitation, any easement, right of way or other encumbrance to title, or any option, right of first refusal, or right of first offer (collectively, "Liens"), other than (A) Liens for current Taxes and assessments not yet past due, (B) inchoate mechanics' and materialmen's Liens for construction in progress, (C) workmen's, repairmen's, warehousemen's and carriers' Liens arising in the ordinary course of business of the Company or such Subsidiary consistent with past practice, (D) all matters of record, Liens and other imperfections of title and encumbrances that, individually or in the aggregate, would not be reasonably likely to have a material

adverse effect on the Company, and (E) the terms of the Company's leases (collectively, "Permitted Liens"), and (ii) is to the knowledge of the Company neither subject to any governmental decree or order to be sold nor is being condemned, expropriated or otherwise taken by any public authority with or without payment of compensation therefor, nor, to the knowledge of the Company, has any such condemnation, expropriation or taking been proposed.

(iii) There are no contractual or legal restrictions that preclude or restrict the ability to use any real property leased by the Company or any of its subsidiaries for the purposes for which it is currently being used.

(u) Customers and Suppliers. Schedule 4.01(u) of the Company Disclosure Schedule sets forth a true and complete list of the Company's top 25 customers (based on the billings to such customer) during the 12-month period ended December 31, 2002. As of the date of this Agreement, no customer that accounted for more than two percent of the Company's customer billings during the 12-month period ended December 31, 2002, and no material supplier of the Company and any of its subsidiaries, (i) has cancelled or otherwise terminated any contract with the Company or any of its subsidiaries prior to the expiration of the contract term, (ii) has returned, or threatened to return, a substantial amount of any of the products, equipment, goods and services purchased from the Company or any of its subsidiaries, or (iii) to the Company's knowledge, has threatened, or indicated its intention, to cancel or otherwise terminate its relationship with the Company or any of its subsidiaries or to reduce substantially its purchase from or sale to the Company or any of its subsidiaries of any products, equipment, goods or services. Neither the Company nor any of its subsidiaries has materially breached any agreement with any such customer or supplier of the Company or any of its subsidiaries.

(v) Insurance. Schedule 4.01(v) of the Company Disclosure Schedule sets forth, with respect to each insurance policy under which the Company or any of its subsidiaries is an insured, a named insured or otherwise the principal beneficiary of coverage, (A) the names of the insurer, the principal insured and each named insured, (B) the policy number, (C) the period, scope and amount of coverage and (D) the premium charged.

(w) Assets.

(i) Each of the Company or its subsidiary, as the case may be, owns, leases or has the legal right to use all the properties and assets (the "Assets"), including, without limitation, the Company Intellectual Property used or intended to be used in the conduct of the Company's or any of its subsidiaries' business or otherwise owned, leased or used by the Company or any of its subsidiaries, and, with respect to contract rights, is a party to and enjoys the right to the benefits of all contracts, agreements and other arrangements used or intended to be used by the Company or any of its subsidiaries or in or relating to the conduct of the Company's or any of its subsidiaries' business. Each of the Company or its subsidiary, as the case may be, has good and marketable title to, or, in the case of leased or subleased Assets, valid and subsisting leasehold interests in, all the Assets, free and clear of all Liens, except Permitted Liens.

(ii) The Assets constitute all the properties, assets and rights forming a part of, used, held or intended to be used in, and all such properties, assets and rights as are necessary in the conduct of, the Company's and any of its subsidiaries' business.

(x) Cash. As of the date of this Agreement, the Company's bank account balance includes cash, net of any indebtedness, of not less than $27 million. There are no Liens on the Company's cash, nor are there any contractual restrictions on the use or distribution of the Company's cash.

SECTION 4.02 Representations and Warranties of Parent and Merger Sub. Except as set forth on the Disclosure Schedule dated the date hereof and delivered by Parent to the Company in connection with the execution of this Agreement (the "Parent Disclosure Schedule") (provided that the listing of an item in one schedule of the Parent Disclosure Schedule shall be deemed to be a listing in each schedule of the Parent Disclosure Schedule and to apply to any other representation and warranty of Parent and Merger Sub in this Agreement to the extent that it is reasonably apparent from a reading of such disclosure item that it would also qualify or apply to such other schedule or representation and warranty), Parent and Merger Sub represent and warrant to the Company as follows:

(a) Organization, Standing and Corporate Power. Each of Parent and Merger Sub is a corporation duly organized, validly existing and in good standing under the laws of the respective jurisdiction in which it is incorporated and has the requisite corporate power and authority to carry on its business as now being conducted. Each of Parent and Merger Sub is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification or licensing necessary, other than in such jurisdictions where the failure to be so qualified or licensed, individually or in the aggregate, is not reasonably likely to have a material adverse effect on Parent or Merger Sub. Parent has made available to the Company prior to the date hereof complete and correct copies of its Certificate of Incorporation and By-laws and the certificates of incorporation and by-laws of Merger Sub, in each case as amended to the date hereof. Such certificates of incorporation, by-laws and other organizational documents are in full force and effect. Neither Parent nor Merger Sub is in violation of any of the provisions of its Certificate of Incorporation, By-laws, or other organizational documents.

(b) Subsidiaries. All the outstanding shares of capital stock of, or other ownership interests in Merger Sub have been validly issued and are fully paid and nonassessable and are owned directly or indirectly by Parent, free and clear of all Liens and free of any other restriction (including any restriction on the right to vote, sell or otherwise dispose of such capital stock or such other ownership interest). Since the date of its incorporation, Merger Sub has not engaged in any activities other than in connection with or as contemplated by this Agreement.

(c) Authority; Noncontravention.

(i) Each of Parent and Merger Sub has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement by Parent and Merger Sub and the consummation of the transactions contemplated by this Agreement have been

duly authorized by all necessary corporate action on the part of Parent and Merger Sub. This Agreement has been duly executed and delivered by each of Parent and Merger Sub, and, assuming the due execution and delivery of the Agreement by the Company, the Agreement constitutes a legal, valid and binding obligation of each of Parent and Merger Sub, enforceable against each of Parent and Merger Sub in accordance with its terms subject to (A) applicable bankruptcy, insolvency, fraudulent transfer and conveyance, moratorium, reorganization, receivership and similar laws relating to or affecting the enforcement of the rights and remedies of creditors generally, and (B) principles of equity (regardless of whether considered and applied in a proceeding in equity or at law). The execution and delivery of this Agreement do not, and the consummation of the transactions contemplated by this Agreement and compliance with the provisions of this Agreement by each of Parent and Merger Sub will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, amendment, cancellation or acceleration of any obligation or to loss of a material benefit under, or result in the creation of any Lien upon any of the properties or assets of Parent or Merger Sub under, (A) the Certificate of Incorporation or By-laws of Parent or Merger Sub, (B) any loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, instrument, permit, concession, franchise, license or other instrument or obligation applicable to Parent or Merger Sub or their respective properties or assets or (C) subject to the governmental filings and other matters referred to in the following sentence, any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Parent or Merger Sub or their respective properties or assets, other than, in the case of clauses (B) and (C), any such conflicts, violations, defaults, obligations, losses, rights, Liens, judgments, orders, decrees, statutes, laws, ordinances, rules or regulations that, individually or in the aggregate, would not have a material adverse effect on Parent. No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Entity is required to be made or obtained by or with respect to Parent or Merger Sub in connection with the execution and delivery of this Agreement by Parent or Merger Sub or the consummation by Parent and Merger Sub of any of the transactions contemplated by this Agreement, except for (A) the filing of a premerger notification and report form and the expiration or termination of the waiting period under the HSR Act; (B) the filing with the Secretary of State of the State of Delaware of the Certificate of Merger and the filing of appropriate documents with the relevant authorities of other states in which Parent is qualified to do business; (C) the filing of the Schedule TO and the other Offer Documents with the SEC; (D) such filings as may be required under the Exchange Act, state securities, or "blue sky" laws and state takeover laws; (E) such filings as may be required under the rules of any securities exchange or automated quotation system on which the Company Common Stock or securities of Parent is then listed or quoted; and (F) such consents, approvals, orders or authorizations the failure of which to be made or obtained, individually or in the aggregate, is not reasonably likely to have a material adverse effect on Parent or Merger Sub.

(ii) As of the date hereof, the Board of Directors of each of Parent and Merger Sub has unanimously approved, adopted and declared advisable this Agreement, the Stockholders Agreement, the Offer, the Merger and the other transactions contemplated by this Agreement and the Stockholders Agreement. No vote of any class or series of

capital stock of Parent is necessary to approve and adopt this Agreement, the Offer, the Merger or the other transactions contemplated hereby.

(d) Information Supplied. None of the Offer Documents or the information supplied or to be supplied by Parent or Merger Sub for inclusion or incorporation by reference in the Schedule 14D-9 or Proxy Statement will, at the date the Offer Documents, the Schedule 14D-9, the Proxy Statement or any amendments or supplements thereto are filed with the SEC, are first published or mailed to the Company's stockholders, at the time of the Company Stockholders Meeting, if such meeting is required by law, and at the Effective Time, as the case may be, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of proxies for the Stockholders' Meeting which shall have become false or misleading. The Offer Documents will comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations promulgated thereunder, except that no representation or warranty is made by Parent or Merger Sub with respect to statements made or incorporated by reference therein based on information supplied by the Company specifically for inclusion or incorporation by reference in the Offer Documents.

(e) Financing. Parent has as of the date hereof and will have, at the Effective Time, all cash necessary to consummate the transactions contemplated by this Agreement, to provide for the Surviving Corporation's ongoing working capital requirements and to pay all related fees and expenses.

(f) Company Stock. Neither Parent nor Merger Sub is, or at any time during the last three years has it been, an "interested stockholder" of the Company as defined in Section 203 of the DGCL. Neither Parent nor Merger Sub owns (directly or indirectly, beneficially or of record) or is party to any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of, in each case, any shares of capital stock of the Company.

ARTICLE V

COVENANTS RELATING TO CONDUCT OF BUSINESS

SECTION 5.01 Conduct of Business. During the period from the date of this Agreement to the Effective Time, the Company shall, and shall cause its subsidiaries to, carry on their respective businesses in the usual, regular and ordinary course in substantially the same manner as heretofore conducted and, to the extent consistent therewith, use all reasonable efforts to preserve intact their current business organizations, licenses and authorizations, keep available the services of their current officers and employees and preserve their relationships with customers, suppliers, licensors, licensees, distributors, managers and others having business dealings with them to the end that their goodwill and ongoing businesses shall be unimpaired at the Effective Time. Without limiting the generality of the foregoing, except as set forth on Schedule 5.01 of the Company Disclosure Schedule, as otherwise permitted under Section 5.04 of this Agreement or as consented to by Parent in writing (which consent shall not be

unreasonably withheld, delayed or conditioned), during the period from the date of this Agreement to the Effective Time, the Company shall not, and shall not permit any of its subsidiaries to:

(a) (i) declare, set aside or pay any dividends payable in cash, stock or property on, or make any other distributions in respect of, any of its capital stock, other than dividends and distributions by a direct or indirect wholly-owned subsidiary of the Company to its parent, (ii) split, combine or reclassify any of its capital stock or issue or authorize the issuance of any other securities in respect or in lieu of or in substitution for shares of its capital stock or (iii) purchase, redeem or otherwise acquire any shares of capital stock of the Company or any of its subsidiaries or any other securities thereof or any rights, warrants or options to acquire any such shares or other securities;

(b) issue, deliver, sell, pledge or otherwise encumber any shares of its capital stock, any other voting securities or any securities convertible into, or any rights, warrants or options to acquire, any such shares, voting securities or convertible securities other than in accordance with the terms thereof, the issuance of the Company Common Stock (and corresponding Rights) upon the exercise of Company Stock Options or otherwise pursuant to equity stock-based awards, in each case outstanding on the date of this Agreement and in accordance with their present terms;

(c) amend its certificate of incorporation, by-laws or other comparable organizational documents;

(d) acquire (i) by merging or consolidating with, or by purchasing a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, joint venture, association or other business organization or division thereof or (ii) any assets that, in the case of clause (i) or (ii), are material, individually or in the aggregate, to the Company;

(e) sell, lease, license, mortgage or otherwise encumber or subject to any Lien or otherwise dispose of any of its properties or assets, except sales of assets in the ordinary course of business;

(f) (i) incur any indebtedness for borrowed money or assume or guarantee any such indebtedness of another person, issue or sell any debt securities or warrants or other rights to acquire any debt securities of the Company or any of its subsidiaries, assume or guarantee any debt securities of another person, enter into any "keep well" or other agreement to maintain any financial statement condition of another person or enter into any arrangement having the economic effect of any of the foregoing, except for borrowings incurred in the ordinary course of business, which in no event shall exceed $25,000, individually, or $100,000, in the aggregate, and except for intercompany indebtedness between the Company and any of its subsidiaries or between such subsidiaries, or (ii) make any loans, advances or capital contributions to, or investments in, any other person, other than to the Company or any direct or indirect wholly-owned subsidiary of the Company and other than investments made in the ordinary course of business;

(g) make or agree to make any new capital expenditure or expenditures, or enter into any agreement or agreements providing for payments which, individually, or, in the aggregate,

exceed in any month by more than $50,000 the amount of monthly budgeted expenditures as set forth in the Company's fiscal year 2003 budget which has been made available to Parent;

