

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14D-1
TENDER OFFER STATEMENT PURSUANT TO SECTION 14(d)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934
AND

SCHEDULE 13D
UNDER THE SECURITIES EXCHANGE ACT OF 1934

COMPUTER LANGUAGE RESEARCH, INC.
(NAME OF SUBJECT COMPANY)

SABRE ACQUISITION, INC. AND
THE THOMSON CORPORATION
(BIDDER)

COMMON STOCK, \$.01 PAR VALUE
(TITLE OF CLASS OF SECURITIES)

20519510
(CUSIP NUMBER OF CLASS OF SECURITIES)

MICHAEL S. HARRIS, ESQ.
THE THOMSON CORPORATION
METRO CENTER AT ONE STATION PLACE
STAMFORD, CONNECTICUT 06902
TELEPHONE: (203) 969-8700
(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON AUTHORIZED TO
RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF BIDDER)

Copy to:

DAVID W. HELENIAK
599 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022
TELEPHONE: (212) 848-4000

CALCULATION OF FILING FEE

TRANSACTION VALUATION

AMOUNT OF FILING FEE

\$362,474,865.00*

\$72,494.97

[] Check 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:

Form or Registration No.:

Filing Party:

Date Filed:

* Note: The Transaction Value is calculated by multiplying \$22.50, the per share
tender offer price, by 16,109,994 the sum of the 14,463,844 shares of Common
Stock outstanding and the 1,646,150 shares of Common Stock subject to options
outstanding.

CUSIP NO. 20519510

1 NAME OF REPORTING PERSONS
S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON
THE THOMSON CORPORATION

2 CHECK THE APPROPRIATE BOX IS A MEMBER OF GROUP (a)
(b)

3 SEC USE ONLY

4 SOURCES OF FUNDS
WC

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEM 2(d) of 2(f) []

6 CITIZEN OR PLACE OR ORGANIZATION
ONTARIO, CANADA

7 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH
REPORTING PERSON
10,786,812 Shares which may be deemed beneficially owned pursuant to the Stock
Purchase Agreement described herein.

8 CHECK IF THE AGGREGATE AMOUNT IF ROW (7) EXCLUDES CERTAIN SHARES []

9 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (7)
74.6%

10 TYPE OF REPORTING PERSON
CO

This Tender Offer Statement on Schedule 14D-1 and Schedule 13D (the "Statement") relates to the offer by Sabre Acquisition, Inc., a Delaware corporation ("Purchaser") and a wholly owned subsidiary of The Thomson Corporation, a corporation organized under the laws of Ontario, Canada ("Parent"), to purchase all outstanding shares of Common Stock, par value \$.01 per share (the "Shares"), of Computer Language Research, Inc., a Texas corporation (the "Company"), at a price of \$22.50 per Share, net to the seller in cash upon the terms and subject to the conditions set forth in Purchaser's Offer to Purchase dated January 16, 1998 (the "Offer to Purchase") and in the related Letter of Transmittal (which together with any amendments and supplements thereto, collectively constitute the "Offer"), copies of which are attached hereto as Exhibits (a)(1) and (a)(2), respectively.

ITEM 1. SECURITY AND SUBJECT COMPANY.

(a) The name of the subject company is Computer Language Research, Inc., a Texas corporation (the "Company") which has its principal executive offices at 2395 Midway Road, Carrollton, Texas 75006.

(b) The class of equity securities being sought is all of the outstanding shares of Common Stock, par value \$.01 per share, of the Company. The information set forth in the Introduction and Section 1 ("Terms of the Offer; Expiration Date") of the Offer to Purchase is incorporated herein by reference.

(c) The information concerning the principal market in which the Shares are traded and certain high and low sales prices for the Shares in such principal market set forth in Section 6 ("Price Range of Shares; Dividends") of the Offer to Purchase is incorporated herein by reference.

ITEM 2. IDENTITY AND BACKGROUND.

(a)-(d) and (g) This Statement is filed by Purchaser and Parent. The information concerning the name, state or other place of organization, principal business and address of the principal office of each of Purchaser and Parent, and the information concerning the name, business address, present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment or occupation is conducted, material occupations, positions, offices or employments during the last five years and citizenship of each of the executive officers and directors of Purchaser and Parent are set forth in the Introduction, Section 8 ("Certain Information Concerning Purchaser and Parent") and Schedule I of the Offer to Purchase and are incorporated herein by reference.

(e) and (f) During the last five years, none of Purchaser or Parent, and, to the best knowledge of Purchaser and Parent, none of the persons listed in Schedule I of the Offer to Purchase has been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting activities subject to, federal or state securities laws or finding any violation of such laws.

ITEM 3. PAST CONTACTS, TRANSACTIONS OR NEGOTIATIONS WITH THE SUBJECT COMPANY.

(a) The information set forth in Section 8 ("Certain Information Concerning Purchaser and Parent") and Section 10 ("Background of the Offer; Contacts with the Company; the Merger Agreement and Related Agreements") is incorporated herein by reference.

(b) The information set forth in the Introduction, Section 7 ("Certain Information Concerning the Company"), Section 8 ("Certain Information Concerning Purchaser and Parent"), Section 10 ("Background of the Offer; Contacts with the Company; the Merger Agreement and Related Agreements") and Section 11 ("Purpose of the Offer; Plans for the Company After the Offer and the Merger") of the Offer to Purchase is incorporated herein by reference.

ITEM 4. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

(a)-(c) The information set forth in Section 9 ("Financing of the Offer and the Merger") of the Offer to Purchase is incorporated herein by reference.

ITEM 5. PURPOSE OF THE TENDER OFFER AND PLANS OR PROPOSALS OF THE BIDDER.

(a)-(e) The information set forth in the Introduction, Section 10 ("Background of the Offer; Contacts with the Company; the Merger Agreement and Related Agreements") and Section 11 ("Purpose of the Offer; Plans for the Company After the Offer and the Merger") of the Offer to Purchase is incorporated herein by reference.

(f) and (g) The information set forth in Section 13 ("Effect of the Offer on the Market for Shares, Nasdaq Quotation and Exchange Act Registration") of the Offer to Purchase is incorporated herein by reference.

ITEM 6. INTEREST IN SECURITIES OF THE SUBJECT COMPANY.

(a) and (b) The information set forth in Section 8 ("Certain Information Concerning Purchaser and Parent") is incorporated herein by reference.

ITEM 7. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO THE SUBJECT COMPANY'S SECURITIES.

The information set forth in the Introduction, Section 8 ("Certain Information Concerning Purchaser and Parent"), Section 10 ("Background of the Offer; Contacts with the Company; the Merger Agreement and Related Agreements") and Section 11 ("Purpose of the Offer; Plans for the Company After the Offer and the Merger") of the Offer to Purchase is incorporated herein by reference.

ITEM 8. PERSONS RETAINED, EMPLOYED OR TO BE COMPENSATED.

The information set forth in the Introduction and Section 16 ("Fees and Expenses") of the Offer to Purchase is incorporated herein by reference.

ITEM 9. FINANCIAL STATEMENTS OF CERTAIN BIDDERS.

The information set forth in Section 8 ("Certain Information Concerning Purchaser and Parent") of the Offer to Purchase is incorporated herein by reference. The financial statements of Parent and Purchaser are not material to a decision by a security holder of the Company to sell, tender or hold Shares.

ITEM 10. ADDITIONAL INFORMATION.

(a) Not applicable.

(b) and (c) The information set forth in Section 15 ("Certain Legal Matters and Regulatory Approvals") of the Offer to Purchase is incorporated herein by reference.

(d) The information set forth under Section 13 ("Effect of the Offer on the Market for the Shares, Nasdaq Quotation and Exchange Act Registration") of the Offer to Purchase is incorporated herein by reference.

(e) Not applicable.

(f) The information set forth in the Offer to Purchase, the Letter of Transmittal, the Agreement and Plan of Merger, dated as of January 12, 1998, among Parent, Purchaser and the Company, the Stock Purchase Agreement, dated as of January 12, 1998, between Parent, Purchaser and certain Shareholders of the Company, the Form of Retention Agreement between the Company and M. Brian Healy, the Form of Retention Agreement between the Company and Francis W. Winn, the form of Retention Agreement between the Company and Douglas H. Gross and the Form of Retention Agreement between the Company

and Stephen T. Winn copies of which are attached as Exhibits (a)(1), (a)(2), (c)(1), (c)(2), (c)(3), (c)(4), (c)(5) and (c)(6) respectively, is incorporated herein by reference.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

- (a)(1) Form of Offer to Purchase dated January 16, 1998.
- (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 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 January 16, 1998.
- (a)(8) Press Release issued jointly by Parent and Company on January 13, 1998.
- (a)(9) Consolidated Financial Statements of Parent as set forth in Parent's 1996 Annual Report to Shareholders.
- (c)(1) Agreement and Plan of Merger, dated as of January 12, 1998, among Parent, Purchaser and the Company.
- (c)(2) Stock Purchase Agreement, dated as of January 12, 1998, among Parent, Purchaser and certain Shareholders of the Company.
- (c)(3) Form of Retention Agreement between the Company and M. Brian Healy.
- (c)(4) Form of Retention Agreement between the Company and Francis W. Winn.
- (c)(5) Form of Retention Agreement between the Company and Douglas H. Gross.
- (c)(6) Form of Retention Agreement between the Company and Stephen T. Winn.
- (d) None.
- (e) Not applicable.
- (f) None.

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: 1/16/98

THE THOMSON CORPORATION

By: /s/ MICHAEL S. HARRIS

Name: Michael S. Harris
Title: Assistant Secretary

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: 1/16/98

SABRE ACQUISITION, INC.

By: /s/ MICHAEL S. HARRIS

Name: Michael S. Harris
Title: President

EXHIBIT INDEX

| EXHIBIT NO. ----- | PAGE IN SEQUENTIAL NUMBERING SYSTEM ----- |
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| (a)(2) | Form of Letter of Transmittal..... |
| (a)(3) | Form of Notice of Guaranteed Delivery..... |
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OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF COMMON STOCK
OF
COMPUTER LANGUAGE RESEARCH, INC.
AT

\$22.50 NET PER SHARE
BY

SABRE ACQUISITION, INC.,
A WHOLLY OWNED SUBSIDIARY OF

THE THOMSON CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, FEBRUARY 13, 1998, UNLESS THE OFFER IS EXTENDED.

THE BOARD OF DIRECTORS OF THE COMPANY HAS UNANIMOUSLY APPROVED THE OFFER AND DETERMINED THAT EACH OF THE OFFER AND THE MERGER (AS DEFINED HEREIN) IS FAIR TO, AND IN THE BEST INTERESTS OF, THE SHAREHOLDERS OF THE COMPANY AND RECOMMENDS THAT SHAREHOLDERS ACCEPT THE OFFER AND TENDER THEIR SHARES PURSUANT TO THE OFFER.

THE THOMSON CORPORATION AND SABRE ACQUISITION, INC. ("PURCHASER") HAVE ENTERED INTO A STOCK PURCHASE AGREEMENT WITH CERTAIN SHAREHOLDERS WHO OWN AN AGGREGATE OF APPROXIMATELY 74.6% OF THE OUTSTANDING SHARES OF THE COMPANY'S COMMON STOCK, PURSUANT TO WHICH, AMONG OTHER THINGS, SUCH SHAREHOLDERS HAVE AGREED TO VALIDLY TENDER (AND NOT WITHDRAW) ALL SUCH SHARES PURSUANT TO THE OFFER AND HAVE OTHERWISE AGREED TO SELL TO PURCHASER ALL SUCH SHARES AT A PRICE OF \$22.50 PER SHARE.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (i) THERE BEING VALIDLY TENDERED AND NOT WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER AT LEAST TWO-THIRDS OF THE OUTSTANDING SHARES ON A FULLY DILUTED BASIS (INCLUDING, WITHOUT LIMITATION, ALL SHARES ISSUABLE UPON CONVERSION OF ANY CONVERTIBLE SECURITIES OR UPON THE EXERCISE OF ANY OPTIONS, WARRANTS OR RIGHTS) AND (ii) THE EXPIRATION OR TERMINATION OF THE APPLICABLE WAITING PERIOD UNDER THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED.

IMPORTANT

Any shareholder desiring to tender all or any portion of such shareholder's shares of common stock, par value \$0.01 per share (the "Shares"), of the Company should either (1) complete and sign the Letter of Transmittal (or a facsimile thereof) in accordance with the instructions in the Letter of Transmittal, mail or deliver it and any other required documents to the Depositary and either deliver the certificate(s) evidencing tendered Shares or deliver such Shares pursuant to the procedure for book-entry transfer set forth in Section 3 or (2) request such shareholder's broker, dealer, commercial bank, trust company or other nominee to effect the transaction for such shareholder. Any shareholder 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 shareholder desires to tender such Shares.

A shareholder 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.

Questions or requests for assistance may be directed to the Information Agent 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 be obtained from the Information Agent or from brokers, dealers, commercial banks or trust companies.

January 16, 1998

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To the Holders of Common Stock of
Computer Language Research, Inc.:

INTRODUCTION

Sabre Acquisition, Inc., a Delaware corporation ("Purchaser") and a wholly owned subsidiary of The Thomson Corporation, a corporation organized under the laws of Ontario, Canada ("Parent"), hereby offers to purchase all outstanding shares of common stock, par value \$0.01 per share (the "Shares"), of Computer Language Research, Inc., a Texas corporation (the "Company"), at a purchase price of \$22.50 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (which together constitute the "Offer"). See Section 8 for additional information concerning Parent and Purchaser.

Tendering shareholders 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. However, any tendering shareholder 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 back-up U.S. federal income tax withholding of 31% of the gross proceeds payable to such holder or other payee pursuant to the Offer. See Section 5. Purchaser will pay all charges and expenses of ChaseMellon Shareholder Services L.L.C. (the "Depositary") and Innisfree M&A Incorporated (the "Information Agent") incurred in connection with the Offer. See Section 16.

THE BOARD OF DIRECTORS OF THE COMPANY (THE "BOARD") HAS UNANIMOUSLY APPROVED THE OFFER AND DETERMINED THAT EACH OF THE OFFER AND THE MERGER (AS DEFINED BELOW) IS FAIR TO, AND IN THE BEST INTERESTS OF, THE SHAREHOLDERS OF THE COMPANY AND RECOMMENDS THAT SHAREHOLDERS ACCEPT THE OFFER AND TENDER THEIR SHARES PURSUANT TO THE OFFER.