(h) make any tax election that, individually or in the aggregate, is reasonably likely to have a material adverse effect on the tax liability of the Company or settle or compromise any material income tax liability;

(i) pay, discharge, settle or satisfy any claims, liabilities, obligations or litigation (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge, settlement or satisfaction, in the ordinary course of business or in accordance with their terms, of liabilities recognized or disclosed in the most recent consolidated financial statements (or the notes thereto) of the Company included in the Company Filed SEC Documents or incurred since the date of such financial statements;

(j) except as required by law, enter into, adopt or amend in any material respect or terminate any Company Benefit Plan or any other agreement involving the Company or its subsidiaries, and one or more of its directors, officers or employees;

(k) hire additional employees except to fill current vacancies or vacancies arising after the date of this Agreement due to the termination of any employee's employment or increase the compensation of any director, executive officer or other key employee other than as required by, or pay any benefit or amount not required by, a plan or arrangement as in effect on the date of this Agreement to any such person; provided, that so long as such increases do not cause the expenses of the Company and its subsidiaries for compensation and benefits to exceed the amounts set forth in their budget for fiscal year 2003, the Company and its subsidiaries may increase salaries and other benefits of employees in the ordinary course of business consistent with past practice in connection with their annual performance review of employees in March 2003;

(l) settle any litigation, suit, claim, action, proceeding or investigation to the extent such settlement would provide for relief other than monetary damages, except for settlement of any litigation, suit, claim, action, proceeding or investigation based on, resulting from, or otherwise related to, this Agreement or the Stockholders Agreement, the transactions contemplated hereby or thereby or the approval of, submission to, review of, or conduct of the Board of Directors or stockholders of the Company or any Governmental Entity;

(m) enter into any contract or agreement, other than in the ordinary course of business and consistent with past practice;

(n) amend, modify or consent to the termination of any Material Contract, or amend, waive, modify or consent to the termination of any material rights of the Company or any of its subsidiaries thereunder, other than in the ordinary course of business consistent with past practice;

(o) make any change in accounting methods, principles or practices of the Company, other than reasonable and usual actions in the ordinary course of business and consistent with

past practice, except insofar as may have been required by U.S. generally accepted accounting principles; or

(p) authorize, or commit or agree to take, any of the foregoing actions.

SECTION 5.02 Other Actions. Except as required by law, Parent, Merger Sub and the Company shall not, and shall not permit any of their respective subsidiaries to, voluntarily take any action that would, or that is reasonably likely to, result in any of the conditions to the Offer set forth in Annex I hereto or the Merger set forth in Article VII not being satisfied.

SECTION 5.03 Advice of Changes. Parent, Merger Sub and the Company shall promptly advise the other parties orally and in writing to the extent it has knowledge of (a) any representation or warranty made by it contained in this Agreement, becoming untrue or inaccurate in any material respect, (b) the failure by it to comply in any material respect with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by it under this Agreement, and (c) any change or event having, or which is reasonably likely to have a material adverse effect on such party or on the truth of their respective representations and warranties or the ability of the conditions set forth in Annex I hereto or Article VII to be satisfied; provided, however, that no such notification shall affect the representations, warranties, covenants or agreements of the parties (or remedies with respect thereto) or the conditions to the obligations of the parties under this Agreement.

SECTION 5.04 No Solicitation by the Company.

(a) The Company shall not, and shall cause its subsidiaries and its and their respective directors, officers, employees and agents (including any investment banker, financial advisor, attorney, accountant or other representative retained by it or any of its subsidiaries) not to, directly or indirectly through another person, (i) solicit, initiate or knowingly encourage (including by way of furnishing information), or take any other action designed to facilitate, any inquiries or the making of any proposal which constitutes, or may reasonably be expected to lead to, a Company Takeover Proposal (as hereinafter defined) or (ii) participate in any discussions or negotiations regarding any Company Takeover Proposal or, any proposal that may reasonably be expected to lead to a Company Takeover Proposal; provided, however, that, at any time prior to acceptance for payment of, and payment for, the Shares pursuant to the Offer (the "Company Applicable Period"), the Company may, in response to a Company Takeover Proposal which the Board of Directors of the Company determines in good faith may reasonably be expected to result in a Company Superior Proposal (as defined in Section 5.04(b)), which was not solicited by it and which did not otherwise result from a breach of this Section 5.04(a), after the Board of Directors of Company has determined in good faith that the furnishing of information and participating in discussions or negotiations pursuant to this clause is required by its fiduciary duties under applicable law, after having received advice from outside legal counsel and after the Company has entered into a customary confidentiality agreement on terms no less favorable to the Company than those contained in the Confidentiality Agreement (as defined below), and subject to providing three business days prior written notice of its decision to take such action to Parent and compliance with Section 5.04(d), (x) furnish information with respect to the Company and its subsidiaries to any person making such a Company Takeover Proposal pursuant to a confidentiality agreement and (y) participate in discussions or negotiations

regarding such Company Takeover Proposal. For purposes of this Agreement, "Company Takeover Proposal" means any inquiry, proposal or offer from any person relating to (i) any sale, transfer or other disposition of assets of any business that constitutes 20% or more of the net revenues, net income or the assets of the Company and its subsidiaries, taken as a whole, (ii) any sale, transfer, or other disposition of 20% or more of any class of equity securities of the Company or any of its subsidiaries, (iii) any tender offer or exchange offer that if consummated would result in any person beneficially owning 20% or more of any class of equity securities of the Company or any of its subsidiaries, or (iv) any merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving the Company or any of its subsidiaries, other than the transactions contemplated by this Agreement.

(b) Except as expressly permitted by this Section 5.04, neither the Board of Directors of the Company nor any committee thereof shall (i) withdraw or modify, or propose publicly to withdraw or modify, in a manner adverse to Parent, the approval or recommendation by such Board of Directors or such committee of this Agreement, the Stockholders Agreement, the Offer or the Merger unless the Board of Directors of the Company determines in good faith that the failure to take the foregoing actions would be a breach of its fiduciary duties under applicable law after having received advice from outside legal counsel, (ii) approve or recommend, or propose publicly to approve or recommend, any Company Takeover Proposal, or (iii) cause the Company to enter into any letter of intent, agreement in principle, acquisition agreement or other similar agreement related to any Company Takeover Proposal (each, a "Company Acquisition Agreement"). Notwithstanding anything in this Agreement to the contrary, in response to a Company Superior Proposal (as hereinafter defined) which was not solicited by the Company and which did not otherwise result from a breach of Section 5.04(a), the Board of Directors of the Company may, during the Company Applicable Period, terminate this Agreement (and concurrently with or after such termination, if it so chooses, cause the Company to enter into any Company Acquisition Agreement with respect to any Company Superior Proposal), provided that the Company may not effect any termination or enter into any such Company Acquisition Agreement pursuant to this Section 5.04(b) unless and until (i) Parent's receipt of three business days' prior written notice advising Parent that the Board of Directors of the Company is prepared to accept a Company Superior Proposal; (ii) during such three business day period, the Company shall, and shall cause its financial and legal advisors to, consider any adjustment in the terms and conditions of this Agreement that Parent may propose; and (iii) the Company shall have paid the Termination Fee in full. For purposes of this Agreement, a "Company Superior Proposal" means any bona fide, unsolicited offer made by a third party to consummate (x) a tender offer, exchange offer, merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving the Company pursuant to which the stockholders of the Company immediately preceding such transaction hold less than 50% of the equity interest in the surviving or resulting entity of such transaction, (y) the acquisition by any person or group of more than 50% of the voting power of the shares of the Company Common Stock then outstanding or (z) the sale, transfer or other disposition of all or substantially all the assets of the Company and its subsidiaries taken together; in each case on terms which the Board of Directors of the Company determines in good faith (after having received the advice of a financial advisor of nationally recognized reputation) to be more favorable to the Company's stockholders than the Offer and Merger and is reasonably capable of being consummated.

(c) The Company shall, and shall direct or cause its subsidiaries and its and their respective directors, officers, employees and agents (including any investment banker, financial advisor, attorney, accountant or other representative retained by the Company) to, immediately cease and cause to be terminated any discussions or negotiations with any parties that may be, or may have been, ongoing prior to or as of the date hereof, with respect to any Company Takeover Proposal. Subject to the exercise of its rights under Section 5.04, the Company agrees not to release any third party from, or waive any provision of, any confidentiality or standstill agreement to which the Company is a party.

(d) In addition to the obligations of the Company set forth in paragraphs (a) and (b) of this Section 5.04, the Company shall promptly advise Parent orally and in writing of the existence of any request for information or of any Company Takeover Proposal, the material terms and conditions of such request or Company Takeover Proposal and the identity of the person making such request or Company Takeover Proposal and any changes in any such request or to the Company Takeover Proposal.

(e) Nothing contained in this Section 5.04 shall prohibit the Company from taking and disclosing to its stockholders a position contemplated by Rule 14d-9 or Rule 14e-2(a) promulgated under the Exchange Act or from making any other disclosure required by applicable law or the terms of any listing agreement between the Company and NASDAQ or any other stock exchange or automated quotation system on which the Company Common Stock is then listed or quoted; provided, however, that any withdrawal, qualification, modification or amendment of the Board of Directors of the Company's recommendation in favor of the Offer and the Merger shall be made only as permitted by Section 5.04(b).

ARTICLE VI

ADDITIONAL AGREEMENTS

SECTION 6.01 Preparation of the Proxy Statement; Stockholder Meeting.

(a) If following acceptance for payment of, and payment for, the Shares pursuant to the Offer, the adoption of this Agreement by the stockholders of the Company is required in order to effect the Merger under the DGCL, the Company and Parent shall, as promptly as practicable, prepare and the Company shall file with the SEC the Proxy Statement and the Company shall use its commercially reasonable efforts to respond as promptly as practicable to any comments of the SEC with respect thereto and to cause the Proxy Statement to be mailed to the stockholders of the Company as promptly as practicable following the date of this Agreement. The Company shall promptly notify Parent upon the receipt of any comments from the SEC or the staff of the SEC or any request from the SEC or the staff of the SEC for amendments or supplements to the Proxy Statement and shall provide Parent with copies of all correspondence between the Company and its representatives, on the one hand, and the SEC and the staff of the SEC, on the other hand. Notwithstanding the foregoing, prior to filing or mailing the Proxy Statement (or any amendment or supplement thereto) or responding to any comments of the SEC or the staff of the SEC with respect thereto, the Company (i) shall provide Parent a reasonable opportunity to review and comment on such document or response and (ii) shall

include in such document or response all comments reasonably proposed by Parent; provided, that Parent shall use commercially reasonable efforts to provide or cause to be provided its comments to the Company as promptly as reasonably practicable after the Proxy Statement is transmitted to Parent for its review. If at any time prior to the Effective Time any information relating to Parent, Merger Sub or the Company, or any of their respective affiliates, officers or directors, should be discovered by Parent, Merger Sub or the Company which should be set forth in an amendment or supplement to the Proxy Statement, so that any of such documents would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the party which discovers such information shall promptly notify the other parties hereto and an appropriate amendment or supplement describing such information shall be promptly filed with the SEC and, to the extent required by law, disseminated to the stockholders of the Company.

(b) If following acceptance for payment of, and payment for, the Shares pursuant to the Offer, the adoption of this Agreement by the stockholders of the Company is required in order to effect the Merger under the DGCL, the Company (i) shall, as promptly as practicable, duly call, give notice of, convene and hold a meeting of its stockholders (the "Company Stockholders Meeting") for the purpose of obtaining the Company Stockholder Approval and (ii) shall, through its Board of Directors, recommend to its stockholders the adoption of this Agreement, subject to Section 5.04(b), and use its reasonable best efforts to obtain such approval and adoption.

(c) Parent agrees to vote all Shares beneficially owned by it or any of its subsidiaries in favor of the adoption of this Agreement at the Company Stockholders Meeting and agrees that it shall not dispose of any Shares (and shall cause Merger Sub not to dispose of any Shares) prior to the Company Stockholders Meeting.

(d) Notwithstanding the foregoing, if at any time Parent or Merger Sub shall acquire at least 90% of the outstanding Shares, Parent, Merger Sub and the Company shall take all necessary and appropriate action to cause the Merger to become effective as promptly as practicable after consummation of the Offer and the satisfaction or waiver of the conditions set forth in Article VII without the Company Stockholders Meeting in accordance with Section 253 of the DGCL.

SECTION 6.02 Access to Information; Confidentiality. Subject to the Confidentiality Agreement, dated as of October 3, 2002, between the Company and Parent (the "Confidentiality Agreement") and except as otherwise required by applicable law, the Company shall, and shall cause its respective subsidiaries to, afford to Parent and Merger Sub and to the officers, directors, employees, accountants, counsel, financial advisors and other representatives of Parent and Merger Sub, reasonable access during normal business hours during the period prior to the Effective Time to all their respective properties, books, contracts, commitments, personnel and records and, during such period, the Company shall, and shall cause its subsidiaries to, furnish promptly to the Parent and Merger Sub (a) a copy of each report, schedule, registration statement and other document filed by it during such period pursuant to the requirements of Federal or state securities laws, and (b) except as otherwise required by applicable law, all other information concerning its business, properties and personnel as Parent

and Merger Sub may reasonably request. No disclosure by or on behalf of the Company or any of its subsidiaries pursuant to this Section 6.02 shall have any effect for the purpose of determining the accuracy of any representation or warranty given by either party hereto to the other party hereto. Each of Parent and Merger Sub will hold, and will cause its respective officers, employees, accountants, counsel, financial advisors and other representatives and affiliates to hold, any nonpublic information in accordance with the terms of the Confidentiality Agreement.

SECTION 6.03 Filings; Other Action. Subject to the terms and conditions provided in this Agreement, each of the Company, Merger Sub and Parent shall (a) promptly make their respective filings and thereafter make any other required submissions under the HSR Act and other regulatory filings with any relevant Governmental Entity and comply with all reasonable requests for information from any Governmental Entity with respect to the Merger and the transactions contemplated by this Agreement; and (b) use their respective reasonable best efforts promptly to take, or cause to be taken, all other action and do, or cause to be done, all other things necessary, proper or appropriate under this Agreement and applicable laws and regulations to obtain as promptly as practicable all consents, approvals, orders, authorizations, registrations and permits required to be obtained by it from any Governmental Entity or third party in connection with the execution and delivery of this Agreement and the consummation of the Merger and the other transactions contemplated by this Agreement as soon as practicable after the date hereof; provided, however, that neither Parent nor the Company will be required to agree to, or proffer to, (i) divest or hold separate any of Parent's, the Company's or any of their respective affiliates' businesses or assets, (ii) cease to conduct business or operations in any jurisdiction in which Parent, the Company or any of their respective subsidiaries conducts business or operations as of the date of this Agreement, or (iii) otherwise limit (after the Effective Time) Parent's freedom of action with respect to, or its ability to retain, the Company and its subsidiaries or any portion thereof or any of Parent's or its affiliates' assets or businesses.

SECTION 6.04 Stock Options.

(a) As soon as practicable following the date of this Agreement, the Board of Directors of the Company (or, if appropriate, any committee administering the Individual Grants, the 1985 Stock Option Plan or the 1996 Stock Option Plan, collectively, the "Stock Option Plans") shall adopt such resolutions or take such other actions as may be required, including, without limitation, using its reasonable best efforts to obtain the consent of each holder of the Company Stock Options (provided, that the Company will not be required to take any action in violation of the terms of any Company Stock Option Plan or in breach of any underlying optionee agreement), so that at the Effective Time, each then outstanding Company Stock Option to purchase or acquire shares of Company Common Stock under the Stock Option Plans, whether or not then exercisable or vested, shall be canceled and shall represent the right to receive the following consideration in settlement thereof: for each share of Company Common Stock subject to such Company Stock Option, including any additional shares subject thereto by reason of their terms upon consummation of the "change of control" resulting from the Offer or the Merger, an amount (subject to any applicable withholding tax) in cash equal to the difference between the Merger Consideration and the per share exercise price of such Company Stock Option to the extent such difference is a positive number (such amount in cash as described above being hereinafter referred to as the "Option Consideration").

(b) The surrender of a Company Stock Option to the Company in exchange for the Option Consideration as set forth in Section 6.04(a) shall be deemed a release of any and all rights the holder had or may have had in respect of such Company Stock Option. Prior to the Effective Time, the Company shall take all action necessary (including causing the Board of Directors of the Company (or any committees thereof) to take such actions as are allowed by the Company Stock Option Plans) to ensure that, following the Effective Time, no participant in any Company Stock Plan shall have any right thereunder to acquire equity securities of the Company, the Surviving Corporation or any subsidiary thereof.

(c) Upon the Effective Time, Parent shall, or shall cause the Surviving Corporation to, pay to each holder of a Company Stock Option under the Stock Option Plans the Option Consideration in respect thereof. No interest shall be paid or accrued on such Option Consideration. Until settled in accordance with the provisions of this Section 6.04(c), each Company Stock Option under the 1996 Stock Option Plan shall be deemed at any time after the Effective Time to represent for all purposes only the right to receive the Option Consideration.

(d) The Company shall cause the ESPP to terminate at the Effective Time and shall promptly refund to each Participant (as defined in the ESPP) the cash balance in the Participant's account in accordance with the terms of the ESPP.

SECTION 6.05 Indemnification, Exculpation and Insurance.

(a) From the Effective Time through the sixth anniversary of the date on which the Effective Time occurs, Parent shall cause the Surviving Corporation to (and be liable for any failure of the Surviving Corporation to), and the Surviving Corporation shall, indemnify and hold harmless each person who is now, or has been at any time prior to the date hereof, or who becomes prior to the Effective Time, a director or officer of the Company or any of its subsidiaries (the "Covered Parties"), against all claims, losses, liabilities, damages, judgments, fines and reasonable fees, costs and expenses, including attorneys' fees and disbursements (collectively, "Costs"), incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to (i) the fact that the Covered Party is or was an officer or director of the Company or any of its subsidiaries or (ii) matters existing or occurring at or prior to the Effective Time (including this Agreement and the transactions and actions contemplated hereby), whether asserted or claimed prior to, at or after the Effective Time, to the fullest extent permitted under applicable law. Each Covered Party will be entitled to advancement of expenses incurred in the defense of any claim, action, suit, proceeding or investigation from Parent and the Surviving Corporation within ten business days of receipt by Parent or the Surviving Corporation from the Covered Party of a request therefor; provided that any person to whom expenses are advanced provides an undertaking, to the extent required by the DGCL, to repay such advances if it is ultimately determined that such person is not entitled to indemnification.

(b) The Certificate of Incorporation and By-laws of the Surviving Corporation shall contain provisions no less favorable with respect to indemnification, advancement of expenses and exculpation of present and former directors, officers, employees and agents of the Company and its subsidiaries than are presently set forth in Articles 8 and 9 of the Certificate of Incorporation and Article V of the By-laws of the Company, which provisions shall not be

amended, repealed or otherwise modified for a period of six years from the Effective Time in any manner that would affect adversely the rights thereunder of a Covered Party, unless such modification shall be required by law.

(c) Parent shall cause the Surviving Corporation to maintain, at no expense to the beneficiaries, in effect for six years from the Effective Time, the current policies of the directors' and officers' liability insurance maintained by the Company with respect to matters existing or occurring at or prior to the Effective Time (including the transactions contemplated by this Agreement) (provided that the Surviving Corporation may substitute therefor policies of at least the same coverage (containing terms and conditions that are not less favorable) with respect to matters occurring prior to the Effective Time).

(d) Notwithstanding anything herein to the contrary, if any claim, action, suit, proceeding or investigation (whether arising before, at or after the Effective Time) is made against any Covered Party, on or prior to the sixth anniversary of the Effective Time, the provisions of this Section 6.05 shall continue in effect until the final disposition of such claim, action, suit, proceeding or investigation.

(e) The covenants contained in this Section are intended to be for the benefit of, and shall be enforceable by, each of the Covered Parties and their respective heirs and legal representatives and shall not be deemed exclusive of any other rights to which a Covered Party is entitled, whether pursuant to law, contract or otherwise.

(f) In the event that the Parent or Surviving Corporation or any of its successors or assigns (i) consolidates with or merges into any other person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or substantially all of its properties and assets to any person, then, and in each such case, proper provision shall be made so that the successors or assigns of the Parent or Surviving Corporation, as the case may be, shall succeed to the obligations set forth in this Section 6.05

SECTION 6.06 Fees and Expenses.

(a) All fees and expenses incurred in connection with this Agreement, the Stockholders Agreement and the transactions contemplated by this Agreement or the Stockholders Agreement shall be paid by the party incurring such fees or expenses, whether or not such transactions are consummated. The Company covenants and agrees that the Company and its subsidiaries shall not incur or cause to be incurred Transaction Fees (as hereinafter defined) in excess of $2,500,000. The Company covenants and agrees that it will incur legal fees and expenses in connection with the preparation, negotiation, execution, delivery, and performance of this Agreement on a reasonable and customary basis, consistent with past practice. For purposes of this Section 6.06, "Transaction Fees" shall mean the fees and disbursements of the Company's financial advisors that are incurred in connection with the preparation, negotiation, execution, delivery and performance of the Merger Agreement and the consummation of the transactions contemplated hereby.

(b) If (i) the Company terminates this Agreement pursuant to Section 8.01(d) or (ii) any person shall have commenced, publicly proposed or communicated to the Company a

Company Takeover Proposal that is publicly disclosed and not withdrawn and (A) the Offer shall have remained open for at least 20 business days, (B) the Minimum Condition shall not have been satisfied, (C) this Agreement shall have been terminated pursuant to Section 8.01 (other than Sections 8.01(a), 8.01(b)(iii) or 8.01(c) and other than on account of the conditions set forth in paragraphs (a), (d), or (g) of Annex I), and (D) other than in the case of termination pursuant to Section 8.01(f) or on the account of the condition set forth in paragraph (f) of Annex I, the Company enters into an agreement with respect to a Company Takeover Proposal, or a Company Takeover Proposal is consummated, in each case within 12 months after the termination of this Agreement pursuant to Section 8.01, and the Company shall not theretofore have been required to pay the Termination Fee to Parent pursuant to subsection 6.06(b)(i), then in each case, the Company shall pay, or cause to be paid to Parent, an amount equal to $3,500,000 (the "Termination Fee").

SECTION 6.07 Public Announcements. Each of the Company, Merger Sub and Parent will consult with each other before issuing, and provide each other the opportunity to review and comment upon, any press release or other public statements with respect to the transactions contemplated by this Agreement, including the Offer and the Merger, and shall not issue any such press release or make any such public statement prior to such consultation, except as any such party may determine in good faith is required by applicable law, by court process or by obligations pursuant to any listing agreement between such party and any securities exchange or automated quotation system on which such party's common stock (or equivalent equity securities) are then listed or quoted. The parties agree that the initial press release to be issued with respect to the transactions contemplated by this Agreement shall be in the form heretofore agreed to by the parties. The parties further agree that the Confidentiality Agreement is hereby amended to the extent necessary to be consistent with the terms of this Section 6.07.

SECTION 6.08 Employee Matters.

(a) Parent agrees that, until the later of the date which is 6 months after the Effective Time or December 31, 2003, the Company shall honor in accordance with their respective terms and, on and after the Effective Time, Parent shall cause the Surviving Corporation to honor, without offset, deduction, counterclaim, interruption or deferment, all Company Benefit Plans to the extent the Company Benefit Plans are not superseded by other plans, agreements or other arrangements; provided that any such superseding plans, agreements or other arrangements are at least no less favorable, in the aggregate, to the employees and former employees as the Company Benefit Plans in effect immediately prior to the time of acceptance for payment of, and payment for, any Shares pursuant to the Offer. Parent acknowledges that, for the purposes of certain of the Company Benefit Plans set forth in Schedule 4.01(j)(vii) of the Company Disclosure Schedule, the consummation of the Offer or the Merger or stockholder approval of the Merger (depending upon the terms of the applicable plan or agreement) will constitute a "change in control" of the Company (as such term is defined in such plans and agreements). Parent agrees to cause the Surviving Corporation, after consummation of the Offer, to pay all amounts provided under such Company Benefit Plans in accordance with their respective terms and to honor, and to cause the Surviving Corporation to honor, all rights, privileges and modifications to or with respect to any such Company Benefit Plans that become effective as a result of such change in control, except to the extent that such payments are to be made pursuant to Company Benefit Plans listed in Schedule 4.01(j)(vii) of the Company Disclosure Schedule that are

superseded by agreements with individuals that become effective prior to, or at the Effective Time.

(b) Parent agrees that, until the later of the date which is 6 months after the Effective Time or December 31, 2003, it shall, or shall cause the Surviving Corporation to, provide employee pension and welfare plans for the benefit of employees and former employees of the Company that, in the aggregate, are at least no less favorable to such employees and former employees as the Company Benefit Plans in effect immediately prior to the time of acceptance for payment of, and payment for, any Shares pursuant to the Offer. To the extent any benefit plan of Parent (or any plan of the Surviving Corporation) shall be made applicable to any employee or former employee of the Company, Parent shall, or shall cause the Surviving Corporation to, as the case may be, grant to employees and former employees of the Company credit for service with the Company prior to the Effective Time for the purposes of determining eligibility to participate and the employee's nonforfeitable interest in benefits thereunder and, unless a duplication of benefits would thereby result, for calculating benefits (including benefits the amount or level of which is determined by reference to an employee's vesting service) thereunder. In addition, to the extent any plan of Parent (or any plan of the Surviving Corporation) which constitutes a "Welfare Plan," as defined in Section 4.01(j) hereof, shall be made applicable to any employee or former employee of the Company, Parent shall, or shall cause the Surviving Corporation to, as the case may be, (i) waive all preexisting condition exclusions and waiting periods otherwise applicable to employees and former employees of the Company, except to the extent any such limitations or waiting periods in effect under comparable Company Benefit Plans have not been satisfied as of the date such plan is made so applicable and (ii) credit each employee and former employee of the Company for any co-payments, co-insurance, and deductibles paid by such employee or former employee under comparable Company Benefit Plans prior to the date such plan is made so applicable. Nothing in this Agreement shall be interpreted as limiting the power of the Surviving Corporation to amend or terminate any Company Benefit Plan or any other employee benefit plan, program, agreement or policy or as requiring the Surviving Corporation or Parent to offer to continue (other than as required by its terms) any written employment contract.