PARENT AND PURCHASER HAVE ENTERED INTO A STOCK PURCHASE AGREEMENT WITH CERTAIN SHAREHOLDERS WHO OWN AN AGGREGATE OF APPROXIMATELY 74.6% OF THE OUTSTANDING SHARES, PURSUANT TO WHICH, AMONG OTHER THINGS, SUCH SHAREHOLDERS HAVE AGREED TO VALIDLY TENDER (AND NOT WITHDRAW) ALL SUCH SHARES PURSUANT TO THE OFFER AND HAVE OTHERWISE AGREED TO SELL TO PURCHASER ALL SUCH SHARES AT A PRICE OF \$22.50 PER SHARE.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (i) THERE BEING VALIDLY TENDERED AND NOT WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER AT LEAST TWO-THIRDS OF THE OUTSTANDING SHARES ON A FULLY DILUTED BASIS (INCLUDING, WITHOUT LIMITATION, ALL SHARES ISSUABLE UPON CONVERSION OF ANY CONVERTIBLE SECURITIES OR UPON THE EXERCISE OF ANY OPTIONS, WARRANTS OR RIGHTS) (THE "MINIMUM CONDITION") AND (ii) THE EXPIRATION OR TERMINATION OF THE APPLICABLE WAITING PERIOD UNDER THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED (THE "HSR ACT"). THE OFFER IS ALSO SUBJECT TO CERTAIN OTHER CONDITIONS CONTAINED IN THIS OFFER TO PURCHASE. SEE SECTIONS 1 AND 14, 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 January 12, 1998 (the "Merger Agreement"), among Parent, Purchaser and the Company. The Merger Agreement provides among other things, that as soon as practicable after the purchase of Shares pursuant to the Offer and the satisfaction of the other conditions set forth in the Merger Agreement and in accordance with the relevant provisions of the General Corporation Law of the State of Delaware ("Delaware Law") and the Texas Business Corporation Act ("Texas Law"), Purchaser will be merged with and into the Company (the "Merger"). Following consummation of the Merger, the Company will continue as the surviving corporation (the "Surviving Corporation") and will become a wholly owned subsidiary of Parent. At the effective time of the Merger (the "Effective Time"), each Share issued and outstanding immediately prior to the Effective

Time (other than Shares held in the treasury of the Company or owned by Purchaser, Parent or any direct or indirect wholly owned subsidiary of Parent or of the Company, and other than Shares held by shareholders who shall have fully complied with the statutory dissenter's procedures set forth in Texas Law) will be cancelled and converted automatically into the right to receive \$22.50 in cash, or any higher price that may be paid per Share in the Offer, without interest (the "Merger Consideration"). Shareholders who fully comply with the statutory dissenter's procedures set forth in Texas Law, the relevant portions of which are attached to this Offer to Purchase as Schedule II, 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 Texas Law. The Merger Agreement is more fully described in Section 10.

Concurrently with entering into the Merger Agreement, Parent, Purchaser and certain shareholders of the Company (the "Majority Shareholders") entered into a Stock Purchase Agreement, dated as of January 12, 1998 (the "Stock Purchase Agreement"), pursuant to which, upon the terms and conditions set forth therein, the Majority Shareholders agreed to validly tender (and not withdraw) pursuant to the Offer all Shares now or hereafter owned (beneficially or of record) by the Majority Shareholders and have otherwise agreed to sell to Purchaser all such Shares at a purchase price per Share equal to \$22.50 (or any higher price that may be paid per Share in the Offer). See Section 10. On January 12, 1998, the Majority Shareholders owned (either beneficially or of record) 10,786,962 Shares, constituting approximately 74.6% of the outstanding Shares (or approximately 67% of the outstanding Shares on a fully diluted basis). The Stock Purchase Agreement is more fully described in Section 10. The Majority Shareholders are comprised of Stephen T. Winn, President and Chief Executive Officer and a director of the Company, and his spouse; David L. Winn and James R. Dunaway, Jr., directors of the Company, and their respective spouses; Francis W. Winn, Chairman of the Board, and his spouse; certain trusts and partnerships controlled by, or for the benefit of, various members of the Winn family; and certain investment funds (collectively, "Advance Capital") affiliated with Jeffrey T. Leeds, a director of the Company. Francis W. Winn is the father of Stephen T. Winn and David L. Winn and the father-in-law of James R. Dunaway, Jr.

The Merger Agreement provides that, promptly upon the purchase by Purchaser of Shares pursuant to the Offer and from time to time thereafter, Purchaser shall be entitled to designate up to such number of directors, rounded up to the next whole number, on the Board as will give Purchaser representation on the Board equal to the product of the total number of directors on the Board multiplied by the percentage that the aggregate number of Shares beneficially owned by Purchaser or any affiliate following such purchase bears to the total number of Shares then outstanding. In the Merger Agreement, the Company has agreed to take all actions necessary to cause Purchaser's designees to be elected as directors of the Company, including increasing the size of the Board or securing the resignations of incumbent directors or both.

The consummation of the Merger is subject to the satisfaction or waiver of certain conditions, including, if required under Texas Law, the approval and adoption of the Merger Agreement by the requisite vote of the shareholders of the Company. See Section 11. Under the Company's Articles of Incorporation and Texas Law, the affirmative vote of the holders of at least two-thirds of the outstanding Shares is required to approve and adopt the Merger Agreement and the Merger. Consequently, if Purchaser acquires (pursuant to the Offer, the Stock Purchase Agreement or otherwise) at least two-thirds of the outstanding Shares, Purchaser will have sufficient voting power to approve and adopt the Merger Agreement and the Merger without the vote of any other shareholder. UPON CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THE STOCK PURCHASE AGREEMENT, PARENT AND PURCHASER, BY VIRTUE OF THE ACQUISITION OF APPROXIMATELY 74.6% OF THE OUTSTANDING SHARES, WILL OWN A NUMBER OF SHARES SUFFICIENT, EVEN IF NO OTHER SHARES ARE TENDERED IN THE OFFER, TO CAUSE THE MERGER TO OCCUR WITHOUT THE AFFIRMATIVE VOTE OF ANY OTHER HOLDER OF SHARES. SEE SECTIONS 10 AND 11. IN ADDITION, THE MINIMUM CONDITION WILL BE SATISFIED AT SUCH TIME AS THE MAJORITY SHAREHOLDERS TENDER INTO THE OFFER ALL SHARES HELD BY THE MAJORITY SHAREHOLDERS AS REQUIRED BY THE STOCK PURCHASE AGREEMENT.

Under Texas Law and Delaware Law, if Purchaser acquires, pursuant to the Offer, the Stock Purchase Agreement or otherwise, at least 90% of the then outstanding Shares, Purchaser will be able to approve and adopt the Merger Agreement and the transactions contemplated thereby, including the Merger, without a vote of the Company's shareholders. In such event, Parent, Purchaser and the Company have agreed to take, at the request of Purchaser, all necessary and appropriate action to cause the Merger to become effective as soon as

reasonably practicable after such acquisition, without a meeting of the Company's shareholders. If, however, Purchaser does not acquire at least 90% of the then outstanding Shares pursuant to the Offer, the Stock Purchase Agreement or otherwise and a vote of the Company's shareholders is required under Delaware Law and Texas Law, a significantly longer period of time will be required to effect the Merger. See Section 11.

The Company has advised Purchaser that as of January 12, 1998, 14,463,844 Shares were issued and outstanding, 1,646,150 Shares were reserved for future issuance pursuant to employee stock options ("Options") and 810,019 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 10,740,000 Shares.

THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ BEFORE ANY DECISION IS MADE WITH RESPECT TO THE 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 prior to the Expiration Date (as hereinafter defined) and not withdrawn as permitted by Section 4. The term "Expiration Date" means 12:00 midnight, New York City time, on Friday, February 13, 1998, unless and until Purchaser, subject to the terms and conditions of the Merger Agreement, shall have extended the period during which the Offer is open, in which event the term "Expiration Date" shall mean the latest time and date at which the Offer, as so extended by Purchaser, shall expire.

Purchaser expressly reserves the right, in its sole discretion (but subject to the terms and conditions of the Merger Agreement), at any time and from time to time, to extend for any reason the period of time during which the Offer is open, including the occurrence of any of the conditions specified in Section 14, by giving oral or written notice of such extension to the Depositary. During any such extension, all Shares previously tendered and not withdrawn will remain subject to the Offer, subject to the rights of a tendering shareholder to withdraw his Shares. See Section 4.

Subject to the applicable regulations of the Commission, Purchaser also expressly reserves the right, in its sole discretion (but subject to the terms and conditions of the Merger Agreement), at any time and from time to time, (i) to delay acceptance for payment of, or, regardless of whether such Shares were theretofore accepted for payment, payment for, any Shares pending receipt of any regulatory approval specified in Section 15, (ii) to terminate the Offer and not accept for payment any Shares upon the occurrence of any of the conditions specified in Section 14, (iii) to increase the price per Share payable in the Offer and to modify other terms of the Offer and (iv) to waive any condition or otherwise amend the Offer in any respect, by giving oral or written notice of such delay, termination, waiver or amendment to the Depositary and by making a public announcement thereof. The Merger Agreement provides that, without the prior consent of the Company, Purchaser will not (i) waive the Minimum Condition or reduce the number of Shares subject to the Offer, (ii) reduce the price per Share payable in the Offer, (iii) extend the Offer or amend or add to the conditions to the Offer, (iv) change the form of consideration payable in the Offer, or (v) amend, add or waive any other term of the Offer in any manner that would adversely affect the Company or its shareholders. Notwithstanding the foregoing, the Merger Agreement provides that Purchaser (i) will not terminate and will extend the Offer, up to February 28, 1998 if, at the initial scheduled expiration of the Offer, or any extension thereof, any of the conditions to the Offer have not been satisfied or waived by Purchaser (provided that if the only unsatisfied condition to the Offer is the failure of the waiting period under the HSR Act to have expired or been terminated, then Purchaser will extend the Offer, for one or more periods of not more than 10 business days, pursuant to this clause (i) up to May 15, 1998), (ii) will extend the Offer for any period required by any rule, regulation or interpretation of the Commission or the staff thereof applicable to the Offer, and (iii) may, without the consent of the Company, extend the Offer for an aggregate period of not more than 10 business days beyond the latest applicable date that would otherwise be permitted under clause (i) or (ii) of this sentence if, as of such date, all of the conditions to the Offer are satisfied or waived by Purchaser, but the number of Shares validly tendered and not withdrawn pursuant to the Offer equals 80% or more, but less than 90%, of the then outstanding Shares on a fully diluted basis. Purchaser acknowledges that

(i) Rule 14(e)-1(c) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires Purchaser to pay the consideration offered or return the Shares tendered promptly after termination or withdrawal of the Offer and (ii) Purchaser may not delay the payment of, or payment for (except as provided in clause (i) of the first sentence of this paragraph), any Shares upon the occurrence of any of the conditions specified in Section 14 without extending the period of time during which the Offer is open.

Any such extension, delay, termination, waiver or amendment will be followed as promptly as practicable by public announcement thereof, such announcement in the case of an extension to 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(c) and 14d-6(d) under the Exchange Act, which require that material changes be promptly disseminated to shareholders 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 shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a press release to the Dow Jones News Service and making appropriate filings with the Commission.

If Purchaser makes a material change in the terms of the Offer or the information concerning the Offer, or if it waives a material condition of the Offer, Purchaser will extend the Offer to the extent required by Rules 14d-4(c) and 14d-6(d) under the Exchange Act.

Subject to the terms of the Merger Agreement, if, prior to the Expiration Date, Purchaser should decide to decrease the number of Shares being sought or to increase or decrease the consideration being offered in the Offer, such decrease in the number of Shares being sought or such increase or decrease in the consideration being offered will be applicable to all shareholders whose Shares are accepted for payment pursuant to the Offer and, if at the time notice of any such decrease in the number of Shares being sought or such increase or decrease 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 ten business day period. For purposes of the Offer, a "business day" means any day other than a Saturday, Sunday or federal holiday and consists of the time period from 12:01 a.m. through 12:00 midnight, New York City time.

The Company has provided Purchaser with the Company's shareholder list and security position listings for the purpose of disseminating the Offer to holders of Shares. This Offer to Purchase and the related Letter of Transmittal will be mailed to record holders of Shares whose names appear on the Company's shareholder list and will be furnished, 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 shareholder 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 any such extension or amendment), Purchaser will accept for payment, and will pay for, all Shares validly tendered prior to the Expiration Date and not properly withdrawn promptly after the later to occur of (i) the Expiration Date, (ii) the expiration or termination of any applicable waiting periods under the HSR Act, and (iii) the satisfaction or waiver of the conditions to the Offer set forth in Section 14. Subject to applicable rules of the Commission and the terms of the Merger Agreement. Purchaser expressly reserves the right to delay acceptance for payment of, or payment for, Shares pending receipt of any regulatory approvals specified in Section 15 or in order to comply in whole or in part with any other applicable law.

In all cases, payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depository of (i) the certificates evidencing such Shares (the "Share Certificates") or timely confirmation (a "Book-Entry Confirmation") of the book-entry transfer of such Shares into the Depository's account at The Depository Trust Company (the "Book-Entry Transfer Facility"), pursuant to the procedures set forth in Section 3, (ii) the Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees or an Agent's

Message, as defined below, in connection with the book-entry transfer 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 Depository 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 which are the subject of the Book-Entry Confirmation, that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and that the Company may enforce such agreement against such participant.

On January 13, 1998, Parent filed with the Federal Trade Commission (the "FTC") and the Antitrust Division of the Department of Justice (the "Antitrust Division") a Premerger Notification and Report Form under the HSR Act with respect to the Offer and the Stock Purchase Agreement. Accordingly, it is anticipated that the waiting period under the HSR Act applicable to the Offer and to the Stock Purchase Agreement will expire at 11:59 p.m., New York City time, on January 28, 1998. Prior to the expiration or termination of such waiting period, the FTC or the Antitrust Division may extend such waiting period by requesting additional information from Parent or the Company with respect to the Offer, or from Parent or the Majority Shareholders with respect to the Stock Purchase Agreement. If such a request is made, the waiting period will expire at 11:59 p.m., New York City time, on the tenth calendar day after substantial compliance by Parent with such a request. Thereafter, the waiting period may be extended only by court order. The waiting period under the HSR Act may be terminated prior to its expiration by the FTC and the Antitrust Division. Parent has requested early termination of the waiting period, although there can be no assurance that this request will be granted. See Section 15 for additional information regarding the HSR Act.