SECTION 6.09 Confidentiality Agreement. The Company hereby waives the provisions of the Confidentiality Agreement as and to the extent necessary to permit the consummation of the transactions contemplated hereby. Upon the acceptance for payment of shares of Company Common Stock pursuant to the Offer, the Confidentiality Agreement shall be deemed to have terminated without further action by the parties thereto.

ARTICLE VII

CONDITIONS PRECEDENT

SECTION 7.01 Conditions to Each Party's Obligation To Effect the Merger. The respective obligation of each party to effect the Merger is subject to the satisfaction or waiver (except as otherwise provided in this Agreement), on or prior to the Closing Date of the following conditions:

(a) Stockholder Approval. If required by law, the Company Stockholder Approval shall have been obtained.

(b) HSR Act. The waiting period (and any extension thereof) applicable to the Merger under the HSR Act shall have been terminated or shall have expired.

(c) No Injunctions or Restraints. No judgment, order, decree, statute, law, ordinance, rule or regulation, entered, enacted, promulgated, enforced or issued by any court or other Governmental Entity of competent jurisdiction or other legal restraint or prohibition (collectively, "Restraints") shall be in effect preventing the consummation of the Merger or any of the other transactions contemplated by this Agreement; provided, however, that each of the parties shall have used its reasonable best efforts to prevent the entry of any such Restraints and to appeal as promptly as practicable any such Restraints that may be entered.

(d) Purchase of Shares. Merger Sub shall have previously accepted for payment and paid for all Shares validly tendered pursuant to the Offer and not withdrawn.

SECTION 7.02 Frustration of Closing Conditions. Neither the Company nor Parent may rely on the failure of any condition set forth in Section 7.01 (or, also in the case of Parent, the conditions set forth in Annex I) to be satisfied if such failure was caused by such party's (including, in the case of Parent, Merger Sub's) failure to comply with its obligations under this Agreement.

ARTICLE VIII

TERMINATION, AMENDMENT AND WAIVER

SECTION 8.01 Termination. This Agreement may be terminated at any time prior to the Effective Time, whether before or after the Company Stockholder Approval or adoption of this Agreement by Parent as the sole stockholder of Merger Sub:

(a) by mutual written consent of the Company and Parent;

(b) by either the Company or Parent (provided that the party seeking to terminate may not rely on the existence of any of the following conditions resulting from its (including, in the case of Parent, Merger Sub's) failure to perform any of its obligations under this Agreement):

(i) if Merger Sub shall not have purchased Shares pursuant to the Offer on or before the Outside Date; provided that if the Company has requested that Parent cause Merger Sub to extend the Expiration Date to a period not to exceed the Alternative Outside Date under the conditions specified in Section 1.01(a), the right to terminate this Agreement pursuant to this Section 8.01(b)(i) shall not become effective until the earlier of the Alternative Outside Date or such time as the Company shall withdraw its request that Parent cause Merger Sub to extend the Expiration Date pursuant to Section 1.01(a);

(ii) if the Offer shall have expired without any Shares being purchased pursuant thereto or the Offer is terminated as permitted under this Agreement without any Shares having been accepted for payment thereunder; or

(iii) if any Restraint which has the effect of making consummation of the Offer or the Merger illegal or otherwise preventing or prohibiting consummation of the Offer or the Merger shall have become final and nonappealable; provided that the party seeking to terminate this Agreement pursuant to this Section 8.01(b)(iii) shall have used reasonable best efforts to prevent the entry of and to remove such Restraint;

(c) by the Company, during the Company Applicable Period, if Parent or Merger Sub shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, such that (i) (A) the representations and warranties of Parent or Merger Sub set forth in the Agreement that are qualified as to materiality or material adverse effect shall not be true and correct, or any such representation and warranty of Parent or Merger Sub that is not so qualified shall not be true and correct in all material respects, both when made and at and as of the expiration of the Offer, as if made at and as of such time (except to the extent expressly made as of any earlier date, in which case as of such date) or (B) Parent or Merger Sub shall not have performed in all material respects all obligations required to be performed by it under the Agreement at or prior to the expiration of the Offer and (ii) such breach or failure to perform is incapable of being, or is not, cured by Parent or Merger Sub, as the case may be, by the earlier of the Expiration Date or within five business days of notice thereof;

(d) by the Company, at any time during the Company Applicable Period, in accordance with Section 5.04(b); provided that, in order for the termination of this Agreement pursuant to this paragraph (d) to be deemed effective, the Company shall have complied with the notice provisions of Section 5.04 and shall have paid the Termination Fee delineated in Section 6.06(b) hereof;

(e) by Parent, during the Company Applicable Period, if the Company shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (A) would give rise to the failure of a condition set forth in (ii) (b) and (c) of Annex I and (B) is incapable of being, or is not, cured by the Company by the earlier of the Expiration Date or within five business days of notice thereof;

(f) by Parent, if the Board of Directors of the Company or any committee thereof shall, during the Company Applicable Period, have withdrawn or modified in a manner adverse to Parent or the Merger Sub, the approval or recommendation of the Offer, the Merger, this Agreement, or the Stockholders Agreement, or approved or recommended any Company Takeover Proposal or any other acquisition of Shares (except for approvals not inconsistent with the Offer or the Merger as may be necessary or desirable in connection with the issuance of Company Common Stock as permitted under Section 5.01(b) or to exempt acquisitions of Company Common Stock from liability under Section 16(b) of the Exchange Act) other than the Offer and the Merger, or the Board of Directors of the Company or any committee thereof shall have resolved to do any of the foregoing; or

(g) by Parent, if due to an occurrence or circumstance that would result in the failure to satisfy any conditions set forth in Annex I (other than the Minimum Condition or the Regulatory Condition), Merger Sub shall have failed to commence the Offer within 30 days following the date of this Agreement.

SECTION 8.02 Frustration of Closing Conditions. Neither the Company nor Parent may rely on the failure of any condition set forth in Section 7.01 (or, also in the case of Parent, the conditions set forth in Annex I) to be satisfied if such failure was caused by such party's (including, in the case of Parent, Merger Sub's) failure to comply with its obligations under this Agreement, including, without limitation, pursuant to Section 6.03 hereof.

SECTION 8.03 Effect of Termination. In the event of termination of this Agreement by either Parent or the Company as provided in Section 8.01, this Agreement shall forthwith become void and have no effect, without any liability or obligation on the part of the Company or Parent, other than (a) the provisions of the last sentence of Section 6.02, (b) the provisions of Section 6.06, (c) this Section 8.03, (d) Article IX and (e) the Confidentiality Agreement (without giving effect to any waiver or amendment thereto contemplated by this Agreement), which provisions and agreements shall survive such termination, and termination of this Agreement will not relieve a breaching party from liability for any breach by such party of any of its representations, warranties, covenants or agreements set forth in this Agreement giving rise to such termination.

SECTION 8.04 Amendment. Subject to Section 1.03(c), this Agreement may be amended by the parties hereto at any time before or after the Company Stockholder Approval; provided, however, that after any such approval, there shall not be made any amendment that by law requires the further approval by such stockholders without such further approval. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties.

SECTION 8.05 Extension; Waiver. Subject to Section 1.03 (c), at any time prior to the Effective Time, a party may (a) extend the time for the performance of any of the obligations or other acts of the other parties, (b) waive any inaccuracies in the representations and warranties of the other parties contained in this Agreement or in any document delivered pursuant to this Agreement or (c) except as otherwise provided in this Agreement and subject to the proviso of Section 8.03, waive compliance by the other parties with any of the agreements or conditions contained in this Agreement. Any agreement on the part of a party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights.

ARTICLE IX

GENERAL PROVISIONS

SECTION 9.01 Nonsurvival of Representations and Warranties. None of the representations and warranties in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Effective Time. This Section 9.01 shall not limit (a) any covenant

or agreement of the parties which by its terms contemplates performance after the Effective Time or (b) the survival of the last sentence of Section 6.02 and of Section 6.06, Section 8.03, this Article IX and the Confidentiality Agreement, as set forth in Section 8.03.

SECTION 9.02 Notices. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be deemed given if delivered personally, telecopied (which is confirmed) or sent by reputable overnight courier to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to the Company, to:

Elite Information Group, Inc.
5100 Goldleaf Circle, Suite 100
Los Angeles, California 90056
Facsimile: (323) 642-5400
Attention: President

with a copy to:

Robinson Bradshaw & Hinson, PA
1900 North Tryon Street, Suite 1900
Charlotte, North Carolina 28246
Facsimile: 704-378-4000
Attention: Patrick S. Bryant

(b) if to Parent or Merger Sub, to:

The Thomson Corporation
Metro Center
One Station Place
Stamford, Connecticut 06902
Facsimile: 203-357-9762
Attention: Ed Friedland

with a copy to:

Shearman & Sterling
599 Lexington Avenue
New York, New York 10022
Facsimile Number: 212-848-7179
Attention: Peter J. Rooney

SECTION 9.03 Definitions. For purposes of this Agreement:

(a) an "affiliate" of any person means another person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first person, where "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a person, whether through the ownership of voting securities, by contract, as trustee or executor, or otherwise;

(b) "business day" shall have the meaning set forth in Rule 14d-1(g)(3) under the Exchange Act;

(c) "Fully-Diluted Basis" means after taking into account all outstanding Shares and assuming the exercise, conversion or exchange of all options, warrants, convertible or exchangeable securities and similar rights (other than, unless exercisable, the Rights) and the issuance of all shares of the Company Common Stock that the Company is obligated to issue thereunder;

(d) "knowledge" of any person which is not an individual means the actual knowledge (after the exercise of reasonable diligence) of, in the case of the Company, those persons set forth in Schedule 9.03(d) of the Company Disclosure Schedule;

(e) "material adverse change" or "material adverse effect" means, when used in connection with Parent or the Company, any change, effect, event, occurrence or state of facts that (i) is, or is reasonably likely to be, materially adverse to the business, financial condition or results of operations of such party and its subsidiaries taken as a whole, (ii) materially impairs or delays the ability of such party to perform its obligations under this Agreement or (iii) prevents the consummation of any of the transactions contemplated by this Agreement, except to the extent that any such change, effect, event, occurrence or state of facts results from (A) any act or omission of any party hereto that has been previously consented to in writing by the other parties hereto, (B) changes in the United States or global economy or securities markets in general, which changes do not affect the Company disproportionately relative to other entities operating in its industry, (C) general changes or developments in the industry in which the Company operates, which changes do not affect the Company disproportionately relative to other entities operating in its industry, or (D) the negotiation, execution and delivery of this Agreement, the recommendation of this Agreement by the Company's Board of Directors, the consummation of the transactions contemplated hereby, the announcement of any of the foregoing or the actions of Parent taken in connection herewith;

(f) "person" means an individual, corporation, partnership, limited liability company, limited partnership, joint venture, association, trust, unincorporated organization or other entity or government, political subdivision, agency or instrumentality of a government;

(g) a "subsidiary" of any person means another person, an amount of the voting securities, other voting ownership or voting partnership interests of which is sufficient to elect at least a majority of its Board of Directors or other governing body (or, if there are no such voting interests, at least a majority of the equity interests of which) is owned directly or indirectly by such first person; and

(h) "Tax" or "Taxes" means any and all taxes, fees, levies, duties, tariffs, imposts and other similar charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any United States federal, state, local or United Kingdom or other Non-United States governmental or taxing authority, including, without limitation: taxes or

other charges on or with respect to income, franchise, windfall or other profits, gross receipts, property, sales, use, capital stock, payroll, employment, social security, workers' compensation, unemployment compensation or net worth; taxes or other charges in the nature of excise, withholding, ad valorem, stamp, transfer, value-added or gains taxes; license, registration and documentation fees; and customs' duties, tariffs and similar charges.

SECTION 9.04 Interpretation. When a reference is made in this Agreement to an Article, Section or Exhibit, such reference shall be to an Article or Section of, or an Exhibit to, this Agreement unless otherwise indicated. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." 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. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. References to a person are also to its permitted successors and assigns.

SECTION 9.05 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

SECTION 9.06 Entire Agreement; Third-Party Beneficiaries. This Agreement and the Confidentiality Agreement (as amended hereby) (a) constitute the entire agreement, and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter of this Agreement and (b) except for the provisions of Section 6.04 (but only to the extent of any failure after the Effective Time to pay the Option Consideration to any optionee, provided that such optionee shall have executed a release of rights in form reasonably satisfactory to Parent with respect to such optionee's Company Stock Options) and Section 6.05, are not intended to confer upon any person other than the parties hereto any rights or remedies.

SECTION 9.07 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the laws that might otherwise govern under applicable principles of conflict of laws thereof.

SECTION 9.08 Assignment. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of law or otherwise by any of the parties hereto without the prior written consent of the other parties; provided, however, that Merger Sub may assign all or any of its rights and obligations hereunder to any affiliate of Parent, provided that no such assignment shall relieve the assigning party of its obligations hereunder if such assignee does not perform such obligations. Any assignment in

violation of the preceding sentence shall be void. Subject to the preceding two sentences, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

SECTION 9.09 Enforcement; Waiver of Jury Trial.