For purposes of the Offer, 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 Depository 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 accepted for payment pursuant to the Offer will be made by deposit of the purchase price thereof with the Depository, which will act as agent for tendering shareholders for the purpose of receiving payments from Purchaser and transmitting such payments to tendering shareholders whose Shares have been accepted for payment. UNDER NO CIRCUMSTANCES WILL INTEREST ON THE PURCHASE PRICE FOR SHARES BE PAID, REGARDLESS OF ANY DELAY IN MAKING SUCH PAYMENT.

If any tendered Shares are not accepted for payment for any reason pursuant to the terms and conditions of 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 shareholder (or, in the case of Shares tendered by book-entry transfer into the Depository's account at the Book-Entry Transfer Facility pursuant to the procedure set forth in Section 3, such Shares will be credited to an account maintained at the 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 the Shares tendered pursuant to 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 shareholders to receive payment for Shares validly tendered and accepted for payment pursuant to the Offer.

3. PROCEDURES FOR ACCEPTING THE OFFER AND TENDERING SHARES. In order for a holder of Shares validly to tender Shares pursuant to the Offer, the Letter of Transmittal (or a 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 in lieu of the Letter of Transmittal) and any other documents required by the Letter of Transmittal, must be received by the Depository at one of its addresses set forth on the back cover of this Offer to Purchase and either (i) the Share Certificates evidencing tendered Shares must be received by the Depository at such address or such Shares must be tendered pursuant to the procedure for book-entry transfer described below and a Book-Entry Confirmation must be received by the Depository (including an Agent's Message if the tendering shareholder has not delivered a Letter of Transmittal), in each case prior to the

Expiration Date, or (ii) the tendering shareholder 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 SHAREHOLDER, 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 the 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, the Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, together with any required signature guarantees (or an Agent's Message in lieu of the Letter of Transmittal) 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 tendering shareholder 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 Medallion Signature Guarantee 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 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 shareholder desires to tender Shares pursuant to the Offer and such shareholder's Share Certificates evidencing such Shares are not immediately available or such shareholder cannot deliver the Share Certificates and all other required documents to the Depositary prior to the Expiration Date, or such shareholder 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 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 transmitted by telegram, telex or facsimile transmission to the Depository 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.

In all cases, payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depository 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 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 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 SHALL 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 or any defect or irregularity, in the tender of any Shares of any particular shareholder, whether or not similar defects or irregularities are waived in the case of other shareholders. 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, PARENT, 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.

Other Requirements. By executing the Letter of Transmittal as set forth above, a tendering shareholder irrevocably appoints designees of Purchaser as such shareholder's proxies, each with full power of substitution, in the manner set forth in the Letter of Transmittal, to the full extent of such shareholder's rights with respect to the Shares tendered by such shareholder 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 January 12, 1998). All such proxies shall be considered 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 proxies given by such shareholder with respect to such Shares (and such other Shares and securities) will be revoked without further action, and no subsequent proxies may be given nor any subsequent written consent executed by such shareholder (and, if given or executed, will not be deemed to be effective) with respect thereto. The designees of Purchaser will, with respect to the Shares for which the appointment is effective, be empowered to exercise all voting and other rights of such shareholder as they in their sole discretion may deem proper at any annual or special meeting of the Company's shareholders 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).

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

TO PREVENT BACKUP FEDERAL INCOME TAX WITHHOLDING WITH RESPECT TO PAYMENT TO CERTAIN SHAREHOLDERS OF THE PURCHASE PRICE OF SHARES PURCHASED PURSUANT TO THE OFFER, EACH SUCH SHAREHOLDER MUST PROVIDE THE DEPOSITARY WITH SUCH SHAREHOLDER'S CORRECT TAXPAYER IDENTIFICATION NUMBER AND CERTIFY THAT SUCH SHAREHOLDER IS NOT SUBJECT TO BACKUP FEDERAL INCOME TAX WITHHOLDING BY COMPLETING THE SUBSTITUTE FORM W-9 IN THE LETTER OF TRANSMITTAL. IF BACKUP WITHHOLDING APPLIES WITH RESPECT TO A SHAREHOLDER, THE DEPOSITARY IS REQUIRED TO WITHHOLD 31% OF ANY PAYMENTS MADE TO SUCH SHAREHOLDER. SEE INSTRUCTION 10 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 Monday, March 16,

1998. 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 behalf of Purchaser, retain tendered Shares, and such Shares may not be withdrawn except to the extent that tendering shareholders are entitled to withdrawal rights as described in this Section 4. Any such delay will be by an extension of the Offer to the extent required by law.

For a withdrawal to be effective, a written, telegraphic, telex or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover page 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 set forth in Section 3, 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, in which case a notice of withdrawal will be effective if delivered to the Depositary by any method of delivery described in the first sentence of this paragraph.

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, WHOSE DETERMINATION WILL BE FINAL AND BINDING. NO WITHDRAWAL OF SHARES SHALL BE DEEMED TO HAVE BEEN PROPERLY MADE UNTIL ALL DEFECTS AND IRREGULARITIES HAVE BEEN CURED OR WAIVED. NONE OF PURCHASER, PARENT, THE DEPOSITARY, THE INFORMATION AGENT OR ANY OTHER PERSON WILL BE UNDER ANY DUTY TO GIVE NOTIFICATION OF ANY DEFECTS OR IRREGULARITIES IN ANY NOTICE OF WITHDRAWAL OR INCUR ANY LIABILITY FOR FAILURE TO GIVE ANY SUCH NOTIFICATION.

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 by following one of the procedures described in Section 3.

5. CERTAIN FEDERAL INCOME TAX CONSEQUENCES. The following is a summary of the principal 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 dissenter's 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 of America.

THE TAX DISCUSSION SET FORTH BELOW IS INCLUDED FOR GENERAL INFORMATION PURPOSES ONLY AND IS BASED UPON PRESENT LAW. 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 SHAREHOLDER 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 the offer price and the receipt of cash pursuant to the Merger (whether as Merger Consideration or pursuant to the proper exercise of dissenter's rights) will be a taxable transaction for federal income tax purposes (and also may be a taxable transaction under applicable state, local and other income tax laws). In general, for 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 in the Merger and the amount of cash received therefor. 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 in the Merger. Such gain or loss will be capital gain or loss. Under recently enacted legislation, individual holders will be subject to tax on the net amount of such gain at a maximum rate of

(i) 28%, provided that the shares were held for more than one year but not more than 18 months, and (ii) 20% provided that the shares were held for more than 18 months. Special rules (and generally lower maximum rates) apply to individuals in lower tax brackets.

Payments in connection with the Offer or the Merger may be subject to backup withholding at a 31% rate. Backup withholding generally applies if a shareholder (i) fails to furnish such shareholder'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 shareholder's correct number and that such shareholder 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 shareholder should consult with such shareholder's own tax advisor as to such shareholder'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. The following table sets forth, for the quarters indicated, the high and low sales prices per Share on Nasdaq as reported by the Dow Jones News Service and the amount of cash dividends paid or declared per Share according to published financial sources.

| | HIGH | LOW | DIVIDENDS |
|---|--------|--------|-----------|
| | ----- | ----- | ----- |
| 1995: | | | |
| First Quarter..... | 12.000 | 7.500 | 0.100 |
| Second Quarter..... | 10.500 | 7.250 | 0.100 |
| Third Quarter..... | 12.375 | 9.250 | 0.100 |
| Fourth Quarter..... | 15.000 | 11.250 | 0.100 |
| 1996: | | | |
| First Quarter..... | 17.500 | 13.250 | 0.100 |
| Second Quarter..... | 17.000 | 12.000 | 0.100 |
| Third Quarter..... | 13.000 | 9.500 | 0.100 |
| Fourth Quarter..... | 13.000 | 9.500 | 0.100 |
| 1997: | | | |
| First Quarter..... | 14.750 | 10.500 | 0.100 |
| Second Quarter..... | 11.875 | 8.250 | 0.100 |
| Third Quarter..... | 12.500 | 9.500 | 0.100 |
| Fourth Quarter..... | 14.250 | 10.500 | 0.100 |
| 1998: | | | |
| First Quarter (through January 15, 1998)..... | 22.500 | 13.000 | 0.000 |

On January 12, 1998, 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 \$13.75. On January 15, 1998, the last full trading day prior to the commencement of the Offer, the closing price per Share as reported on Nasdaq was \$22.125. As of January 12, 1998, the approximate number of holders of record of the Shares was 401.

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

7. CERTAIN INFORMATION CONCERNING THE COMPANY. Except as otherwise set forth herein, 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. Neither Purchaser nor Parent assumes any responsibility for the accuracy or completeness of the information concerning the Company furnished by the Company or contained in such documents and 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 Purchaser or Parent.

General. The Company is a Texas corporation with its principal executive offices located at 2395 Midway Road, Carrollton, Texas 75006. The Company was founded in 1964 and incorporated in Texas in 1969. In May 1983, the Company made its initial public offering of common stock, which trades on Nasdaq under the symbol "CLRI". In its beginning, the Company's primary business was federal individual income tax returns for tax preparers as a computer service bureau. Since that time, the Company has expanded its product offerings to include almost every type of tax return. Over the past few years, the Company has evolved into a business application software company expanding well beyond providing the original tax automation systems upon which the Company was founded.

Financial Information. Set forth below is certain selected consolidated financial information relating to the Company and its subsidiaries (the "Subsidiaries" and each individually, a "Subsidiary") 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, 1996 (the "Form 10-K") and the unaudited financial statements contained in the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1997 (the "Form 10-Q"). More comprehensive financial information is included in the Form 10-K, the Form 10-Q 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.

The financial information for the nine-month periods ended September 30, 1997 and 1996 has not been audited and, in the opinion of management of the Company, reflects all adjustments (consisting of normal recurring adjustments) which are necessary for a fair presentation of such information. Results for the nine-month periods are not necessarily indicative of results for the full year.

COMPUTER LANGUAGE RESEARCH, INC.

SELECTED CONSOLIDATED FINANCIAL INFORMATION
(IN THOUSANDS, EXCEPT PER SHARE DATA)

| | FISCAL YEAR ENDED DECEMBER 31 | | | NINE MONTHS ENDED SEPTEMBER 30 | |
|---|----------------------------------|-----------|----------|-----------------------------------|----------|
| | 1996 | 1995 | 1994 | 1997 | 1996 |
| INCOME STATEMENT DATA: | | | | | |
| Revenues..... | \$129,243 | \$110,703 | \$99,068 | \$97,799 | \$90,167 |
| Operating Income..... | 1,105 | 7,832 | 17,112 | 2,727 | (2,607) |
| Income from Continuing Operations before Income Taxes..... | 1,540 | 9,123 | 18,117 | 3,054 | (2,201) |
| Net Income..... | 1,041 | 11,655 | 11,343 | 2,031 | (1,431) |
| BALANCE SHEET DATA: | | | | | |
| Current Assets..... | 35,074 | 43,933 | 42,254 | 27,893 | 29,316 |
| Total Assets..... | 98,937 | 99,060 | 84,093 | 91,057 | 95,831 |
| Current Liabilities..... | 30,341 | 28,099 | 21,126 | 24,601 | 28,148 |
| Long-Term Debt, including Current Portion..... | 938 | 1,687 | -- | 375 | 1,125 |
| Shareholders' Equity..... | 62,002 | 65,549 | 58,319 | 60,972 | 60,912 |
| PER SHARE DATA: | | | | | |
| Earnings per Share from Continuing Operations..... | 0.07 | 0.48 | 0.77 | 0.14 | (0.10) |
| Earnings (Loss) per Share from Discontinued Operations..... | -- | 0.33 | 0.02 | 0.14 | (0.10) |
| Earnings per Share..... | 0.07 | 0.81 | 0.79 | 0.14 | (0.10) |
| Weighted Average Number of Common and Common Equivalent Shares Outstanding..... | 14,564 | 14,434 | 14,280 | 14,477 | 14,207 |

In connection with Parent's review of the Company and in the course of the negotiations between the Company and Parent described in Section 10, the Company provided Parent with certain business and financial information which Parent and Purchaser believe is not publicly available. This information includes projections of the operating performance of the Company for the four years ending December 31, 1997, 1998, 1999 and 2000. The projections were prepared on a stand alone basis without regard to the transactions contemplated by the Merger Agreement.

YEARS ENDING DECEMBER 31

| | 1997 | 1998 | 1999 | 2000 |
|-----------------------|-----------|-----------|-----------|-----------|
| Revenues..... | \$139,309 | \$158,223 | \$177,569 | \$203,770 |
| Operating Profit..... | 6,839 | 13,221 | 21,771 | 40,377 |
| Net Income..... | 4,501 | 8,309 | 13,829 | 25,911 |

THESE PROJECTIONS ARE BASED ON ESTIMATES AND ASSUMPTIONS THAT ARE INHERENTLY SUBJECT TO SIGNIFICANT TECHNOLOGICAL, ECONOMIC AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES, ALL OF WHICH ARE DIFFICULT TO PREDICT AND MANY OF WHICH ARE BEYOND THE COMPANY'S CONTROL. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE PROJECTED RESULTS WOULD BE REALIZED OR THAT ACTUAL RESULTS WOULD NOT BE SIGNIFICANTLY HIGHER OR LOWER THAN THOSE SET FORTH ABOVE. IN ADDITION, THESE PROJECTIONS 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 AND FORECASTS AND ARE INCLUDED IN THIS OFFER TO PURCHASE ONLY BECAUSE SUCH INFORMATION WAS MADE AVAILABLE TO PARENT BY THE COMPANY. NONE OF PARENT, PURCHASER, THE COMPANY OR ANY OTHER PARTY ASSUMES ANY RESPONSIBILITY FOR THE ACCURACY OR VALIDITY OF THE FOREGOING PROJECTIONS. THE INCLUSION OF THE FOREGOING PROJECTIONS SHOULD NOT BE REGARDED AS AN INDICATION THAT

PARENT, PURCHASER, THE COMPANY OR ANY OTHER PERSON WHO RECEIVED SUCH INFORMATION CONSIDERS IT AN ACCURATE PREDICTION OF FUTURE EVENTS, AND PARENT HAS NOT RELIED ON THEM AS SUCH.