(a) The parties agree that irreparable damage would occur and that the parties would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties hereto shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any Federal court located in the State of Delaware or in Delaware state court, this being in addition to any other remedy to which they are entitled at law or in equity. In addition, each of the parties hereto (i) consents to submit itself to the personal jurisdiction of any Federal court located in the State of Delaware or any Delaware state court in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, and (iii) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than a Federal court sitting in the State of Delaware or a Delaware state court.

(b) Each party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues, and therefore each such party hereby irrevocably and unconditionally waives any right such party may have to a trial by jury in respect of any litigation directly or indirectly arising out of or relating to this Agreement or the transactions contemplated by this Agreement. Each party certifies and acknowledges that (i) no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver, (ii) each party understands and has considered the implications of this waiver, (iii) each party makes this waiver voluntarily and (iv) each party has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 9.09(b).

SECTION 9.10 Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 9.11 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, unless the effects of such invalidity, illegality or unenforceability would prevent the parties from realizing the economic or legal substance of the transactions contemplated hereby that they currently anticipate obtaining therefrom, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

SECTION 9.12 Time is of the Essence. Each of Parent, Merger Sub and the Company agree that time is of the essence with respect to every covenant, condition to be satisfied and action to be taken hereunder, and shall proceed accordingly with respect to every such action necessary, proper or advisable to make effective the transactions contemplated by this Agreement.

IN WITNESS WHEREOF, the Company, Parent and Merger Sub have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

ELITE INFORMATION GROUP

/s/ Christopher K. Poole

Name: Christopher K. Poole
Title: Chairman & Chief Executive Officer

THE THOMSON CORPORATION

/s/ Deirdre Stanley

Name: Deirdre Stanley
Title: Senior Vice President

GULF ACQUISITION CORP.

/s/ Michael E. Wilens

Name: Michael E. Wilens
Title: President

ANNEX I

Notwithstanding any other provision of the Offer, Merger Sub shall not be required to accept for payment or, subject to applicable law, pay for any Shares, and may, subject to the Company's right in Section 1.01(a) of the Agreement to require that Parent cause Merger Sub to extend the Offer, terminate, amend or extend the Offer, if (i) immediately prior to the Expiration Date, (A) the Minimum Condition (as defined in the Agreement) shall not have been satisfied or (B) the Regulatory Condition (as defined in the Agreement) shall not have been satisfied or (C) a Litigation Event exists or (ii) at any time on or after the date of the Agreement and prior to the expiration of the Offer, any of the following conditions, other than the Litigation Event, exists:

(a) there shall be (x) any statute, rule, regulation, judgment, order or injunction enacted, entered, promulgated, issued or enforced by or on behalf of a Governmental Entity (and, in the case of any judgment, order or injunction, the same shall have become final and nonappealable) or (y) there shall have been instituted or be pending any litigation, suit, claim, action, proceeding or investigation before any Governmental Entity (and which is reasonably likely to be successful on its merits) or by any Governmental Entity (such event described in (y), a "Litigation Event") that, in the case of either (x) or (y), (i) prohibits, restrains, seeks to prohibit or restrain or makes materially more costly the acquisition by the Merger Sub of any of the Shares under the Offer or the making or consummation of the Offer, the Merger or the other transactions contemplated by the Agreement or the Stockholders Agreement, (ii) prohibits, limits or seeks to prohibit or limit the ownership or operation by the Company, Parent or any of their respective subsidiaries of a material portion of the business or assets of the Company and its subsidiaries, or of Parent and its subsidiaries, in each case, taken as a whole, or compels or seeks to compel the Company or Parent or any of their respective subsidiaries to dispose of or hold separate any material portion of the business or assets of such person, in each case as a result of the Offer or the Merger, (iii) imposes or seeks to impose any material limitations on the ability of Parent or the Merger Sub to acquire or hold, or exercise full rights of ownership of, any Shares to be accepted for payment pursuant to the Offer, including, without limitation, the right to vote such Shares on all matters properly presented to the stockholders of the Company, (iv) prohibits Parent or any of its subsidiaries from effectively controlling in any material respect any material portion of the business or operations of the Company and its subsidiaries or of Parent and its subsidiaries, in each case, taken as a whole, (v) requires or seeks to require the divestiture by Parent, Merger Sub or any other affiliate of Parent of any Shares, (vi) seeks an amount of monetary damages which, if awarded, would be reasonably likely to have a material adverse effect on the Company, or (vii) otherwise would prevent or materially delay consummation of the Offer or the Merger or otherwise prevent or materially delay the Company from performing its obligations under the Agreement or would be reasonably likely to have a material adverse effect on the Company; or

(b) the representations and warranties of the Company set forth in the Agreement shall not be true and correct, when made and at and as of the Expiration Date, as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such date) except where the failure of such representations and warranties to be so true and correct (without giving effect to any limitation as to "materiality" or "material adverse effect" set forth therein), individually or in the aggregate, does not have, and is not reasonably likely to have, a material adverse effect on the Company; or

(c) the Company shall not have performed in all material respects all obligations required to be performed by it under the Agreement at or prior to the Expiration Date; or

(d) there shall have occurred and be continuing (x) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market in the United States for a period in excess of 24 hours or (y) any declaration of a banking moratorium or general suspension of payments in respect of lenders that regularly participate in the U.S. market in loans to large corporations; or

(e) any material adverse change in the Company shall have occurred; or

(f) the Company's Board of Directors, or any committee thereof, shall have withdrawn or modified, in a manner adverse to Parent or Merger Sub, the approval or recommendation of the Offer, the Merger, the Agreement or the Stockholders Agreement, or approved or recommended any Company Takeover Proposal or any other acquisition of Shares other than the Offer and the Merger or the Company's Board of Directors, or any committee thereof, shall have resolved to do any of the foregoing; or

(g) Merger Sub and the Company shall have agreed that Merger Sub shall terminate the Offer or postpone the acceptance for payment of Shares thereunder.

The foregoing conditions are for the sole benefit of Merger Sub and Parent and may be asserted by Merger Sub or Parent regardless of the circumstances giving rise to any such conditions (except to the extent that any such condition results from the breach by Parent or Merger Sub of any of their respective representations, warranties, covenants or obligations under the Agreement) and, except with respect to the Minimum Condition and the Regulatory Condition, may be waived by Merger Sub or Parent in whole or in part at any time and from time to time prior to the expiration of the Offer. The failure by Merger Sub or Parent at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right; the waiver of any such right with respect to particular facts and other circumstances shall not be deemed a waiver with respect to any other facts and circumstances; and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time prior to the expiration of the Offer.

Exhibit A

RESTATED

CERTIFICATE OF INCORPORATION

OF

[ELITE INFORMATION GROUP, INC.]

1. The name of the Corporation is [Elite Information Group, Inc.]

2. The address of its registered office in the State of Delaware is 2711 Centreville Road, Suite 400 in the City of Wilmington, Delaware, County of New Castle. The name of its registered agent at such address is Corporation Service Company.

3. The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law.

The Corporation shall possess and exercise all the powers and privileges granted by the General Corporation Law or by any other law of Delaware or by this Certificate of Incorporation together with any powers incidental thereto, so far as such powers are necessary or convenient to the conduct, promotion or attainment of the business or purposes of the Corporation.

4. The aggregate number of shares of all classes of capital stock which the Corporation shall have authority to issue is 1,000 shares of Common Stock, $0.01 par value.

5. Cumulative voting is prohibited.

6. The Corporation is to have perpetual existence.

7. To the fullest extent permitted by law, all of the powers of the management of the business and affairs of the Corporation are hereby conferred upon the Board of Directors of the Corporation. In furtherance and not in limitation thereof, the Board of Directors shall have the power to make, adopt, alter, amend and repeal the Bylaws of the Corporation, subject to the right of the stockholders to adopt, alter, amend and repeal bylaws made by the Board of Directors.

8. To the fullest extent permitted by the Delaware General Corporation Law as it now exists or may hereafter be amended, a director of the Corporation shall not be liable to the Corporation or to any of its stockholders for monetary damages for breach of fiduciary duty as a director. Any repeal or modification of this Article 8 shall not increase the personal liability of any director of the Corporation for any act or occurrence taking place before such repeal or modification, or otherwise adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification. The provisions of this Article 8

shall not be deemed to limit or preclude indemnification of a director by the Corporation of any liability of a director which has not been eliminated by the provisions of this Article 8.

9. (a) Each person who was or is made a party or is threatened to be made a party to or is involved (including, without limitation, as a witness) in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether or not by or in the right of the Corporation (a "proceeding"), by reason of the fact that he or she is or was a director or officer of the Corporation or, being or having been such a director or officer, he or she, or a person of whom he or she is a legal representative, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action or inaction in an official capacity as a director, officer, partner, trustee, employee or agent or in any other capacity while serving as a director, officer, partner, trustee, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent not prohibited by the Delaware General Corporation Law, public policy or other applicable law as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) actually and reasonably incurred or suffered by such person in connection therewith. The right to indemnification granted in this Article 9(a) shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any proceeding in advance of its final disposition; provided, however, that the payment of such expenses in advance of the final disposition of a proceeding shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined (including the final resolution of any suit which may be brought by such director or officer pursuant to the Bylaws of the Corporation seeking to enforce rights of indemnification) that such director or officer is not entitled to be indemnified under this Article 9(a) or otherwise. The indemnification granted in this Article 9(a) shall continue as to a person who has ceased to be a director, officer, partner, trustee, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that except as may be provided in the Bylaws of the Corporation with respect to proceedings seeking to enforce rights of indemnification, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation.

(b) If a claim under Article 9(a) is not paid in full by the Corporation within sixty days after a written claim has been received by the Corporation, except in the case of a claim for expenses incurred in defending a proceeding in advance of its final disposition, in which case the applicable period shall be twenty days, the claimant may at any time thereafter bring an action against the Corporation to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. The claimant shall be presumed to be entitled to indemnification under Article 9(a) upon submission of a written claim (and, in an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition, upon tender of any required

undertaking), and thereafter the Corporation shall have the burden of proof to overcome the presumption that the claimant is so entitled. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant is not entitled to indemnification shall be a defense to the action or create a presumption that the claimant is not so entitled. If an action is brought pursuant to Article 9(a), a final nonappealable order in such action shall constitute the ultimate determination of the claimant's right to indemnification.

(c) The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition granted in Article 9(a) shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of this Certificate of Incorporation or the Bylaws of the Corporation, agreement, vote of stockholders or disinterested directors or otherwise. The Corporation shall have the express right to grant additional indemnity without seeking further approval by the stockholders. All applicable indemnity provisions and any applicable law shall be interpreted and applied so as to provide a claimant with the broadest nonduplicative indemnity legally possible.

(d) Any repeal or amendment of this Article 9 or any portion hereof by the stockholders of the Corporation or by changes in applicable law shall, to the extent permitted by applicable law, be prospective only, and shall not adversely affect any right of any person to indemnification and advancement of expenses existing at the time of such repeal or amendment.

(e) In the event that any provision of this Article 9 is determined by a court to require the Corporation to do or to fail to do an act which is in violation of applicable law, such provision shall be limited or modified in its application to the minimum extent necessary to avoid a violation of law, and, as so limited or modified, such provision and the balance of this Article 9 shall remain in full force and effect.

10. The Corporation reserves the right to amend, alter, change, or repeal any provisions contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders of the Corporation herein are granted subject to this reservation.

EXECUTION COPY

STOCKHOLDERS SUPPORT AGREEMENT

STOCKHOLDERS SUPPORT AGREEMENT, dated as of April 2, 2003 (this "Agreement"), among THE THOMSON CORPORATION, a corporation organized under the laws of Ontario, Canada ("Parent"), GULF ACQUISITION CORP., a Delaware corporation and a wholly owned subsidiary of Parent ("Purchaser"), and each of the stockholders whose names appear on the signature pages of this Agreement (each a "Stockholder" and, collectively, the "Stockholders").

WHEREAS, as of the date hereof and except as noted on Exhibit A hereto, each Stockholder represents and warrants to Parent that such Stockholder owns (i) of record or through a nominee and (ii) beneficially and has good, valid and marketable title to, free and clear of any Lien, proxy, voting restriction, limitation on disposition, adverse claim of ownership or use or encumbrance of any kind, other than pursuant to this Agreement, and has the sole power to vote and full right, power and authority to sell, transfer and deliver, the number of shares of common stock, par value $0.01 per share ("Company Common Stock"), of ELITE INFORMATION GROUP, INC., a Delaware corporation (the "Company"), as set forth opposite such Stockholder's name on Exhibit A hereto (all such shares of Company Common Stock and any shares of Company Common Stock of which ownership of record or the power to vote is hereafter acquired by the Stockholders prior to the termination of this Agreement, including shares of Company Common Stock issuable upon the exercise of options to purchase Company Common Stock, being referred to herein as the "Shares"); and

WHEREAS, Parent, Purchaser and the Company propose to enter into, simultaneously herewith, an Agreement and Plan of Merger (the "Merger Agreement"; terms used but not defined in this Agreement shall have the meanings ascribed to them in the Merger Agreement), a draft of which has been made available to each Stockholder, which provides, upon the terms and subject to the conditions thereof, for the merger of Purchaser with and into the Company (the "Merger");

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements contained herein and in the Merger Agreement, and intending to be legally bound hereby, the Stockholders hereby agree as follows:

1. Tender of Shares. Promptly following the commencement of the Offer, each Stockholder hereby agrees that such Stockholder (a) shall tender, or cause to be tendered, to the Purchaser in the Offer, as promptly as practicable, but in any event within five business days of such commencement, all of such Stockholder's Shares pursuant to the terms of the Offer, and (b) shall not withdraw, or cause to be withdrawn, such Shares.

2. Grant of Proxy. Each Stockholder, by this Agreement, with respect to such Stockholder's Shares, hereby grants an irrevocable proxy to Purchaser (and agrees to execute such documents or certificates evidencing such proxy as Purchaser may reasonably request) to vote, at any meeting of the stockholders of the Company, and in any action by written consent of the stockholders of the Company, all of such Stockholder's Shares (a) in favor of the

approval and adoption of the Merger Agreement and approval of the Merger and all other transactions contemplated by the Merger Agreement and this Agreement, (b) against any action, agreement or transaction (other than the Merger Agreement or the transactions contemplated thereby) or proposal (including any Company Takeover Proposal) that would result in a breach of any covenant, representation or warranty or any other obligation or agreement of the Company under the Merger Agreement or that could result in any of the conditions to the Company's obligations under the Merger Agreement not being fulfilled, and (c) in favor of any other matter necessary to the consummation of the transactions contemplated by the Merger Agreement and considered and voted upon by the stockholders of the Company. Each Stockholder further agrees to cause such Stockholder's Shares to be voted in accordance with the foregoing. THIS PROXY IS IRREVOCABLE AND COUPLED WITH AN INTEREST. Each Stockholder acknowledges receipt and review of a copy of the Merger Agreement.

3. Transfer of Shares. Each Stockholder agrees that such Stockholder shall not, directly or indirectly, (a) sell, assign, transfer (including by operation of law), lien, pledge, dispose of or otherwise encumber any of the Shares or otherwise agree to do any of the foregoing, (b) deposit any Shares into a voting trust or enter into a voting agreement or arrangement or grant any proxy or power of attorney with respect thereto that is inconsistent with this Agreement, (c) enter into any contract, option or other arrangement or undertaking with respect to the direct or indirect acquisition or sale, assignment, transfer (including by operation of law) or other disposition of any Shares, or (d) take any action that would make any representation or warranty of such Stockholder herein untrue or incorrect in any material respect or have the effect of preventing or disabling the Stockholder from performing such Stockholder's obligations hereunder.

4. Representations and Warranties of the Stockholders. Each Stockholder hereby severally represents and warrants to Parent and Purchaser as follows:

(a) If such Stockholder is a corporation or other legal entity, such Stockholder is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation. Such Stockholder has all necessary power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by such Stockholder and the consummation by such Stockholder of the transactions contemplated hereby have been duly and validly authorized by all necessary action, and no other proceedings on the part of such Stockholder are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by such Stockholder and, assuming the due authorization, execution and delivery by Parent and Purchaser, constitutes the legal, valid and binding obligation of such Stockholder, enforceable against such Stockholder in accordance with its terms, except to the extent that enforcement may be limited by applicable bankruptcy, reorganization, insolvency, moratorium, or other laws affecting the enforcement of creditor's rights generally and by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(b) The execution and delivery of this Agreement by such Stockholder do not, and the performance of this Agreement by such Stockholder will not, (i) if such Stockholder is a corporation or other legal entity, conflict with or violate the Certificate of Incorporation or By-

laws or equivalent organizational documents of such Stockholder, (ii) assuming that all consents, approvals, authorizations and other actions described in subsection (c) have been obtained and all filings and obligations described in subsection (c) have been made, conflict with or violate any law applicable to such Stockholder or by which any property or asset of such Stockholder is bound or affected, or (iii) result in any breach of or constitute a default (or an event which, with notice or lapse of time or both, would become a default) under, or give to others any right of termination, amendment, acceleration or cancellation of, or result in the creation of a Lien or other encumbrance on any property or asset of such Stockholder pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation, except, with respect to clauses (ii) and (iii), for any such conflicts, violations, breaches, defaults or other occurrences as would not, individually or in the aggregate, prevent or materially delay the performance by such Stockholder of any of its obligations pursuant to this Agreement.

(c) The execution and delivery of this Agreement by such Stockholder do not, and the performance of this Agreement by such Stockholder will not, require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Entity, except (i) for applicable requirements, if any, of the Exchange Act and the HSR Act, and (ii) where the failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not, individually or in the aggregate, prevent or materially delay the performance by such Stockholder of any of such Stockholder's obligations pursuant to this Agreement.

(d) With respect to any Stockholder who is a natural person, the failure of the spouse, if any, of such Stockholder to be a party or signatory to this Agreement shall not (i) prevent such Stockholder from performing such Stockholder's obligations and consummating the transactions contemplated hereunder, or (ii) prevent this Agreement from constituting the legal, valid and binding obligation of such Stockholder in accordance with its terms.

5. Representations and Warranties of Parent and Purchaser. Each of Parent and Purchaser hereby represents and warrants to each Stockholder as follows:

(a) Each of Parent and Purchaser is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation. Each of Parent and Purchaser has all necessary power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by Parent and Purchaser and the consummation by Parent and Purchaser of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action, and no other corporate proceedings on the part of Parent and Purchaser are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Parent and Purchaser and, assuming due authorization, execution and delivery by the Stockholders, constitutes legal, valid and binding obligations of Parent and Purchaser enforceable against Parent and Purchaser in accordance with its terms, except to the extent that enforcement may be limited by applicable bankruptcy, reorganization, insolvency, moratorium, or other laws affecting the enforcement of creditor's rights generally and by general principles of

equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(b) The execution and delivery of this Agreement by Parent and Purchaser do not, and the performance of this Agreement by Parent and Purchaser will not, (i) conflict with or violate the organizational documents of Parent or Purchaser, (ii) assuming that all consents, approvals, authorizations and other actions described in subsection (c) have been obtained and all filings and obligations described in subsection (c) have been made, conflict with or violate any law, rule, regulation, order, judgment or decree applicable to Parent or Purchaser or by which any property or asset of Parent or Purchaser is bound or affected, or (iii) result in any breach of, or constitute a default (or an event that, with notice or lapse of time or both, would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a Lien or other encumbrance on any property or asset of Parent or Purchaser pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which Parent or Purchaser is a party or by which Parent or Purchaser or any property or asset of Parent or Purchaser is bound or affected, except, with respect to clauses (ii) and (iii), for any such conflicts, violations, breaches, defaults or other occurrences as would not, individually or in the aggregate, prevent or materially delay the performance by Parent and Purchaser of any of their obligations pursuant to this Agreement.

(c) The execution and delivery of this Agreement by Parent and Purchaser do not, and the performance of this Agreement by Parent and Purchaser will not, require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Entity, except (i) for applicable requirements, if any, of the Exchange Act and the HSR Act, and (ii) where the failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not, individually or in the aggregate, prevent or materially delay the performance by Parent and Purchaser of any of their obligations pursuant to this Agreement.

6. No Solicitation of Transactions. None of the Stockholders shall, directly or indirectly, through any officer, director, agent or otherwise, (a) solicit, initiate or encourage the submission of, any Company Takeover Proposal, or (b) participate in any discussions or negotiations regarding, or furnish to any person, any information with respect to, or otherwise cooperate in any way with respect to, or assist or participate in, facilitate or encourage, any unsolicited proposal that constitutes, or may reasonably be expected to lead to, a Company Superior Proposal; provided, however, that nothing in this Section 6 shall prevent the Stockholder, in such Stockholder's capacity as a director or executive officer of the Company from engaging in any activity permitted pursuant to Section 5.04 of the Merger Agreement. Each Stockholder shall, and shall direct or cause such Stockholder's representatives and agents to, immediately cease and cause to be terminated any discussions or negotiations with any parties that may be ongoing with respect to any Company Takeover Proposal.

7. Information for Offer Documents and Proxy Statement; Disclosure. Each Stockholder represents and warrants to Parent and Purchaser that none of the information relating to such Stockholder and such Stockholder's affiliates provided in writing by or on behalf of such Stockholder or such Stockholder's affiliates for inclusion in the Schedule TO, Schedule

14D-9, Offer Documents, or Proxy Statement will, at the respective times the Schedule TO, Schedule 14D-9, Offer Documents, or Proxy Statement are filed with the SEC or are first published, sent or given to the stockholders of the Company, contain any untrue statement of material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Each Stockholder authorizes and agrees to permit Parent and Purchaser to publish and disclose in the Offer Documents and the Proxy Statement and related filings under the securities laws such Stockholder's identity and ownership of Shares and the nature of such Stockholder's commitments, arrangements and understandings under this Agreement and any other information required by applicable Law.

8. Termination. The obligations of the Stockholders under this Agreement shall terminate upon the earliest of (a) the Effective Time, (b) any amendment to the Merger Agreement which adversely affects any Stockholder and (c) termination of the Merger Agreement in accordance with its terms. Nothing in this Section 8 shall relieve any party of liability for any breach of this Agreement.

9. Miscellaneous. Except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the transactions contemplated hereby are consummated; all notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by overnight courier, by facsimile or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at their addresses as specified on the signature pages of this Agreement; if any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party; this Agreement and the Merger Agreement constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof; this Agreement shall not be assigned (whether pursuant to a merger, by operation of law or otherwise), except that Parent or Purchaser may assign all or any of its rights and obligations hereunder to any affiliate of Parent, provided, however, that no such assignment shall relieve the assigning party of its obligations hereunder if such assignee does not perform such obligations; this Agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement; the parties hereto agree that irreparable damage would occur in the event any provision of this Agreement was not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or in equity; this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts executed in and to be performed in that State; this Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall

constitute one and the same agreement; from time to time, at the request of Parent, in the case of any Stockholder, or at the request of the Stockholders, in the case of Parent and Purchaser, and without further consideration, each party shall execute and deliver or cause to be executed and delivered such additional documents and instruments and take all such further action as may be reasonably necessary or desirable to consummate the transactions contemplated by this Agreement; EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

THE THOMSON CORPORATION

/s/ Deirdre Stanley

Name: Deirdre Stanley
Title: Senior Vice President
Address: One Metro Center
Stamford, CT 06902

GULF ACQUISITION CORP.

/s/ Michael E. Wilens

Name: Michael E. Wilens
Title: President
Address: 610 Opperman Drive
Eagan, MN 55123

STOCKHOLDERS

PAR Investment Partners, L.P.
By: PAR Group, L.P., General Partner
By: PAR Capital Management, Inc.,
General Partner

By: /s/ Arthur G. Epker III

Name: Arthur G. Epker III
Title: Vice President, PAR
Capital Management, Inc.

/s/ Arthur G. Epker, III

Name: Arthur G. Epker, III

/s/ Christopher K. Poole

Name: Christopher K. Poole

/s/ David A. Finley

Name: David A. Finley

/s/ Roger Noall

Name: Roger Noall

/s/ Alan Rich

Name: Alan Rich

/s/ William G. Seymour

Name: William G. Seymour

EXHIBIT A

LIST OF STOCKHOLDERS

Name of Stockholder	Number of Shares of Company Common Stock	Number of Shares Issuable Pursuant to Options Exercisable Within 60 Days of April 2, 2003
PAR Capital Management	1,220,300	0
Arthur G. Epker III	0	11,000
Christopher K. Poole	9,583	232,666
David A. Finley	0	87,666
Roger Noall	34,100	11,000
Alan Rich	0	11,000
William G. Seymour	434,622	11,000

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is dated as of this 10th day of April, 2003 by and between Elite Information Group, Inc., a Delaware corporation, and the successor thereto (the "Company"), and CHRISTOPHER K. POOLE, an individual residing at 1819 Fairmount Avenue, La Canada, California 91011 (the "Employee").

W I T N E S S E T H:

WHEREAS, the Employee is currently employed by the Company and is a party to an employment agreement, dated June 1, 1999, with the Company (the "Existing Employment Agreement"); and

WHEREAS, the Company desires to continue to employ the Employee in the manner hereinafter specified and to make provision for payment of reasonable compensation to the Employee for such services, and the Employee is willing to continue to be employed by the Company to perform the duties incident to such employment upon the terms and conditions hereinafter set forth; and

WHEREAS, the parties desire to enter into this Agreement, which shall supersede in its entirety the Existing Employment Agreement, as of the Effective Date (as hereinafter defined), setting forth the terms and conditions of the employment relationship of the Employee with the Company during the Term (as hereinafter defined).

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants, terms and conditions set forth herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. EMPLOYMENT AND DUTIES

(a) General. Effective as of the Effective Date, the Company shall hereby employ the Employee as President and General Manager of the NAL Software Business Unit of the Company, and the Employee agrees upon the terms and conditions herein set forth to be employed by the Company. The Employee shall diligently perform all of the duties accorded to such position, and shall report directly to a senior executive officer (the "TLR Executive Officer") of Thomson Legal and Regulatory ("TLR"), a wholly owned subsidiary of The Thomson Corporation ("Thomson"), which is a party to an Agreement and Plan of Merger (the "Merger Agreement"), dated as of April 2, 2003, with Gulf Acquisition Corp. and the Company.