The Shares are registered under the Exchange Act. Accordingly, 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 shareholders 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 the Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511 and 7 World Trade Center, 13th Floor, New York, New York 10048. 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.

8. CERTAIN INFORMATION CONCERNING PURCHASER AND PARENT. 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 Metro Center, One Station Place, Stamford, Connecticut 06902. Purchaser is a wholly owned subsidiary of Parent.

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.

Parent is a corporation organized under the laws of Ontario, Canada. Its principal offices are located at Suite 2706, P.O. Box 24, 66 Wellington Street West, Toronto, Ontario, M5K 1A1, Canada. The principal activity of Parent is specialized information and publishing (IP) worldwide. In addition, Parent has important interests in newspaper publishing in North America, and in leisure and travel in the United Kingdom and in Sweden. Parent is currently comprised of four business groups: Thomson Corporation Publishing International (TCPI) and Thomson Financial & Professional Publishing Group (TFPPG), Parent's two IP business groups, and Thomson Newspapers (TN) and Thomson Travel Group (TTG). The common stock of Parent is listed for trading on the Toronto Stock Exchange, Montreal Stock Exchange and the London Stock Exchange.

The name, citizenship, business address, principal occupation or employment, and five-year employment history for each of the directors and executive officers of Purchaser and Parent and certain other information are set forth in Schedule I hereto.

Based upon the consolidated financial statements of Parent for the fiscal year ended December 31, 1996, contained in the Parent's 1996 Annual Report (the "Parent Financial Statements"), Parent had (i) at December 31, 1996, consolidated total assets of U.S. \$13.173 billion, consolidated total liabilities of U.S. \$8.526 billion and consolidated shareholders' equity of U.S. \$4.647 billion and (ii) for the fiscal year ended December 31, 1996, consolidated sales of U.S. \$7.723 billion and net earnings of U.S. \$569 million. More comprehensive financial information is included in the Parent Financial Statements. The summary of such financial information included above is qualified in its entirety by reference to the Parent Financial Statements, a copy of which has been filed as an exhibit to the Tender Offer Statement on Schedule 14D-1/13D (the "Schedule 14D-1") filed by Purchaser and Parent with the Commission in connection with the Offer.

Except as described in this Offer to Purchase, (i) none of Purchaser, Parent nor, to the best knowledge of Purchaser and Parent, any of the persons listed in Schedule I to this Offer to Purchase or any associate or

majority-owned subsidiary of Purchaser, Parent or any of the persons so listed beneficially owns or has any right to acquire, directly or indirectly, any Shares and (ii) none of Purchaser, Parent nor, to the best knowledge of Purchaser and Parent, 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 provided in the Merger Agreement and the Stock Purchase Agreement and as otherwise described in this Offer to Purchase, none of Purchaser, Parent nor, to the best knowledge of Purchaser and Parent, any of the persons listed in Schedule I to this Offer to Purchase has any contract, arrangement, understanding or relationship with any other person with respect to any securities of the Company, including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or voting of such securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss, guarantees of profits, division of profits or loss or the giving or withholding of proxies. Except as set forth in this Offer to Purchase, since January 1, 1994 neither Purchaser nor Parent nor, to the best knowledge of Purchaser and Parent, any of the persons listed on Schedule I hereto has had any business relationship or 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 set forth in this Offer to Purchase, since January 1, 1994, there have been no contacts, negotiations or transactions between any of Purchaser, Parent, or any of their respective subsidiaries or, to the best knowledge of Purchaser and Parent, any of the persons listed in Schedule I to this Offer to Purchase, on the one hand, and the Company or its affiliates, on the other hand, concerning a merger, consolidation or acquisition, tender offer or other acquisition of securities, an election of directors or a sale or other transfer of a material amount of assets.

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 \$345,000,000. Purchaser will obtain all of such funds from Parent or its affiliates. Parent and its affiliates will provide such funds from existing resources.

10. BACKGROUND OF THE OFFER; CONTACTS WITH THE COMPANY; THE MERGER AGREEMENT AND STOCK PURCHASE AGREEMENT.

On May 25th, 1993, the Company and Research Institute of America Group, a division of Parent ("RIA Group"), entered into a contract pursuant to which the Company agreed to grant RIA Group a non-exclusive worldwide license to market, distribute and sublicense certain electronic form systems marketed under the tradename "E-Form." E-Form is comprised of (i) federal, state and local income tax forms and instructions (the "Form Libraries") and (ii) the R-Form Engine, which allows users to display, print and fill-in electronic forms contained in the Form Libraries. The contract terminates on April 30th, 1998.

From time to time thereafter, representatives of the Company and of RIA Group would meet or telephone each other to discuss the business relationship between the two companies.

On August 19th and September 17th, 1997, Stephen T. Winn, President and Chief Executive Officer of the Company, and Euan C. Menzies, President and Chief Executive Officer of RIA Group, met in Dallas and had a general discussion about the tax and accounting software marketplace, including various competitive factors, and overall market direction. During these meetings, they discussed a series of joint venture opportunities involving RIA Group and the Company. The benefits of an acquisition of the Company by RIA Group, however, were not discussed.

On October 24th, 1997, Mr. Winn and Mr. Menzies met in Dallas to discuss joint venture opportunities further. During this meeting, a brief discussion took place with regard to the possible benefits of an acquisition of the Company by RIA Group.

On October 30th, 1997, Mr. Winn advised the Company's Board of Directors of his brief discussion with Mr. Menzies.

On November 6th, 1997, Michael S. Harris, General Counsel of Parent, and representatives of Shearman & Sterling, outside legal counsel to Parent and Purchaser, spoke by telephone with representatives of Locke

Purnell Rain Harrell (A Professional Corporation) ("Locke Purnell"), outside legal counsel to the Company, and indicated that Parent had an interest in acquiring 100% of the Company, but only if it could be done on an exclusive basis and with the binding commitment of the controlling shareholders to support the transaction. From time to time thereafter, such counsel, together with representatives of Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden Arps"), as outside legal counsel to Mr. Winn and other controlling shareholders, had additional discussions by telephone concerning Parent's requirements for a possible transaction. During each conversation, Parent's counsel continued to state that Parent would insist on an exclusive transaction fully supported by the Company's controlling shareholders.

On November 12th, 1997, the Board of Directors of Parent held a regularly scheduled meeting. At this meeting, Mr. Menzies made a presentation regarding a potential acquisition of the Company. Following further discussion, Parent's Board of Directors resolved that Parent should acquire the Company, subject to final approval by at least two directors of Parent of the terms and conditions of such acquisition, including a final agreement on price and satisfactory negotiation of transaction related agreements.

On November 13th, 1997, Mr. Menzies spoke with Mr. Winn by telephone and indicated that RIA Group was interested in entering into exploratory discussions with the Company regarding the possible acquisition of the Company. Mr. Menzies and Mr. Winn also discussed a possible range of purchase prices that RIA Group might be willing to offer to acquire the Company. Finally, Mr. Menzies and Mr. Winn agreed that RIA Group could commence a financial and legal due diligence investigation of the Company upon execution of a confidentiality agreement. Mr. Menzies reiterated Parent's position that Parent would be unwilling to proceed with a transaction unless it had the full support of the Company's controlling shareholders.

On November 21st, 1997, Parent and the Company executed a confidentiality agreement.

On November 22nd, 1997, Mr. Menzies and Paul J. Mattison, Senior Vice President and Chief Financial Officer of RIA Group, met with Mr. Winn and other representatives of the Company at the Company's offices in Dallas and reviewed business operations concerning the Company, and the historical and prospective financial performance of the Company. Representatives of Goldman Sachs & Co. ("Goldman"), as financial advisors to the Company, were also present at this meeting.

On November 28th, 1997, Mr. Menzies met with Mr. Winn and representatives of Goldman at the Dallas Inter-Continental Hotel to discuss further a possible acquisition of the Company and the potential range of values.

On December 1st, 1997, Mr. Menzies called Mr. Winn to discuss further the valuation range. While no agreement was reached with respect to price, Mr. Winn and Mr. Menzies agreed to continue to pursue the possibility of an acquisition of the Company by RIA Group. Mr. Menzies and Mr. Winn also agreed that further financial and legal due diligence meetings were appropriate.

During the period from December 3rd to December 17th, 1997, Mr. Menzies, Mr. Mattison and other representatives of RIA Group met at various times with Mr. Winn, M. Brian Healy, Chief Financial Officer and Group Vice President, Finance and Administration of the Company, and other representatives of the Company to review the Company's business operations with a view toward reaching a final conclusion on business valuation. While general discussions took place during this period regarding business valuation, no further substantive discussions on pricing occurred during this period.

In addition, on December 3rd and 4th, 1997, Mr. Harris and representatives from Shearman & Sterling met with Douglas H. Gross, General Counsel of the Company, and other representatives of the Company in Dallas to discuss legal due diligence related issues. During the period through December 17th, 1997, Parent and its legal counsel conducted its legal due diligence investigation of the Company.

On December 16th and December 17th, 1997, legal counsel to the Company and the controlling shareholders conducted telephone conference calls with representatives from Parent and Parent's legal counsel to discuss the transaction and to negotiate drafts of the Merger Agreement and the Stock Purchase Agreement.

On December 19th, 1997, legal counsel to the Company and the controlling shareholders met with representatives from Parent and Parent's legal counsel to discuss the transaction and to negotiate drafts of the Merger Agreement and the Stock Purchase Agreement.

On December 19th and 20th, 1997, Mr. Winn and Mr. Menzies met in New York City to discuss the status of the legal negotiations, significant terms and conditions of a potential transaction and possible pricing.

On December 31st, 1997, Parent's legal counsel and the Company's legal counsel discussed the latest drafts of the agreements.

On January 2nd, 1998, representatives from the Company, RIA Group, Goldman, and legal counsel to the Company, Parent and the controlling shareholders conducted a telephone conference call to negotiate the Merger Agreement and the Stock Purchase Agreement and to discuss further the transaction.

On January 6th and 7th, 1998, Mr. Winn and Mr. Menzies negotiated on the telephone the range of possible purchase prices, but remained unable to reach agreement.

On January 8th, 1998, Mr. Menzies and Mr. Winn met in New York City with their respective legal and financial advisors to discuss key terms and conditions of the acquisition, to carry on legal negotiations and to negotiate the latest drafts of the Merger Agreement and the Stock Purchase Agreement. In addition, during the evening of January 8th, 1998, Mr. Winn, Mr. Menzies and Andrew G. Mills, President and Chief Executive Officer of Thomson Financial & Professional Publishing Group, met over dinner to discuss key terms and conditions of the acquisition and negotiated further about a potential purchase price without reaching agreement.

On January 9th, 1998, legal counsel to Parent, the Company and the controlling shareholders discussed the open issues concerning the agreements.

On January 10th and 11th, 1998, Mr. Winn and Mr. Menzies continued to negotiate a potential purchase price.

On January 11th, 1998, the Board of Directors of the Company met to discuss the latest terms of the transaction and to receive financial and legal advice concerning the transaction. Subsequent to the Company's Board of Directors' meeting, on January 11th, 1998, Mr. Winn telephoned Mr. Menzies to report that the Board of Directors had authorized Mr. Winn to proceed with final negotiations relating to the transaction, provided that the price to be paid per Share was at least \$22.50.

During the morning of January 12th, 1998, Mr. Menzies and Mr. Winn had a telephone call in which Mr. Menzies indicated that Parent was prepared to proceed with final negotiations relating to the transaction on the basis of a purchase price of \$22.50 per Share, subject to satisfactory resolution of all remaining open issues between the parties. Representatives of the Company, RIA Group, Shearman & Sterling, Locke Purnell, Skadden Arps and Parent then conducted several telephone conversations to negotiate the Merger Agreement and the Stock Purchase Agreement and to resolve all remaining issues.

During the late afternoon of January 12th, 1998, the Board of Directors of the Company met and, subject to the Company being able to obtain Parent's agreement to a purchase price of \$22.50 per Share, approved and adopted the Merger Agreement and approved the Stock Purchase Agreement.

Later that evening, Mr. Menzies, Mr. Winn and their respective advisors completed negotiations with respect to the Merger Agreement, the Stock Purchase Agreement and certain related matters. The Merger Agreement was then executed. The same day, the Majority Shareholders approved and subsequently executed the Stock Purchase Agreement.

On the morning of January 13th, 1998, Parent and the Company issued a joint press release announcing the transaction, and on January 16th, 1998, Purchaser commenced the Offer.

THE MERGER AGREEMENT

The following is a summary of the Merger Agreement, a copy of which is filed as an Exhibit to the Schedule 14D-1. Such summary is qualified in its entirety by reference to the Merger Agreement.

The Offer. The Merger Agreement provides for the commencement of the Offer as promptly as reasonably practicable, but in no event later than five business days after the initial public announcement of the Merger Agreement. The obligation of Purchaser to accept for payment Shares tendered pursuant to the Offer is subject to the satisfaction of the Minimum Condition and certain other conditions that are described in Section 14 hereof. Purchaser and Parent have agreed that without the prior consent of the Company Purchaser will not (i) waive the Minimum Condition or reduce the number of Shares subject to the Offer, (ii) reduce the price per Share payable in the Offer, (iii) extend the Offer or amend or add to the conditions to the Offer, (iv) change the form of consideration payable in the Offer, or (v) amend, add or waive any other term of the Offer in any manner that would adversely affect the Company or its shareholders. Notwithstanding the foregoing, the Merger Agreement provides that Purchaser (i) will not terminate and will extend the Offer, up to February 28, 1998 if, at the initial scheduled expiration of the Offer, or any extension thereof, any of the conditions to the Offer have not been satisfied or waived by Purchaser (provided that if the only unsatisfied condition to the Offer is the failure of the waiting period under the HSR Act to have expired or been terminated, then Purchaser will extend the Offer, for one or more periods of not more than 10 business days, pursuant to this clause (i) up to May 15, 1998), (ii) will extend the Offer for any period required by any rule, regulation or interpretation of the Commission or the staff thereof applicable to the Offer, and (iii) may, without the consent of the Company, extend the Offer for an aggregate period of not more than 10 business days beyond the latest applicable date that would otherwise be permitted under clause (i) or (ii) of this sentence if, as of such date, all of the conditions to the Offer are satisfied or waived by Purchaser, but the number of Shares validly tendered and not withdrawn pursuant to the Offer equals 80% or more, but less than 90%, of the then outstanding Shares on a fully diluted basis.

The Merger. The Merger Agreement provides that, upon the terms and subject to the conditions thereof, and in accordance with Delaware Law and Texas Law, at the Effective Time, Purchaser will be merged with and into the Company. As a result of the Merger, the separate corporate existence of Purchaser will cease and the Company will continue as the Surviving Corporation and will become a wholly owned Subsidiary of Parent. At the Effective Time, each issued and then outstanding Share (other than any Shares held in the treasury of the Company, or owned by Purchaser, Parent or any direct or indirect wholly owned subsidiary of Parent or of the Company, and any Shares which are held by shareholders who have not voted in favor of the Merger or consented thereto in writing and who shall have demanded properly in writing appraisal for such Shares in accordance with Texas Law) will be cancelled and converted automatically into the right to receive an amount equal to the Merger Consideration in cash payable, without interest, to the holder of such Share.

The Merger Agreement provides that the directors of Purchaser immediately prior to the Effective Time will be the initial directors of the Surviving Corporation and that the officers of the Company immediately prior to the Effective Time will be the initial officers of the Surviving Corporation. The Merger Agreement provides that, at the Effective Time, unless otherwise determined by Parent prior to the Effective Time, the Articles of Incorporation of Company will be the Articles of Incorporation of the Surviving Corporation; provided, however, that, at the Effective Time, the Articles of Incorporation of the Surviving Corporation will be amended in their entirety to be substantially identical to Purchaser's Certificate of Incorporation subject to the directors' and officers' indemnification and insurance provisions contained in the Merger Agreement. The Merger Agreement also provides that, subject to the directors' and officers' indemnification and insurance provisions contained therein, the By-laws of the Company, as in effect immediately prior to the Effective Time, will be the By-laws of the Surviving Corporation.

Agreements of Parent, Purchaser and the Company. Pursuant to the Merger Agreement, the Company shall, if required by applicable law in order to consummate the Merger, duly call, give notice of, convene and hold an annual or special meeting of its shareholders as soon as practicable following consummation of the Offer or the purchase by Purchaser of the Shares of the Majority Shareholders pursuant to the Stock Purchase

Agreement, whichever occurs first, for the purpose of considering and taking action on the Merger Agreement and the transactions contemplated thereby (the "Shareholders' Meeting"). If Purchaser acquires at least two-thirds of the majority of the outstanding Shares, Purchaser will have sufficient voting power to approve the Merger, even if no other shareholder votes in favor of the Merger. UPON CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THE STOCK PURCHASE AGREEMENT, PARENT AND PURCHASER, BY VIRTUE OF THE ACQUISITION OF APPROXIMATELY 74.6% OF THE OUTSTANDING SHARES, WILL OWN A NUMBER OF SHARES SUFFICIENT, EVEN IF NO OTHER SHARES ARE TENDERED IN THE OFFER, TO CAUSE THE MERGER TO OCCUR WITHOUT THE AFFIRMATIVE VOTE OF ANY OTHER HOLDER OF SHARES. SEE SECTION 11.

The Merger Agreement provides that the Company will, if required by applicable law, as soon as practicable following either consummation of the Offer or the purchase by Purchaser of the Shares held by the Majority Shareholders pursuant to the Stock Purchase Agreement, whichever occurs first, file with the Commission under the Exchange Act, and use its reasonable best efforts to have cleared by the Commission, a proxy statement and related proxy materials (the "Proxy Statement") with respect to the Shareholders' Meeting and will cause the Proxy Statement to be mailed to shareholders of the Company at the earliest practicable time. The Company has agreed, subject to the fiduciary duties of the Board under applicable law, to include in the Proxy Statement the unanimous recommendation of the Board that the shareholders of the Company approve and adopt the Merger Agreement and the transactions contemplated thereby and to use its reasonable best efforts to obtain such approval and adoption. Parent and Purchaser have agreed to cause all Shares then owned by them and their subsidiaries to be voted in favor of approval and adoption of the Merger Agreement and the transactions contemplated thereby. The Merger Agreement provides that, in the event that Purchaser acquires at least 90% of the then outstanding Shares, Parent, Purchaser and the Company agree, at the request of Purchaser and subject to certain additional conditions set forth in the Merger Agreement, to take all necessary and appropriate action to cause the Merger to become effective as soon as reasonably practicable after such acquisition, without a meeting of the Company's shareholders, in accordance with Article 5.16 of Texas Law.

Pursuant to the Merger Agreement, the Company has covenanted and agreed that, between the date of the Merger Agreement and the time at which Purchaser's designees to the Board represent at least a majority of the number of directors on the Board (including all vacancies), the businesses of the Company and its Subsidiaries will be conducted only in, and the Company and the Subsidiaries will not take any action except in, the ordinary course of business and in a manner consistent with past practice; and the Company will use its reasonable best efforts to preserve substantially intact the business organization of the Company and the Subsidiaries, to keep available the services of the current officers, employees and consultants of the Company and the Subsidiaries and to preserve the current relationships of the Company and the Subsidiaries with customers, suppliers and other persons with which the Company or any Subsidiary has significant business relations. The Merger Agreement provides that by way of amplification and not limitation, and except as contemplated or disclosed therein, neither the Company nor any Subsidiary will, between the date of the Merger Agreement and the time at which Purchaser's designees to the Board represent at least a majority of the number of directors on the Board (including all vacancies), directly or indirectly do any of the following, without the prior written consent of Parent:

(a) amend or otherwise change its Articles of Incorporation or By-laws or equivalent organizational documents;

(b) issue, sell, pledge, dispose of, grant, encumber, or authorize the issuance, sale, pledge, disposition, grant or encumbrance of, (i) any shares of capital stock of any class of the Company or any Subsidiary, or any options, warrants, convertible securities or other rights of any kind to acquire any shares of such capital stock, or any other ownership interest (including, without limitation, any phantom interest), of the Company or any Subsidiary (except for the issuance of a maximum of 1,646,150 Shares issuable upon exercise of employee stock options outstanding on the date of the Merger Agreement or as disclosed in the disclosure schedules to the Merger Agreement (the "Disclosure Schedules") or otherwise in writing to Parent prior to the date of the Merger Agreement) or (ii) any assets of the Company or any Subsidiary, except for transactions in the ordinary course of business and in a manner consistent with past practice;

(c) declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock, except for regular quarterly dividends on the Shares declared and paid at times consistent with past practice in an aggregate amount not in excess of \$.10 per Share per quarter;

(d) reclassify, combine, split, subdivide or redeem, purchase or otherwise acquire, directly or indirectly, any of its capital stock;

(e) (i) acquire (including, without limitation, by merger, consolidation, or acquisition of stock or assets) any corporation, partnership, other business organization or any division thereof or any material amount of assets, except for such acquisitions which do not exceed \$3,000,000 in the aggregate for all such acquisitions; (ii) incur any indebtedness for borrowed money or issue any debt securities or assume, guarantee or endorse, or otherwise as an accommodation become responsible for, the obligations of any person, or make any loans or advances, except in the ordinary course of business and consistent with past practice; (iii) enter into any contract or agreement other than in the ordinary course of business, consistent with past practice; (iv) authorize any single capital expenditure which is in excess of \$1,000,000 or capital expenditures which are, in the aggregate, in excess of \$5,000,000 for the Company and the Subsidiaries taken as a whole; or (v) enter into or amend any contract, agreement, commitment or arrangement with respect to any matter prohibited by this paragraph (e);

(f) increase the compensation payable or to become payable to its directors, officers or employees, except for increases in accordance with past practices in salaries or wages of employees of the Company or any Subsidiary who are not officers or directors of the Company, or grant any severance or termination pay to, or enter into any employment or severance agreement with any director, officer or other employee of the Company or any Subsidiary, or establish, adopt, enter into or amend any collective bargaining, bonus, profit sharing, thrift, compensation, stock option, restricted stock, pension, retirement, deferred compensation, employment, termination, severance or other plan, agreement, trust, fund, policy or arrangement for the benefit of any director, officer or employee, except for payments under the Company's 1997 Annual Incentive Plan (the "1997 Incentive Plan") and the Company's 1997 Officers' Annual Incentive Plan (the "Officers' Incentive Plan") up to a maximum of \$1.8 million and except in the ordinary course of business consistent with past practices;

(g) except as may be required by a change in the rules relating to generally accepted accounting principles or if the Company elects early adoption of AICPA Statement of Position No. 97-2, Software Revenue Recognition, take any action, other than reasonable and usual actions in the ordinary course of business and consistent with past practice, with respect to accounting policies or procedures (including, without limitation, procedures with respect to the payment of accounts payable and collection of accounts receivable);

(h) make any tax election or settle or compromise any material federal, state, local or foreign income tax liability except in the ordinary course of business consistent with past practices;

(i) pay, discharge or satisfy any claim, liability or obligation (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction, in the ordinary course of business and consistent with past practice, of liabilities reflected or reserved against in the consolidated balance sheet of the Company as at December 31, 1996, including the notes thereto, or in reports filed by the Company with the Commission prior to the date of the Merger Agreement or subsequently incurred in the ordinary course of business and consistent with past practice;

(j) amend, modify or consent to the termination of any lease, license, contract or agreement which is material to the Company and its Subsidiaries, taken as a whole, or amend, modify or consent to the termination of the Company's or the Subsidiary's rights thereunder, other than in the ordinary course of business consistent with past practice; or

(k) enter into any lease, license, contract or agreement that would be material to the Company and its Subsidiaries taken as a whole, other than in the ordinary course of business consistent with past practice or as otherwise permitted by the foregoing paragraphs.

Directors and Officers. The Merger Agreement provides that, promptly upon the purchase by Purchaser of Shares pursuant to the Offer, and from time to time thereafter, Purchaser will be entitled to designate up to such number of directors, rounded up to the next whole number, on the Board as will give Purchaser representation on the Board equal to the product of the total number of directors on the Board (giving effect to the directors elected pursuant to this sentence), multiplied by the percentage that the aggregate number of Shares beneficially owned by Purchaser or any affiliate of Purchaser following such purchase bears to the total number of Shares then outstanding, and the Company will, at such time, promptly take all actions necessary to cause Purchaser's designees to be elected as directors of the Company, including increasing the size of the Board or securing the resignations of incumbent directors, or both. The Merger Agreement also provides that, at such times, the Company will use its best efforts to cause persons designated by Purchaser to constitute the same percentage as persons designated by Purchaser will constitute of the Board of (i) each committee of the Board, (ii) each board of directors of each domestic Subsidiary and (iii) each committee of each such board, in each case only to the extent permitted by applicable law.

The Merger Agreement provides that, following the election of Purchaser's designees in accordance with the immediately preceding paragraph and prior to the Effective Time, any amendment of the Merger Agreement or the Articles of Incorporation or By-laws of the Company, any termination of the Merger Agreement by the Company, any extension by the Company of the time for the performance of any of the obligations or other acts of Parent or Purchaser or waiver of any of the Company's rights thereunder, will require the concurrence of a majority of those directors of the Company then in office who were neither designated by Purchaser nor are employees of the Company.

Pursuant to the Merger Agreement, from the date of the Merger Agreement until the Effective Time, the Company will, and will cause the Subsidiaries and the officers, directors, employees, auditors and agents of the Company and the Subsidiaries to, afford the officers, employees and agents of Parent and Purchaser and persons providing or committing to provide Parent or Purchaser with financing for the transactions contemplated by the Merger Agreement reasonable access at all reasonable times to the officers, employees, agents, properties, offices, plants and other facilities, books and records of the Company and each Subsidiary, and will furnish Parent and Purchaser and persons providing or committing to provide Parent and Purchaser with financing for the transactions contemplated by the Merger Agreement with all financial, operating and other data and information as Parent or Purchaser, through its officers, employees or agents, may reasonably request and Parent and Purchaser or other persons acting on their behalf or for their benefit have agreed to keep such information confidential, except in certain circumstances.

Acquisition Proposals. The Company has agreed that neither it nor any Subsidiary will, directly or indirectly, through any officer, director, agent or otherwise, solicit, initiate or encourage the submission of or accept any proposal or offer from any person relating to any acquisition or purchase of all or (other than in the ordinary course of business) any portion of the assets of, or any equity interest in, the Company or any Subsidiary or any business combination with the Company or any Subsidiary or participate in any negotiations regarding, or furnish to any other person any information with respect to, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other person to do or seek any of the foregoing. In addition, the Company will immediately cease and cause to be terminated any existing discussions or negotiations with any parties conducted prior to the date of the Merger Agreement with respect to any of the foregoing. Notwithstanding the foregoing, (i) the Company may engage in discussions or negotiations with a third party who seeks to initiate such discussions or negotiations or may furnish such third party information concerning the Company and its Subsidiaries, in each case only in response to a request for such information or access which was not encouraged, solicited or initiated by the Company or any of its affiliates, and pursuant to appropriate confidentiality agreements, (ii) the Board may take and disclose to the Company's shareholders a position contemplated by Rule 14e-2 promulgated under the Exchange Act and (iii) following receipt of a proposal or offer from a third party, the Board may withdraw or modify its recommendation, but in each case referred to in the foregoing clauses (i) through (iii) only to the extent that the Board concludes in good faith based upon the advice of the Company's outside counsel that such action is required in order for the Board to act in a manner which is consistent with its fiduciary obligations under applicable law. The Company has also agreed to notify Parent promptly if any such proposal or offer with any

person with respect thereto, is made and, in any such notice to Parent, to indicate in reasonable detail the identity of the person making such proposal or offer, and the terms and conditions of such proposal or offer. In connection with any such proposal or offer, the Company has also 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.

The Merger Agreement provides that notwithstanding anything in the paragraph above or any other provision to the contrary in the Merger Agreement, the Company will not take any action which would render invalid or ineffective, or otherwise vacate or withdraw, the approval by the Board of the transactions contemplated by the Merger Agreement and the Stock Purchase Agreement for purposes of Article 13.03 of Texas Law and will not take any action that would cause the Company to breach its representation and warranty that the Company has taken all action necessary to satisfy or render inapplicable the restrictions on business combinations contained in Article 13.03 of Texas Law.