(b) Services. During the Term, the Employee shall well and faithfully serve the Company, and shall devote substantially all of his business time and attention to the performance of the duties of such employment and the advancement of the best interests of the Company and shall not, directly or indirectly, render services to any other person or organization for which he receives compensation without the prior written approval of the TLR Executive Officer. The Employee hereby agrees to refrain from engaging in any activity that does, shall or could reasonably be deemed to conflict with the best interests of the Company.

(c) Location of Employment. The Employee's place of employment shall be at the office of the Company located in Los Angeles, California, but the Employee shall travel to the extent and to the places necessary for the performance of his duties to the Company.

2. TERM OF EMPLOYMENT

The term of the Employee's employment under this Agreement shall commence as of the date upon which the Offer (as defined in the Merger Agreement) is consummated (the "Effective Date") and continue until second anniversary thereof (the "Term").

3. COMPENSATION AND OTHER BENEFITS

Subject to the provisions of this Agreement, including, without limitation, the termination provisions contained in Section 4, the Company shall pay and provide the following compensation and other benefits to the Employee during the Term as compensation for all services rendered hereunder:

(a) Salary. The Company shall pay the Employee a base salary at the rate of $325,000 per annum (the "Salary"), payable to the Employee in accordance with the normal payroll practices of the Company as are in effect from time to time. A performance based merit increase review of the Salary shall be conducted annually by the TLR Executive Officer and the Salary may be increased on the basis of such review and then-current market practices.

(b) Annual Management Incentive Bonus. During the Term, the Employee shall be eligible to earn an annual cash bonus under TLR's Annual Management Incentive Plan (the "MIP") upon satisfaction of the performance objectives and pursuant to the terms and conditions set forth in the MIP, the material terms of which are attached hereto as Exhibit A (the "Annual Incentive"). The target amount of the Annual Incentive in respect of the 2003 plan year shall be an amount equal to 100% of his Salary and the maximum amount shall not exceed an amount equal to 200% of his Salary. The Annual Incentive in respect of the 2003 plan year that is earned and becomes payable shall be paid in the first quarter of 2004.

(c) Retention Performance Award. The Employee shall be eligible to earn a retention performance award under the Company's Retention Performance Bonus Plan (the "Retention Performance Plan") over the measurement period commencing on the Effective Date and ending on the last day of the 2004 plan year upon satisfaction of the performance objectives and pursuant to the terms and conditions set forth in the Retention Performance Plan, the material terms of which are attached hereto as Exhibit B (the "Retention Performance Award"). The target amount of the Retention Performance Award shall be equal to $400,000 and the maximum amount of the Retention Performance Award shall not exceed $800,000. The Retention Performance Award that is earned and becomes payable shall be paid in the first quarter of 2005.

(d) Integration Bonus. The Employee shall be entitled to a one-time payment in the form of a cash lump sum amount equal to $75,000, payable on the 90th day following the Effective Date, upon the successful completion of the preliminary objectives of the integration of the Company's business and operations with the business and operations of Thomson in

connection with the transaction contemplated by the Merger Agreement, the general description of which objectives is attached hereto as Exhibit C.

(e) Expenses. The Company shall pay or reimburse the Employee for all reasonable out-of-pocket expenses incurred by him in connection with his employment hereunder upon submission of appropriate documentation or receipts in accordance with the policies and procedures of the Company as are in effect from time to time. No expense payment or reimbursement under this Section 3(e) shall be "grossed up" or increased to take into account any tax liability incurred by the Employee as a result of such payment or reimbursement.

(f) Retirement, Welfare and Fringe Benefits. The Employee shall be eligible to participate in the retirement, medical, disability, long-term care and life insurance plans applicable to senior executives of the Company generally in accordance with the terms of such plans as in effect from time to time. Subject to Section 4(c)(ii), the foregoing shall not be construed to limit the ability of the Company or any of its affiliates to amend, modify or terminate any such benefit plans, policies or programs at any time and from time to time.

(g) Vacation. The Employee shall be entitled to four weeks of annual vacation in accordance with the Company's policies applicable to senior executives of the Company generally as are in effect from time to time.

4. TERMINATION OF EMPLOYMENT

Subject to the notice and other provisions of this Section 4, the Company shall have the right to terminate the Employee's employment hereunder, and the Employee shall have the right to resign, at any time for any reason or for no stated reason.

(a) Termination for Cause or Resignation. (i) If, prior to the expiration of the Term, the Employee's employment is terminated by the Company for "Cause" (as hereinafter defined) or if the Employee resigns from his employment hereunder for any reason other than a "Good Reason Resignation" (as hereinafter defined), the Employee shall be entitled to payment of (A) his Salary accrued up to and including the date of termination or resignation, (B) any Annual Incentive that is earned and payable with regard to a prior year but unpaid as of the date of termination or resignation and (C) any unreimbursed expenses. Except to the extent required by the terms of the benefits provided under Section 3(f) or applicable law, the Employee shall have no right under this Agreement or otherwise to receive any other compensation or to participate in any other plan, program or arrangement after such termination or resignation of employment with respect to the year of such termination or resignation and later years.

(ii) Termination for "Cause" shall mean a termination of the Employee's employment with the Company because of (A) the commission by the Employee of a felony offense (other than a traffic violation); (B) the continued or substantial failure to perform in any material respect the Employee's duties under this Agreement; (C) an act of fraud, embezzlement, theft or a material dishonest act by the Employee against the Company or its affiliates; (D) the commission by the Employee of an act involving moral turpitude that brings the Company or any of its affiliates into public disrepute or disgrace or causes material harm to customer relations, operations or business prospects of the Company or its affiliates; or (E) a material breach by the

Employee of the terms and provisions of this Agreement, the Proprietary Information and Inventions Agreement dated May 9, 1995 between the Employee and the Company (the "Proprietary Information Agreement") or any other agreement to which the Employee and the Company are party, or of any policy of the Company.

(iii) Termination of the Employee's employment for Cause shall be communicated by delivery to the Employee of a written notice from the Company stating that the Employee will be terminated for Cause, specifying the particulars thereof and the effective date of such termination. In the case of Section 4(a)(ii)(B) and 4(a)(ii)(E), the Employee shall have thirty (30) days from the date of receipt of such notice to effect a cure of the actions constituting Cause, or to effect a cure of the adverse effect such actions. Upon cure or correction thereof by the Employee to the reasonable satisfaction of the Company, such action shall no longer constitute Cause for purposes of this Agreement. The date of a resignation by the Employee other than a Good Reason Resignation shall be the date specified in a written notice of resignation from the Employee to the Company. The Employee shall provide at least 30 days' advance written notice of a resignation that is other than a Good Reason Resignation.

(b) Termination without Cause.

(i) If, prior to the expiration of the Term, the Company terminates the Employee's employment for any reason other than Disability or Cause (such termination being hereinafter referred to as a "Termination without Cause"), the Employee shall be entitled to (A) payment of his Salary accrued up to and including the date of the Termination without Cause, (B) payment of any Annual Incentive that is earned and payable with regard to a prior year but unpaid as of the date of termination or resignation, (C) payment of any unreimbursed expenses and (D) severance, subject to the Employee's execution and delivery to the Company of a standard release of employment related claims against the Company, of (1) a lump sum payment in cash equal to the sum of (W) the product of his Salary, at the rate in effect on the date of the Termination without Cause, multiplied by 1.5, plus (X) an amount equal to the portion of the medical, dental and vision benefits that the Company would have paid on behalf of the Employee and the number of dependants with respect to which the Employee was receiving benefits under these plans as of the date of the Termination without Cause had the Employee continued to participate in the benefit plans of the Company for a period of 18 months immediately following the date of the Good Reason Resignation, plus (Y) the unpaid portion of the target amount of the Annual Incentive applicable to the plan year in which the Termination without Cause occurs, prorated to reflect the number of days the Employee served as an employee of the Company during the plan year on which the Termination without Cause occurs, plus (Z) the greater of (a) four hundred thousand dollars ($400,000) or (b) the unpaid portion of the Retention Performance Award earned as of the date of the Employee's termination determined based on the Company's financial performance through the last day of the month immediately preceding Employee's termination (with any annual performance goals under the Retention Performance Bonus Plan to be prorated as applicable for purposes of such calculation), and (2) outplacement assistance for a maximum of 12 months in a maximum aggregate amount of $20,000.

(ii) The effective date of a Termination without Cause shall be the date specified in a written notice of termination to the Employee.

(c) Resignation for Good Reason. (i) If, prior to the expiration of the Term, the Employee resigns from his employment hereunder for Good Reason (a "Good Reason Resignation"), the Employee shall be entitled to (A) payment of his Salary accrued up to and including the date of the Good Reason Resignation, (B) payment of any Annual Incentive that is earned and payable but unpaid as of the date of termination or resignation, (C) payment of any unreimbursed expenses, and (D) severance, subject to the Employee's execution and delivery to the Company of a standard release of employment related claims against the Company , of (1) a lump sum payment in cash equal to the sum of (X) the product of his Salary, at the highest rate in effect during the Term, multiplied by 1.5, (Y) an amount equal to the portion of the medical, dental and vision benefits that the Company would have paid on behalf of the Employee and the number of dependants with respect to which the Employee was receiving benefits under these plans as of the date of the Good Reason Resignation had the Employee continued to participate in the benefit plans of the Company for a period of 18 months immediately following the date of the Good Reason Resignation, plus (Z) the unpaid portion of the target amount of the Annual Incentive applicable to the year on which the Good Reason Resignation occurs, prorated to reflect the number of days that the Employee served as an employee during the plan year on which the Good Reason Resignation occurs and (2) outplacement assistance for a maximum of 12 months in a maximum aggregate amount of $20,000.

(ii) Resignation for "Good Reason" shall mean the resignation by the Employee from employment with the Company because of (A) a material reduction in his duties or responsibilities, (B) a material reduction in his Salary, target amount of the Annual Incentive or Retention Performance Award, or the level of employee benefits, in the aggregate, provided pursuant to Section 3(f), (C) a change in the Employee's direct reporting relationship to any person not at the level of President of Thomson West or above, or (D) the requirement that the Employee relocate his place of employment to a location that is more than 40 miles from the location of employment set forth in Section 1(c).

(iii) A Good Reason Resignation shall be communicated by delivery to the Company of a written notice from the Employee stating that the Employee will resign for Good Reason, specifying the particulars thereof and the effective date of such resignation. The Company shall have thirty (30) days from the date of receipt of such notice to effect a cure of the actions constituting Good Reason, or to effect a cure of the adverse effect such actions. Upon cure or correction thereof by the Company to the reasonable satisfaction of the Employee, such action shall no longer constitute Good Reason for purposes of this Agreement.

(d) Termination Due to Disability. In the event of the Employee's Disability, the Company shall be entitled to terminate his employment. In the case that the Company terminates the Employee's employment due to Disability, the Employee shall be entitled to his Salary up to and including the date of termination as well as any unpaid expense reimbursements. As used in this Section 4(d), the term "Disability" shall mean that the Company determines that due to physical or mental illness or incapacity, whether total or partial, the Employee is substantially unable to perform his duties hereunder for a period of 90 consecutive days or shorter periods aggregating 90 days during any period of 180 consecutive days.

(e) Death. Except as provided in this Section 4(e), no Salary or benefits shall be payable under this Agreement following the date of the Employee's death. In the event of the Employee's death, any Salary earned by the Employee up to the date of death, as well as any unreimbursed expenses, shall be paid to the Employee's estate or Employee's named beneficiary within a reasonable period following his death.

5. PROTECTION OF THE COMPANY'S INTEREST

(a) Confidential Information and Work Product Assignment. The Employee hereby acknowledges and agrees to abide by his continuing obligations under the Proprietary Information Agreement.

(b) Protection of Trade Secrets and Third-Party Goodwill.

(i) The Employee acknowledges that in the course of his employment with the Company, he has and will in the course of his continued employment with the Company become familiar with the trade secrets of the Company and its affiliates and with other Confidential Information concerning the business of the Company and its affiliates. The Employee also acknowledges that all third parties that the Employee services or proposes to service while employed by the Company are doing business with the Company and not with the Employee personally, and that, in the course of dealing with such third parties, the Company establishes goodwill with respect to each such third party that is created and maintained at the Company's expense ("Third-Party Goodwill"). The Employee also acknowledges that, by virtue of his employment with the Company, he has gained or will gain knowledge of the business needs of, and other information concerning, third parties, and that the Employee will inevitably have to draw on such information were the Employee to solicit or service any of the third parties on his own behalf or on behalf of a business that competes with the Company.

(ii) The Employee acknowledges that the business of the Company and its affiliates is operated in the United States, Canada and in the United Kingdom, that their products and services are marketed throughout the entire United States, Canada and in the United Kingdom, that the Company and its affiliates compete in nearly all of their business activities with other individuals or entities that are, or could be, located in nearly any part of the United States, Canada and the United Kingdom and that the nature of the Employee's services, position, and expertise are such that the Employee is capable of competing with the Company and its affiliates from nearly any location in the United States. Accordingly, in order to protect the Company's confidential and proprietary information, including trade secrets of the Company, and Third-Party Goodwill, the Employee acknowledges and agrees that during the period beginning on the Effective Date and ending on the first anniversary of the date of termination of the Employee's employment for any reason whatsoever (the "Restricted Period"), the Employee shall not, without the Company's express written consent, directly or indirectly, own, control, manage, operate, participate in, be employed by or act for or on behalf of, any business located anywhere within the geographic boundaries of the United States, Canada and the United Kingdom engaged in competition in any manner with any business then engaged by the Company or by any of its affiliates, including, without limitation, any person, entity or business that is then in the business of developing or marketing software to law firms.