Existing Stock Options. The Merger Agreement provides that, with respect to employees of the Company or its Subsidiaries who were awarded stock options (the "Optionees") that were granted by the Company under the Company's 1982 Stock Option Plan (the "1982 Plan") prior to the Effective Time (the "1982 Options"), each such Optionee, as of the Effective Time, shall be vested in amounts ranging from 60% to 100% of the aggregate 1982 Options awarded to such Optionee. The vested percentage shall be determined according to the date such 1982 Options were awarded. With respect to Optionees who were granted stock options under the Company's 1997 Stock Incentive Plan (the "1997 Plan") prior to the Effective Time (the "1997 Options"), each such Optionee, as of the Effective Time, will be vested in 60% of the 1997 Options awarded to such Optionee. With respect to the stock options that were granted by the Company under the 1994 Non-Employee Director Company Plan (the "1994 Plan") prior to the Effective Time (the "1994 Options"), as of the Effective Time, all 1994 Options will be fully vested. Each Optionee who holds any vested and unexercised 1982 Options, 1994 Options or 1997 Options as of the Effective Time (the "Vested Options") will receive from the Company, immediately after the Effective Time, in settlement and cancellation of each Vested Option, a lump sum amount in cash equal to the product of (i) the difference between the Merger Consideration and the per share exercise price of a Vested Option and (ii) the number of shares of Company Common Stock subject to such Vested Option. All unvested 1997 Options and 1982 Options will lapse and become void as of the Effective Time and any obligation express or implied that the Company shall have incurred with respect to the Conditional Options (as defined below) will lapse and become void as of the Effective Time. Furthermore, the Merger Agreement provides that in the event that any amount provided to any Optionee, pursuant to the accelerated vesting of any of the Vested Options, constitutes a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and, such "parachute payment" would otherwise be subject to the excise tax imposed by Section 4999 of the Code, the Company will reduce the aggregate number of Vested Options of such Optionee (such reduction, the "Excess Options") (in such manner as the Company, in its reasonable discretion, shall deem appropriate) such that the present value thereof is equal to 2.99 times such Optionee's "base amount" as defined in Section 280G(b)(3) of the Code. The Excess Options will immediately lapse and become void.

Conditional Options. Certain employees of the Company, who will be identified by the Company to Parent in writing prior to the Effective Time, have been granted stock options that were conditional upon the approval by the Board and the shareholders of the Company of an amendment to the 1997 Plan (the "Conditional Options"). The Merger Agreement provides that the Company will pay each holder of a Conditional Option, immediately after the Effective Time, a lump sum amount in cash equal to 60% of the product of (i) the Merger Consideration minus the exercise price per share of Company Common Stock subject to a Conditional Option and (ii) the number of shares of Company Common Stock subject to such Conditional Option.

Retention Bonus Plan. The Merger Agreement provides that, on or before the Effective Time, the Company will adopt a Retention Bonus Plan (the "Retention Bonus Plan") for employees of the Company. Under the Retention Bonus Plan, the Company will offer certain employees an incentive not to terminate their employment with the Company during the period of transition following Parent's acquisition of the Company. Under the Retention Bonus Plan, the Company will offer such employees bonuses that will be paid 50% on the

first anniversary of the Effective Time and 50% on the second anniversary of the Effective Time if they continue to be employed by the Company on such anniversary dates. In addition, the Retention Bonus Plan will provide bonus payments to any participant that is terminated by the Company without "cause" or resigns from his or her employment for "good reason" (as each term is defined in the Retention Bonus Plan) during the two year period after the Effective Time.

Retention Agreements. In addition to the Retention Bonus Plan, the Merger Agreement provides that the Company will offer Retention Agreements (the "Retention Agreements") to Messrs. Stephen T. Winn, Francis W. Winn, M. Brian Healy and Douglas H. Gross (the "Executives"). The Retention Agreements will provide for the continued employment of each of the Executives at a stated base salary and the continued participation in the Company's employee benefit plans.

The Retention Agreements also provide each Executive with severance payments until December 31, 1999 with respect to Messrs. Francis Winn, Healy and Gross and until September 30, 2000 with respect to Stephen T. Winn, in the event of termination without "cause" or resignation for "good reason" prior to the expiration of the term of each such Retention Agreement (in each case, a "Compensated Termination"), or after termination or resignation upon the successful completion by any such Executive of the term of his Retention Agreement. The term of each Retention Agreement, with the exception of Stephen T. Winn's, will expire December 31, 1998. The term of Stephen T. Winn's Retention Agreement will expire March 31, 1999.

In addition to salary and severance, Messrs. Healy, Gross and Stephen T. Winn are entitled to participate in the Retention Bonus Plan and each will receive a lump sum special bonus (the "Special Bonus") at the end of the term or upon a Compensated Termination. In the event of a Compensated Termination, each Executive will receive his salary through the end of the term and severance payments thereafter. In addition, those Executive who participate in the Retention Bonus Plan will receive an accelerated payment of bonus amounts under such plan. Those Executives who have Retention Agreements that include the Special Bonus will receive such Special Bonus according to the terms of their respective agreements in the event of a Compensated Termination. However, in order to be entitled to receive any of the severance or bonus payments in the event of a Compensated Termination, the Executive must sign a waiver and release of all employment-related claims against the Company.

Finally, the Retention Agreements include restrictive covenants that prohibit the dissemination of confidential information by the Executives, as well as competition and solicitation of employees or customers of the Company after the Executives' employment with the Company terminates. The Retention Agreements also require each Executive to agree to assign to the Company all developments and innovations related to their employment with the Company.

The above information is a summary of the Retention Agreements, copies of which are filed as an Exhibit to the Schedule 14D-1. Such summary is qualified in its entirety by reference to the Retention Agreements.

Employee Benefits Matters. The Merger Agreement further provides that following the Effective Time, Parent will cause the current employees of the Company to (i) be eligible to participate in the employee benefit plans of a subsidiary of Parent, the benefits under which, in the aggregate, will be at least as favorable, as those provided under the Company's employee benefit Plans, (ii) continue to participate in the Company's employee benefit plans as in effect immediately prior to the Effective Time or (iii) be eligible to participate in a benefits package that is a combination of (i) and (ii) and is at least as favorable, in the aggregate, as those provided under the Company's employee benefit plans, provided that Parent will not be prevented from terminating the employment of any such employee or modifying or terminating such plans from time to time and the choice of alternatives (i), (ii) or (iii) shall be at the sole discretion of Parent. Any group health plan offered to current employees of Company and their dependents will not exclude coverage on account of any pre-existing condition, and in determining deductibles and co-payments under any group health plan of Parent or its subsidiaries such employees and their dependents will be credited with any deductibles and co-pays accrued through the Effective Time. For purposes of any length of service requirements, waiting periods, vesting periods, benefit accruals or differential benefits based on length of service in any such plan for which an employee of the Company may be eligible after the Effective Time, Parent will ensure that service by such

employee with the Company will be deemed service with Parent; provided, however, that no such credit will be given for purposes of any defined benefit pension plan of Parent or any of its subsidiaries.

1998 Incentive Plan. The Merger Agreement provides that, as soon as practicable after the Effective Time, Parent will adopt a 1998 incentive bonus program, which will replace the 1997 Incentive Plan and the Officers' Incentive Plan, pursuant to which annual bonuses will be calculated according to certain measures of the performance of the Company, including, without limitation, annual increases in profit and revenue compared with the preceding year. In addition, the Merger Agreement provides that, as of the Effective Time, the Company will take all necessary actions to terminate the 1997 Incentive Plan and the Officers' Incentive Plan and such plans will be terminated as of the Effective Time.

Severance. The Merger Agreement provides that, on or before the Effective Time, the Company will adopt a severance plan for those of its employees who are at grade level E-16 or above as of the date of the Merger Agreement that will become effective as of the Effective Time. Such plan will provide for payment of severance to any of such employees terminated other than for Cause (as defined in the Retention Bonus Plan) prior to the second anniversary of the Effective Time and to any of such employees who resign for Good Reason (as defined in the Retention Bonus Plan) prior to the second anniversary of the Effective Time equal to a minimum of six months' base salary, plus an additional two weeks' base salary per full year of tenure with the Company. The maximum severance benefit pursuant to such plan will equal 12 months' salary. The Merger Agreement provides that on or before the Effective Time, the Company will offer written agreements to certain employees of the Company identified to the Purchaser in writing providing for severance benefits in lieu of participating in the severance plan. The Merger Agreement provides that on or before the Effective Time, the Company will offer written agreements to its officers providing that, in the event it is determined that any payment by the Company or any affiliate to or for the benefit of such officers (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by such officers with respect to such excise tax (collectively, the "Excise Tax"), then the officers will be entitled to receive an additional payment (a "Gross-up Payment") in an amount such that after payment by such officer of all taxes, interest and penalties, including, without limitation, any income taxes and Excise Tax imposed upon the Gross-up Payment, the officer retains an amount of the Gross-up Payment equal to the Excise Tax imposed upon the Payment; provided, however, that each such agreement will require each officer who is entitled to a Gross-up Payment to cooperate with a tax advisor of the Company's choice in the determination of such Gross-up Payment.

D&O Indemnification and Insurance. The Merger Agreement further provides that the Articles of Incorporation and By-laws of the Surviving Corporation will contain provisions no less favorable with respect to limitation of liability and indemnification than are set forth in Article XII of the Articles of Incorporation and Article 11 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 adversely affect the rights thereunder of individuals who prior to or at the Effective Time were directors, officers or employees of the Company or its Subsidiaries.

The Merger Agreement also provides that the Company and, following the purchase of any Shares by Purchaser or its affiliates pursuant to the Offer or the Stock Purchase Agreement, Parent will, to the fullest extent permitted under applicable law and regardless of whether the Merger becomes effective, indemnify and hold harmless, and, after the Effective Time, Parent and the Surviving Corporation will, to the fullest extent permitted under applicable law, indemnify and hold harmless, each present and former director, officer or employee of the Company and each Subsidiary (collectively, the "Indemnified Parties") against all costs and expenses (including attorneys' fees), judgments, fines, losses, claims, damages, liabilities and amounts paid in settlement in connection with any claim, action, suit, proceeding or investigation (whether arising before or after the Effective Time), whether civil, criminal, administrative or investigative, arising out of or pertaining to any action or omission in their capacity as an officer, director or employee, whether occurring before or after the Effective Time (including, without limitation, the transactions contemplated by the Merger Agreement and the Stock Purchase Agreement), for a period of six years after the date of the Merger Agreement. Without limiting the generality of the foregoing, in the event of any such claim, action, suit, proceeding or investigation, the Merger Agreement provides that (i) the Company, the Surviving Corporation or Parent, as

the case may be, will pay as incurred, each Indemnified Party's legal and other expenses (including costs of investigation and preparation), including the fees and expenses of counsel selected by the Indemnified Party, which counsel must be reasonably satisfactory to the Company, the Surviving Corporation or Parent, promptly after statements therefor are received and (ii) the Company, the Surviving Corporation and Parent will cooperate in the defense of any such matter; provided, however, that none of the Company, the Surviving Corporation or Parent will be liable for any settlement effected without its written consent (which consent may not be unreasonably withheld); and provided further that none of the Company, the Surviving Corporation or Parent will be obligated to pay the fees and expenses of more than one counsel for all Indemnified Parties in any single action except to the extent that two or more of such Indemnified Parties have conflicting interests in the outcome of such action; and provided further that, in the event that any claim for indemnification is asserted or made within such six-year period, all rights to indemnification in respect of such claim will continue until the disposition of such claim. The Company, the Surviving Corporation or the Parent will pay all expenses, including counsel fees and expenses, that any Indemnified Party may incur in enforcing the indemnity and other obligations provided for in the Merger Agreement.

The Merger Agreement provides that the Surviving Corporation will use its best efforts to maintain in effect for six years from the Effective Time, if available, the current directors' and officers' liability insurance policies maintained by the Company (provided that the Surviving Corporation may substitute therefor policies of at least the same coverage containing terms and conditions which are not materially less favorable) with respect to matters occurring prior to the Effective Time; provided, however, that in no event will the Surviving Corporation be required to expend more than an amount per year equal to 200% of the current annual premiums paid by the Company for such insurance (which premiums the Company has represented to Parent and Purchaser to be approximately \$139,000 in the aggregate); provided further that the Surviving Corporation will obtain the maximum coverage obtainable for such 200% amount.

Parent, Purchaser and the Company have also agreed that, in the event the Company, the Surviving Corporation or Parent or any of their respective successors or assigns (i) consolidates with or merges into any other person and is not the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any person, then, and in each such case proper provision will be made so that the successors and assigns of the Company, the Surviving Corporation or Parent, as the case may be, will assume the foregoing indemnity obligations.

Regulatory Approvals. The Merger Agreement provides that, subject to its terms and conditions, each of the parties thereto will (i) make promptly its respective filings, and thereafter make any other required submissions, under the HSR Act with respect to the transactions contemplated by the Merger Agreement and the Stock Purchase Agreement and (ii) use its reasonable best efforts to take, or cause to be taken, all appropriate action, and to do or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by the Merger Agreement and the Stock Purchase Agreement, including, without limitation, using its reasonable best efforts to obtain all licenses, permits (including, without limitation, the Environmental Permits as therein defined), consents, approvals, authorizations, qualifications and orders of governmental authorities and parties to contracts with the Company and the Subsidiaries as are necessary for the consummation of the transactions contemplated by the Merger Agreement and the Stock Purchase Agreement and to fulfill the conditions to the Offer and the Merger. In case at any time after the Effective Time any further action is necessary or desirable to carry out the purposes of the Merger Agreement, the proper officers and directors of each party to the Merger Agreement are required to use their reasonable best efforts to take all such action.

Representations and Warranties. The Merger Agreement contains various customary representations and warranties of the parties thereto, including representations by the Company as to the absence of certain changes or events concerning the Company's business, compliance with law, litigation, employee benefit plans, labor matters, real property and leases, trademarks, patents, copyrights and other intellectual property, environmental matters, brokers and taxes.