(c) Non-Solicitation.

(i) During the Restricted Period, the Employee shall not, without the prior written approval of the Company, directly or indirectly, solicit, induce or attempt to induce any employees, agents or consultants of the Company or any of its affiliates to do anything from which the Employee is restricted by reason of this Agreement nor shall the Employee solicit, induce or aid others to solicit or induce any employees, agents or consultants of the Company or any of its affiliates to terminate their employment with the Company or any of its affiliates or to enter into an employment, agency or consultancy relationship with the Employee or any other person or entity with whom the Employee is affiliated.

(ii) During the Restricted Period, the Employee shall not, directly or indirectly, without the prior written approval of the Company, solicit or contact any customer or potential customer of the Company or any of its affiliates for the purpose of: (A) any commercial pursuit which is in competition with the Company or any of its affiliates, (B) providing such customer or potential customer products or services that are the same as or substantially similar to those provided or offered to be provided by the Company or any of its affiliates or (C) taking away or interfering or attempting to interfere with any custom, trade, business or patronage of the Company or any of its affiliates.

(d) Non-Disparagement. The Employee agrees that at any time during his employment with the Company the Employee shall not make, or cause or assist any other person to make, any statement or other communication which impugns or attacks, or is otherwise critical of, the reputation, business or character of the Company, any subsidiary or any of their respective officers, directors, employees, products or services.

(e) Enforcement. The Employee hereby acknowledges that he has carefully reviewed the provisions of this Agreement and agrees that the provisions are fair and equitable, and that they are necessary and reasonable in order to protect the Company and its affiliates in the conduct of their business. However, in light of the possibility of differing interpretations of law and change in circumstances, the parties hereto agree that if any one or more of the provisions of this Section 5 is determined by a court or other tribunal of competent jurisdiction to be invalid, void or unenforceable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable or enforceable under such circumstances shall be substituted for the stated period, scope or area.

(f) Remedies. The Employee acknowledges that the Company has a compelling business interest in preventing unfair competition stemming from the intentional or inadvertent use or disclosure of the Company's confidential and proprietary information, including trade secrets of the Company. The Employee further acknowledges and agrees that damages for a breach or threatened breach of any of the covenants set forth in this Section 5 will be difficult to determine and will not afford a full and adequate remedy, and therefore agrees that the Company, in addition to seeking actual damages in connection therewith and the termination of the Company's obligations in Section 4(b), may seek specific enforcement of any such covenant in any court of competent jurisdiction, including, without limitation, by the issuance of a temporary or permanent injunction without the necessity of showing any actual damages or posting any bond or furnishing any other security, and that the specific enforcement of the

provisions of this Agreement will not diminish the Employee's ability to earn a livelihood or create or impose upon the Employee any undue hardship. The Employee also agrees that any request for such relief by the Company shall be in addition to, and without prejudice to, any claim for monetary damages that the Company may elect to assert.

6. GENERAL PROVISIONS

(a) No Other Severance Benefits. Except as specifically set forth in this Agreement, the Employee covenants and agrees that he shall not be entitled to any other form of severance benefits from the Company, including, without limitation, benefits otherwise payable under the Company's regular severance policies, if any, in the event his employment hereunder ends for any reason and, except with respect to obligations of the Company expressly provided for herein, the Employee unconditionally releases the Company and its subsidiaries and affiliates, and their respective directors, officers, employees and stockholders, or any of them, from any and all claims, liabilities or obligations under any severance or termination arrangements of the Company or any of its subsidiaries or affiliates.

(b) Tax Withholding. All amounts paid to Employee hereunder shall be subject to all applicable federal, state and local wage withholding.

(c) Notices. Any notice hereunder by either party to the other shall be given in writing by personal delivery, or certified mail, return receipt requested, or (if to the Company) by facsimile, in any case delivered to the applicable address set forth below:

(i) To the Company: Thomson Legal and Regulatory
610 Opperman Drive
Eagan, MN 55123

Facsimile No: (651) 687-1498
Attn: Senior Vice President of
Human Resources

With a copy to: Thomson Corporation
Metro Center
One Station Place
Stamford, CT 06902

Facsimile No: (203) 357-9762
Attn: TLR General Counsel

(ii) To the Employee: Christopher K. Poole
1819 Fairmount Avenue
La Canada
California 91011
Facsimile No: (323) 292-3975

or to such other persons or other addresses as either party may specify to the other in writing.

(d) Assignment; Assumption of Agreement. No right, benefit or interest hereunder shall be subject to assignment, encumbrance, charge, pledge, hypothecation or setoff by the Employee in respect of any claim, debt, obligation or similar process. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company to assume expressly and to agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

(e) Amendment. No provision of this Agreement may be amended, modified, waived or discharged unless such amendment, modification, waiver or discharge is agreed to in writing and signed by the parties. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

(f) Severability. If any term or provision hereof is determined to be invalid or unenforceable in a final court or arbitration proceeding, (i) the remaining terms and provisions hereof shall be unimpaired and (ii) the invalid or unenforceable term or provision shall be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision.

(g) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California (determined without regard to the choice of law provisions thereof).

(h) Entire Agreement. This Agreement and the Proprietary Information Agreement contain the entire agreement of the Employee, the Company and any predecessors or affiliates thereof with respect to the subject matter hereof and all prior agreements and negotiations, including, without limitation, the Existing Employment Agreement, are superseded hereby as of the Effective Date.

(i) Counterparts. This Agreement may be executed by the parties hereto in counterparts, each of which shall be deemed an original, but both such counterparts shall together constitute one and the same document.

(j) Survival. The provisions of Section 5 shall survive the termination of this Agreement.

(k) Expenses. The Company shall either pay directly at the Employee's request or reimburse the Employee for his reasonably incurred legal expenses directly related to the negotiation of this Agreement, in an amount that in no event shall exceed $5,000.

[Signature Page on Following Page]

IN WITNESS WHEREOF, the parties have executed this Agreement, effective as of the day and year first written above.

ELITE INFORMATION GROUP, INC.

By: /s/ Steven O. Todd

Name: Steven O. Todd
Title: Vice President

EMPLOYEE

/s/ Christopher K. Poole

CHRISTOPHER K. POOLE

October 7, 2002

VIA ELECTRONIC MAIL

Mr. Michael E. Wilens
President, West
610 Opperman Drive
Eagan, MN 55123

Dear Mike:

In connection with your consideration of a possible transaction with Elite Information Group. Inc. (the "Company"), you have requested information concerning the Company. As a condition to your being furnished such information, you agree to treat any information concerning the Company (whether prepared by the Company, its advisors or otherwise) which is furnished to you by or on behalf of the Company (herein collectively referred to as the "Evaluation Material") in accordance with the provisions of this letter and to take or abstain from taking certain other actions herein set forth. The term "Evaluation Material" does not include information which (i) is already in your possession, provided that such information is not known by you to be subject to another confidentiality agreement with or other obligation of secrecy to the Company or another party, or (ii) becomes generally available to the public other than as a result of a disclosure by you or your directors, officers, employees, agents or advisors, or (iii) becomes available to you on a non-confidential basis from a source other than the Company or its advisors, provided that such source is not known by you to be bound by a confidentiality agreement with or other obligation of secrecy to the Company or another party.

You hereby agree that the Evaluation Material will be used solely for the purpose of evaluating a possible transaction between the Company and you, and that such information will be kept confidential by you and your advisors; provided, however, that (i) any of such information may be disclosed to your directors, officers and employees and representatives of your advisors who need to know such information for the purpose of evaluating any such possible transaction between the Company and you (it being understood that such directors, officers, employees and representatives shall be informed by you of the confidential nature of such information and shall be directed by you to treat such information confidentially); provided,

however, that, until such time as the parties may execute a letter of intent or other expression of interest to proceed with a possible transaction, such information may not be disclosed to any officer, employee or representative who is employed by or devotes all or substantially all of his or her full time to, the Prolaw business unit of your company and (ii) any disclosure of such information may be made to which the Company consents in writing.

The Company recognizes that you may be engaged in the research, development, production, marketing, licensing and/or sale of similar or competitive products to those of the Company. Nothing in this Agreement shall be construed to prevent you from engaging independently in such activities, provided you do not utilize the Evaluation Materials in order to do so.

You hereby acknowledge that you are aware, and that you will advise such directors, officers, employees and representatives who are informed as to the matters which are the subject of this letter, that the United States securities laws prohibit any person who has received from an issuer material, non-public information concerning the matters which are the subject of this letter from purchasing or selling securities of such issuer or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

In addition, without the prior written consent of you or the Company, as the case may be, each party will not, and will direct its directors, officers, employees and representatives not to, disclose to any person either the fact that discussions or negotiations are taking place concerning a possible transaction between the Company and you or any of the terms, conditions or other facts with respect to any such possible transaction, including the status thereof.

You hereby acknowledge that the Evaluation Material is being furnished to you in consideration of your agreement that for a period of two years from the date of this Agreement you will not, directly or indirectly, and you will cause any person or entity controlled by you not to, without the prior written consent of the Company, (i) in any manner acquire, agree to acquire or make any proposal to acquire, directly or indirectly, more than 4.9% of the outstanding voting securities or property of the Company or any of its affiliates, (ii) propose to enter into, directly or indirectly, any merger, consolidation, recapitalization, business combination or other similar transaction involving the Company or any of its affiliates, (iii) make, or in any way participate in any "solicitation" of "proxies" (as such terms are used in the proxy rules of the Securities and Exchange Commission) to vote, or seek to advise or influence any person with respect to the voting of any voting securities of the Company or any of its affiliates, (iv) form, join or in any way participate in a "group" (within the meaning of Section 13(d)(3) of the 1934 Act) with respect to any control or influence of the management, Board of Directors or policies of the Company, (v) disclose any intention, plan or arrangement inconsistent with the foregoing, or (vi) advise, assist or encourage any other persons in connection with any of the foregoing. You also agree during such period not to (x) request that the Company (or its Representatives), directly or indirectly, amends or waives any provision of this paragraph (including this sentence), (y) take any action which might require the Company or any of its affiliates to make a public announcement regarding this Agreement or the possibility, of a merger, consolidation, business combination or other similar transaction, or (z) communicate with the Company's shareholders regarding the subject matter of this Agreement.

Notwithstanding the foregoing, the preceding paragraph shall not apply if any of the following shall occur: (i) the acquisition by any person or group of persons acting as a group of 50% or more of the then outstanding voting securities of the Company (the "Voting Securities"); or (ii) the announcement or commencement by any person or group of persons acting as a group of a tender or exchange offer to acquire 50% or more of the then outstanding Voting Securities.

In addition, for a period of one year from the date hereof, neither you nor any of your affiliated companies will hire any of the employees of the Company or its subsidiaries with whom you have had contact during the period of your review of the Company.

Although the Company has endeavored to include in the Evaluation Material information known to it that it believes to be relevant for the purpose of your investigation, you understand that neither the Company nor any of its representatives or advisors have made or make any representation or warranty as to the accuracy or completeness of the Evaluation Material. You agree that, neither the Company nor its representatives or advisors shall have any liability to you or any of your representatives or advisor: resulting from the use of the Evaluation Material.

In the event that you do not proceed with the transaction which is the subject of this letter within a reasonable time, you shall promptly redeliver to the Company all written Evaluation Material and any other written material containing or reflecting any information in the Evaluation Material (whether prepared by the Company, its advisors or otherwise) and will not retain any copies, extracts or other reproductions in whole or in part, of such written material. All documents, memoranda, notes and other writings whatsoever prepared by you or your advisors based on the information in the Evaluation Material shall be destroyed, and such destruction shall be certified in writing to the Company by an authorized officer supervising such destruction.

In the event that you or anyone to whom you transmit the Evaluation Material becomes legally compelled to disclose any of the Evaluation Material, you will provide the Company with prompt notice so that the Company may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this agreement. In the event that such protective order or other remedy is not obtained, or that the Company waives compliance with the provisions of this agreement, you will furnish only that portion of the I Evaluation Material which is legally required and will exercise your best efforts to obtain a protective order or other reliable assurance that confidential treatment will be accorded the Evaluation Material.

You agree that unless and until a definitive agreement between the Company and you with respect to any transaction referred to in the first paragraph of this letter has been executed and delivered, neither the Company nor you will be under any legal obligation of any kind whatsoever with respect to such a transaction by virtue of this or any written or oral expression with respect to such a transaction by any of its directors, officers, employees, agents or any other representatives or its advisors or representatives thereof except, in the case of this letter, for the matters specifically agreed to herein. The agreement set forth in this paragraph may be modified or waived only by a separate writing by the Company and you expressly so modifying or waiving such agreement.

This letter shall be governed by, and constrained in accordance with the laws of the State of California.

Very truly yours,

ELITE INFORMATION GROUP, INC.

By: /s/ Steven O. Todd

Steven O. Todd
Vice President

Confirmed and agreed to:

WEST PUBLISHING CORPORATION

By: /s/ Edward A. Friedland

Title: Vice President