Conditions to the Merger. Under the Merger Agreement, the respective obligations of each party to effect the Merger are subject to the satisfaction at or prior to the Effective Time of the following conditions:

(i) the Merger Agreement and the transactions contemplated thereby shall have been approved and adopted by the affirmative vote of the shareholders of the Company to the extent required by Texas Law and the Company's Articles of Incorporation; (ii) any waiting period (and any extension thereof) applicable to the consummation of the Merger under the HSR Act shall have expired or been terminated; (iii) no United States or Canadian federal, state, provincial or local governmental or regulatory authority or other agency or commission or court of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any law, rule, regulation, executive order, decree, injunction or other order (whether temporary, preliminary or permanent) which is then in effect and has the effect of making the acquisition of Shares by Parent or Purchaser or any affiliate of either of them illegal or otherwise restricting, preventing or prohibiting consummation of the Merger; and (iv) Purchaser or its permitted assignee shall have purchased a minimum two-thirds of the outstanding Shares (on a fully diluted basis) pursuant to the Offer, the Stock Purchase Agreement or otherwise.

Termination; Fees and Expenses. The Merger Agreement provides that it may be terminated and the Merger and the other transactions contemplated by the Merger Agreement may be abandoned at any time prior to the Effective Time, notwithstanding any requisite approval and adoption of the Merger Agreement and the transactions contemplated by the Merger Agreement by the shareholders of the Company:

(a) By mutual written consent duly authorized by the Boards of Directors of Parent, Purchaser and the Company; or

(b) By either Parent, Purchaser or the Company if (i) the Effective Time has not occurred on or before May 15, 1998; provided, however, that the right to terminate this Agreement under this provision shall not be available (A) to any party whose failure to fulfill any obligation under the Merger Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur on or before such date or (B) if Purchaser has accepted for payment Shares pursuant to the Offer or has purchased Shares of the Majority Shareholders pursuant to the Stock Purchase Agreement or (ii) any United States or Canadian federal, state, provincial or local court or governmental or regulatory authority of competent jurisdiction has issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the Merger and such order, decree, ruling or other action has become final and nonappealable; or

(c) By Parent any time prior to the acceptance of Shares for payment pursuant to the Offer or the purchase of Shares pursuant to the Stock Purchase Agreement if due to an occurrence or circumstance that would result in a failure to satisfy any condition set forth in Section 14, Purchaser has (i) failed to commence the Offer within 30 days following the date of the Merger Agreement, (ii) terminated the Offer without having accepted any Shares for payment thereunder or (iii) failed to pay for Shares pursuant to the Offer on or prior to February 28, 1998 (unless such failure shall have been the result of the failure of the waiting period under the HSR Act to have expired or been terminated in which case such date shall be May 15, 1998), unless such failure to pay for Shares has been caused by or resulted from the failure of Parent or Purchaser to perform in any respect any covenant or agreement of either of them contained in the Merger Agreement or the Stock Purchase Agreement or the breach by Parent or Purchaser of any representation or warranty of either of them contained in the Merger Agreement or the Stock Purchase Agreement; or

(d) By the Company, upon approval of the Board, if Purchaser has (i) failed to commence the Offer within 30 days following the date of the Merger Agreement, (ii) unless Purchaser shall have otherwise purchased the Shares of the Majority Shareholders pursuant to the Stock Purchase Agreement, terminated the Offer without having accepted any Shares for payment thereunder or (iii) unless Purchaser shall have otherwise purchased the Shares of the Majority Shareholders pursuant to the Stock Purchase Agreement, failed to pay for Shares pursuant to the Offer on or prior to February 28, 1998 (unless such failure has been the result of the failure of the waiting period under the HSR Act to have expired or been terminated, in which case such date shall be May 15, 1998), unless such failure to pay for Shares has been caused by or resulted from the failure of the Company to perform in any respect any covenant or agreement of it contained in the Merger Agreement or the breach by the Company of any

representation or warranty of it contained in the Merger Agreement or the failure of any of the Majority Shareholders to perform in any respect any covenant or agreement of any of them contained in the Stock Purchase Agreement or the breach by any of them of any representation or warranty contained in the Stock Purchase Agreement; or

(e) By the Company if the Stock Purchase Agreement is terminated pursuant to its terms or is otherwise amended in a manner adverse to the Company or its shareholders without the Company's prior written consent.

In the event of the termination of the Merger Agreement, the Merger Agreement provides that it will forthwith become void and there will be no liability thereunder on the part of any party thereto except as set forth in certain provisions of the Merger Agreement related to fees and expenses described below and under certain other provisions of the Merger Agreement which survive termination.

THE STOCK PURCHASE AGREEMENT

Concurrently with entering into the Merger Agreement, Parent, Purchaser and the Majority Shareholders entered into the Stock Purchase Agreement pursuant to which, upon the terms and conditions set forth therein, the Majority Shareholders agreed to validly tender (and not withdraw) pursuant to the Offer all Shares now or hereafter owned by the Majority Shareholders and have otherwise agreed to sell to Purchaser all such Shares at a purchase price per Share equal to \$22.50 (or any higher price that may be paid per Share pursuant to the Offer). On January 12, 1998, the Majority Shareholders owned (either beneficially or of record) 10,786,962 Shares, constituting approximately 74.6% of the outstanding Shares (or approximately 67% of the outstanding Shares on a fully diluted basis).

UPON CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THE STOCK PURCHASE AGREEMENT, PARENT AND PURCHASER, BY VIRTUE OF THE ACQUISITION OF APPROXIMATELY 74.6% OF THE OUTSTANDING SHARES, WILL OWN A NUMBER OF SHARES SUFFICIENT, EVEN IF NO OTHER SHARES ARE TENDERED IN THE OFFER, TO CAUSE THE MERGER TO OCCUR WITHOUT THE AFFIRMATIVE VOTE OF ANY OTHER HOLDER OF SHARES. SEE SECTION 11.

Each of the Majority Shareholders has constituted and appointed Purchaser, or a nominee of Purchaser, during the term of the Stock Purchase Agreement, as his, her or its true and lawful attorney and proxy to vote each of the Shares held by such Majority Shareholder, at every annual, special or adjourned meeting of the shareholders of the Company, including the right to sign his, her or its name to any consent, certificate or other document relating to the Company that the law of the State of Texas may permit or require, (i) in favor of the approval and adoption of the Merger Agreement and approval of the Merger and the other transactions contemplated by the Merger Agreement, (ii) against any proposal for any recapitalization, merger, sale of assets, or other business combination between the Company and any person or entity (other than the Merger) or any other action or agreement 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 which could result in any of the conditions to the Merger Agreement not being fulfilled or which could adversely affect the ability of the Company to consummate the Merger and the other transactions contemplated by the Merger Agreement, and (iii) in favor of any other matter relating to the consummation of the transactions contemplated by the Merger Agreement. Each Majority Shareholder has further agreed to cause the Shares owned by him, her or it beneficially or of record to be voted in accordance with the foregoing.

Each Majority Shareholder has agreed not to offer or agree to sell, transfer, tender, assign, hypothecate or otherwise dispose of or create or permit to exist any encumbrance (other than any encumbrance that will be terminated prior to or concurrently with the closing) on the Shares now owned or that may hereafter be acquired by such Majority Shareholder at any time.

Each Majority Shareholder has agreed not to, directly or indirectly, through any officer, director, agent or otherwise, so long as the Stock Purchase Agreement shall remain in effect, solicit, initiate, encourage the submission of or accept any proposal or offer from any individual, corporation, partnership, limited partnership, limited liability company, syndicate, person (including, without limitation, a "person" as defined in Section 13(d)(3) of the Exchange Act), trust, association or entity or government, political subdivision,

agency or instrumentality of a government (collectively other than Purchaser and any affiliate of Purchaser, a "Person") relating to (i) any acquisition or purchase of all or any of the Shares held by the Majority Shareholders or (ii) any acquisition or purchase of all or (other than in the ordinary course of business) any portion of the assets of, or any equity interest in, the Company or any business combination with the Company or participate in any negotiations regarding, or furnish to any Person any information with respect to, or otherwise cooperate in any way with, or assist or participate in or facilitate or encourage, any effort or attempt by any Person to do or seek any of the foregoing. Each Majority Shareholder has agreed to notify Purchaser promptly if any such proposal or offer, or any inquiry or contact with any Person with respect thereto, is made and will, in any such notice to Purchaser, indicate in reasonable detail the identity of the Person making such proposal, offer, inquiry or contact and the terms and conditions of such proposal, offer, inquiry or contact. Notwithstanding the foregoing, the actions of any Majority Shareholder who is a director or officer of the Company, solely in his or her capacity as a director or officer, shall be governed by the Merger Agreement and not the Stock Purchase Agreement.

The Stock Purchase Agreement provides that, for a period of four years after the consummation of the transactions contemplated thereby (the "Restricted Period"), no Majority Shareholder (other than Advance Capital, it being expressly agreed that the non-competition provisions shall not apply to Advance Capital) will engage (other than on behalf of the Surviving Corporation or the Company or their respective subsidiaries), directly or indirectly, in the Tax and Accounting Software Business (as defined below) anywhere in the world or, without the prior written consent of Parent, directly or indirectly, own an interest in, manage, operate, join, control, lend money or render financial or other assistance (other than customary professional courtesies afforded to members of the business community) to or participate in or be connected with, as an officer, employee, partner, shareholder, consultant, advisor or other similar capacity, any person (other than the Surviving Corporation or the Company or their respective subsidiaries) that engages in the Tax and Accounting Software Business; provided, however, that ownership of securities having no more than five percent of the outstanding voting power of any competitor which are listed on any national securities exchange or traded actively in the national over-the-counter market shall not be deemed to be in violation of such restriction so long as the person owning such securities has no other connection or relationship with such competitor that would not be permitted by the Stock Purchase Agreement. "Tax and Accounting Software Business" means (x) the business of developing, designing, publishing, marketing and distributing (i) tax compliance software and services for tax and accounting professionals within corporations, banks, government agencies and accounting firms; (ii) accounting and practice management software and services marketed primarily to accounting firms; and (iii) other tax and accounting software products and services which are under development by the Company as of the closing of the transactions contemplated by the Stock Purchase Agreement; and (y) the business of the Company's Rent Roll, Inc. subsidiary as of the closing of the transactions contemplated by the Stock Purchase Agreement.

As a separate and independent covenant, each Majority Shareholder (other than Advance Capital) has agreed with Purchaser that, during the Restricted Period (other than on behalf of the Surviving Corporation or the Company or their respective subsidiaries), such Majority Shareholder will not in any way, directly or indirectly, for the purpose of conducting or engaging in the Tax and Accounting Software Business, call upon, solicit, advise or otherwise do, or attempt to do, business with any customers of the Surviving Corporation, the Company or any Subsidiary with whom the Surviving Corporation, the Company, any Subsidiary or such Majority Shareholder had any dealings during the two year period prior to the first day of the Restricted Period, or take away or interfere or attempt to interfere with any customer, trade, business or patronage of the Surviving Corporation, the Company or any Subsidiary.

In addition, as a separate and independent covenant, each Majority Shareholder (other than Advance Capital) has agreed with Purchaser that, during the Restricted Period, such Majority Shareholder will not, in any way, directly or indirectly, hire, attempt to hire, interfere with or attempt to interfere with any officers, employees, representatives, consultants or agents of the Surviving Corporation, the Company or any Subsidiary or any former officer, employee, representative, consultant or agent of the Surviving Corporation, the Company or any Subsidiary who resigned or was terminated within the prior six month period (other than an employee whose employment was terminated by the Surviving Corporation, the Company or any

Subsidiary without Cause, or who resigned from his or her employment for Good Reason, as such terms are defined in the Retention Bonus Plan), or induce or attempt to induce any of them to leave the employ of the Surviving Corporation, the Company or any Subsidiary or violate the terms of their contracts, or any arrangements, with the Surviving Corporation, the Company or any Subsidiary.

The obligation of the Majority Shareholders and Purchaser to consummate the purchase and sale of the Shares under the Stock Purchase Agreement is subject to the satisfaction of the following conditions: (a) any applicable waiting periods (and any extension thereof) under the HSR Act with respect to the purchase and sale of the Shares pursuant to the Stock Purchase Agreement shall have expired or been terminated and (b) no preliminary or permanent injunction or law, rule, regulation, order, decree or ruling issued by any United States or Canadian federal, state, provincial or local court or governmental or regulatory authority of competent jurisdiction prohibiting the purchase and sale of the Shares pursuant to the Stock Purchase Agreement shall be in effect. The obligation of Purchaser to consummate the purchase of the Shares pursuant to the Stock Purchase Agreement is further subject to the satisfaction of the following conditions: (a) the representations and warranties of the Company in the Merger Agreement and of the Majority Shareholders in the Stock Purchase Agreement that are qualified as to materiality shall have been true and correct and such representations and warranties that are not so qualified shall have been true and correct in all material respects, in each case as of the date of the Stock Purchase Agreement, except in the case of any representation and warranty that speaks as of a particular date, which shall be true and correct or true and correct in all material respects, as applicable, as of such date, (b) the Company shall have performed in all material respects its obligations, and complied in all material respects with its covenants and agreements, under the Merger Agreement, (c) the Majority Shareholders shall have performed in all material respects their obligations, and complied in all material respects with their covenants and agreements, under the Stock Purchase Agreement, (d) each of the conditions to the Offer shall have been satisfied or waived by Purchaser, (e) either Purchaser shall have accepted the Shares for payment pursuant to the Offer or the Offer shall have expired or been terminated without the purchase of any Shares pursuant thereto and (f) the Merger Agreement shall not have been terminated. The obligation of the Majority Shareholders to consummate the sale of the Shares pursuant to the Stock Purchase Agreement is further subject to the satisfaction of the following condition: the Merger Agreement shall not have been terminated pursuant to the termination provisions of the Merger Agreement.

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

Purpose of the Offer. The purpose of the Offer and the Merger is for Parent to acquire control of, and the entire equity interest in, the Company. The purpose of the Merger is for Parent to acquire all Shares not purchased pursuant to the Offer and the Stock Purchase Agreement. Upon consummation of the Merger, the Company will become a wholly owned subsidiary of Parent. The Offer is being made pursuant to the Merger Agreement.

Under Texas Law, the approval of the Board and the affirmative vote of the holders of two-thirds of the outstanding Shares are required to approve and adopt the Merger Agreement and the transactions contemplated thereby, including the Merger. The Board of Directors of the Company has unanimously approved and adopted the Merger Agreement and the transactions contemplated thereby, and, unless the Merger is consummated pursuant to the short-form merger provisions under Delaware Law and Texas Law described below, the only remaining required corporate action of the Company is the approval and adoption of the Merger Agreement and the transactions contemplated thereby by the affirmative vote of the holders of two-thirds 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 transactions contemplated thereby without the affirmative vote of any other Shareholder. UPON CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THE STOCK PURCHASE AGREEMENT, PARENT AND PURCHASER, BY VIRTUE OF THE ACQUISITION OF APPROXIMATELY 74.6% OF THE OUTSTANDING SHARES, WILL OWN A NUMBER OF SHARES SUFFICIENT, EVEN IF NO OTHER SHARES ARE TENDERED IN THE OFFER, TO CAUSE THE MERGER TO OCCUR WITHOUT THE AFFIRMATIVE VOTE OF ANY OTHER HOLDER OF SHARES. SEE SECTION 10.

In the Merger Agreement, the Company has agreed to take all action necessary to convene a meeting of its Shareholders as soon as practicable after the consummation of the Offer for the purpose of considering and taking action on the Merger Agreement and the transactions contemplated thereby, if such action is required by Texas Law. Parent and Purchaser have agreed that all Shares owned by them and their subsidiaries will be voted in favor of the Merger Agreement and the transactions contemplated thereby.

If Purchaser purchases Shares pursuant to the Offer, the Merger Agreement provides that Purchaser will be entitled to designate representatives to serve on the Board in proportion to Purchaser's ownership of Shares following such purchase. See Section 10. Purchaser expects that such representation would permit Purchaser to exert substantial influence over the Company's conduct of its business and operations.

Under Texas Law and Delaware Law, if Purchaser acquires, pursuant to the Offer and the Stock Purchase Agreement or otherwise, at least 90% of the outstanding Shares, Purchaser will be able to approve the Merger without a vote of the Company's shareholders. In such event, Parent, Purchaser and the Company have agreed in the Merger Agreement to take, at the request of Purchaser, all necessary and appropriate action to cause the Merger to become effective as soon as reasonably practicable after such acquisition, without a meeting of the Company's shareholders. If, however, Purchaser does not acquire at least 90% of the outstanding Shares pursuant to the Offer and the Stock Purchase Agreement or otherwise and a vote of the Company's shareholders is required a significantly longer period of time would be required to effect the Merger.

Rights of the Shareholders in the transactions. No dissenters' rights are available in connection with the Offer. However, persons who continue to hold Shares following completion of the Offer will have the right to dissent to the Merger in accordance with Articles 5.11 through 5.13 of Texas Law in lieu of receiving the consideration proposed under the Merger Agreement. If the statutory procedures are complied with and the Merger is consummated, dissenting holders would be entitled to receive cash equal to a judicial determination of the "fair value" of the Shares as determined by appraisal. See Schedule II setting forth Articles 5.11 through 5.13 of Texas Law. Such "fair value" is determined as of the day immediately preceding the shareholders' meeting at which the Merger is approved (excluding any appreciation or depreciation in anticipation of the Merger). In addition, dissenting shareholders may be entitled to receive payment of interest beginning 91 days from the date of consummation of the Merger to the date of such judicial determination on the amount determined to be the fair value of their Shares. Any such judicial determination of the fair value of the Shares could be based upon considerations other than or in addition to the price per Share in the Offer, the Merger Consideration and the market value of the Shares, including asset values, the investment value of the Shares and any other valuation considerations generally accepted in the investment community. The value so determined for dissenting Shares could be more or less than the price per Share in the Offer or the Merger Consideration, and payment of such consideration would take place subsequent to payment pursuant to the Offer or the Merger.

Texas Law provides that, in the absence of fraud in the transaction, the statutory dissenters' rights remedy provided under Texas Law to a shareholder objecting to the Merger is the exclusive remedy for the recovery of the value of such shareholder's Shares or for money damages to such shareholder with respect to the Merger. If the Company complies with the requirements of Article 5.12 of Texas Law, any shareholder who fails to comply with the requirements of that Article shall not be entitled to bring suit for the recovery of the value of such shareholder's Shares or for money damages to the shareholder with respect to the Merger.

The statutory procedures regarding the exercise of dissenters' rights will be included in the proxy statement sent to holders of Shares for the shareholders' meeting to be held to approve the Merger. Holders of Shares who seek to assert their dissenters' rights must follow the statutory procedures precisely. Failure to follow any of the statutory procedures may result in a termination or waiver of such rights.

The Commission has adopted Rule 13e-3 under the Exchange Act 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. Purchaser believes, however, 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 Shareholders in such transaction be filed with the Commission and disclosed to Shareholders prior to consummation of the transaction.

Plans for the Company. It is expected that, initially following the Merger, the business and operations of the Company will, except as set forth in this Offer to Purchase, be continued by the Company substantially as they are currently being conducted, except that Parent intends to manage the Company as part of the RIA Group. Parent will continue to evaluate the business and operations of the Company during the pendency of the Offer and after the consummation of the Offer and the Merger, and will take such actions as it deems appropriate under the circumstances then existing. Parent intends to seek additional information about the Company during this period. Thereafter, Parent intends to review such information as part of a comprehensive review of the Company's business, operations, capitalization and management with a view to optimizing exploitation of the Company's potential in conjunction with Parent's businesses. It is expected that the business and operations of the Company would form an important part of Parent's future business plans. Notwithstanding the foregoing, Parent intends to review the business of Rent Roll, Inc. and will then take all appropriate action it deems necessary including, without limitation, the disposition of Rent Roll, Inc. of some or substantially all of its businesses or assets.

Except as indicated in this Offer to Purchase, Parent does not have any present plans or proposals which relate to or would result in an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Company or any Subsidiary, a sale or transfer of a material amount of assets of the Company or any Subsidiary or any material change in the Company's capitalization or dividend policy or any other material changes in the Company's corporate structure or business, or the composition of the Board or the Company's management.

12. DIVIDENDS AND DISTRIBUTIONS. The Merger Agreement provides that the Company shall not, between the date of the Merger Agreement and the Effective Time, without the prior written consent of Parent, (a) issue, sell, pledge, dispose of, grant, encumber (i) any shares of capital stock of any class of the Company or any Subsidiary or any options, warrants, convertible securities or other rights of any kind to acquire any shares of such capital stock, or any other ownership interest (including, without limitation, any phantom interest), of the Company or any Subsidiary (except for the issuance of a maximum of 1,646,150 Shares issuable upon exercise of employee stock options outstanding on the date of the Merger Agreement or as disclosed in the Disclosure Schedules or otherwise in writing to Parent prior to the date of the Merger Agreement) or (ii) any assets of the Company or any Subsidiary, except for transactions in the ordinary course of business and in a manner consistent with past practice or (b) reclassify, combine, split, subdivide or redeem, purchase or otherwise acquire, directly or indirectly, any of its capital stock. See Section 10. If, however, the Company should, during the pendency of the Offer, (i) reclassify, combine, split, subdivide or redeem, purchase or otherwise change the Shares or its capitalization, (ii) acquire or otherwise cause a reduction in the number of outstanding Shares or (iii) issue or sell any additional Shares, shares of any other class or series of capital stock, other voting securities or any securities convertible into, or options, rights, or warrants, conditional or otherwise, to acquire, any of the foregoing, then, without prejudice to Purchaser's rights under Section 14, Purchaser may (subject to the provisions of the Merger Agreement) make such adjustments to the purchase price and other terms of the Offer (including the number and type of securities to be purchased) as it deems appropriate to reflect such split, combination or other change.

If, on or after January 12, 1998, the Company should declare or pay any dividend on the Shares or make any other distribution (including the issuance of additional shares of capital stock pursuant to a stock dividend or stock split, the issuance of other securities or the issuance of rights for the purchase of any securities) with respect to the Shares that is payable or distributable to Shareholders of record on a date prior to the transfer to the name of Purchaser or its nominee or transferee on the Company's stock transfer records of the Shares purchased pursuant to the Offer other than regular quarterly dividends on the Shares declared and paid at times consistent with past practice and in an amount not in excess of \$0.10 per Share, then, without prejudice to Purchaser's rights under Section 14, (i) the purchase price per Share payable by Purchaser pursuant to the Offer will be reduced (subject to the Merger Agreement) to the extent any such dividend or distribution is payable in cash and (ii) any non-cash dividend, distribution or right shall be received and held by the

tendering Shareholder for the account of Purchaser and will be required to be promptly remitted and transferred by each tendering Shareholder to the Depository for the account of Purchaser, accompanied by appropriate documentation of transfer. Pending such remittance and subject to applicable law, Purchaser will be entitled to all the rights and privileges as owner of any such non-cash dividend, distribution or right and may withhold the entire purchase price or deduct from the purchase price the amount or value thereof, as determined by Purchaser in its sole discretion.

13. EFFECT OF THE OFFER ON THE MARKET FOR THE SHARES; NASDAQ QUOTATION LISTING AND EXCHANGE ACT REGISTRATION. The purchase of Shares by Purchaser pursuant to 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.

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

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, the Shares would not be eligible to be included for listing if, among other things, the number of Shares publicly held falls below 100,000, the number of holders of Shares falls below 300 or the market value of such publicly held Shares is not at least \$200,000. If, as a result of the purchase of Shares pursuant to the Offer, the Merger, the Stock Purchase Agreement 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.

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.

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 recordholders. 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), the requirement of furnishing a proxy statement in connection with shareholders' meetings and the requirements of Rule 13e-3 under the Exchange Act with respect to the "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 "margin securities" or 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 as practicable after consummation of the Offer if the requirements for termination of registration are met.

14. CERTAIN CONDITIONS OF THE OFFER. Notwithstanding any other provision of the Offer, but subject to the terms of the Merger Agreement, Purchaser shall not be required to accept for payment or pay for any Shares tendered pursuant to the Offer, and may terminate or amend the Offer and may postpone the acceptance for payment of and payment for Shares tendered, if (i) the Minimum Condition shall not have been satisfied, (ii) any applicable waiting period under the HSR Act shall not have expired or been terminated

prior to the expiration of the Offer, or (iii) at any time on or after the date of the Merger Agreement, and prior to the acceptance for payment of Shares, any of the following conditions shall exist:

(a) there shall have been instituted or be pending any action or proceeding, before any United States or Canadian federal, state, provincial or local court or governmental, administrative or regulatory authority or agency of competent jurisdiction, which is reasonably likely (i) to make illegal or otherwise directly or indirectly prohibit the making of the Offer, the acceptance for payment of, or payment for, any Shares by Parent, Purchaser or any other affiliate of Parent, the purchase of Shares pursuant to the Stock Purchase Agreement, or the consummation of the Merger, or to require the Company, Parent, Purchaser or any other affiliate of Parent to pay, as a result of the transactions contemplated by the Merger Agreement and the Stock Purchase Agreement, damages that would be material to the Company and its Subsidiaries, taken as a whole; (ii) to prohibit or limit materially and adversely the ownership or operation by the Company, Parent or any of their subsidiaries of all or any material portion of the business or assets of the Company and its Subsidiaries, taken as a whole, or Parent and its subsidiaries, taken as a whole, or to compel the Company, Parent or any of their subsidiaries to dispose of or hold separate all or any material portion of the business or assets of the Company and its Subsidiaries, taken as a whole, or Parent and its subsidiaries, taken as a whole, in any case as a result of the transactions contemplated by the Merger Agreement or the Stock Purchase Agreement; (iii) to impose or confirm limitations on the ability of Parent, Purchaser or any other affiliate of Parent to exercise effectively full rights of ownership of any Shares, including, without limitation, the right to vote any Shares acquired by Purchaser pursuant to the Offer, the Stock Purchase Agreement or otherwise on all matters properly presented to the Company's shareholders, including, without limitation, the approval and adoption of the Merger Agreement and the transactions contemplated by the Merger Agreement and the Stock Purchase Agreement; or (iv) to require divestiture by Parent, Purchaser or any other affiliate of Parent of any Shares;

(b) there shall have been issued any preliminary or permanent injunction or law, rule, regulation, order, decree or ruling by any United States or Canadian federal, state, provincial or local court or governmental or regulatory authority of competent jurisdiction resulting, directly or indirectly, in any of the consequences referred to in clauses (i) through (iv) of paragraph (a) above;

(c) any representation or warranty of the Company in the Merger Agreement or of any of the Majority Shareholders in the Stock Purchase Agreement which is qualified as to materiality shall not have been true and correct or any such representation or warranty that is not so qualified shall not have been true and correct in any material respect, in each case as of the date of the Merger Agreement, except in the case of any representation or warranty that speaks as of a particular date, which shall have been true and correct or true and correct in all material respects, as applicable, as of such date;

(d) the Company shall have failed to perform in any material respect any obligation or to comply in any material respect with any agreement or covenant of the Company to be performed or complied with by it under the Merger Agreement or any Majority Shareholder shall have failed to perform in any material respect any obligation or to comply in any material respect with any agreement or covenant of such Majority Shareholder to be performed by him, her or it under the Stock Purchase Agreement;

(e) the Merger Agreement shall have been terminated in accordance with its terms;

(f) Purchaser and the Company shall have mutually agreed that Purchaser shall terminate the Offer or postpone the acceptance for payment of or payment for Shares thereunder; or

(g) there shall have occurred after the date of the Merger Agreement any events or circumstances which, individually or in the aggregate, result in a material adverse change in the business, results of operations (on an annualized basis), financial condition or assets of the Company and the Subsidiaries taken as a whole, other than any change constituting or relating to any of the following: (i) the United States economy or securities markets in general, (ii) the Merger Agreement or the transactions contemplated thereby or the announcement thereof, or (iii) the tax compliance or accounting software businesses generally and not specifically relating to the Company and the Subsidiaries; provided, that

Purchaser shall give the Company advance written notice of any intention by Purchaser to assert the nonsatisfaction of the condition set forth in this paragraph, which notice shall describe in reasonable detail the basis for Purchaser's belief that such condition has not been satisfied; and provided, further, that if any such material adverse change is capable of being cured through the exercise by the Company of its reasonable best efforts and for so long as the Company continues to use such reasonable best efforts to cure such material adverse change, the Purchaser shall not terminate the Offer under this paragraph or exercise any related right to terminate the Merger Agreement;

which, in the reasonable judgment of Purchaser in any such case, and regardless of the circumstances (including any action or inaction by Parent or any of its affiliates other than a material breach of the Merger Agreement by Parent or Purchaser) giving rise to any such condition, makes it inadvisable to proceed with such acceptance for payment or payment.

The foregoing conditions are for the sole benefit of Purchaser and Parent and may be asserted by Purchaser or Parent regardless of the circumstances giving rise to any such condition or, subject to the terms of the Merger Agreement, may be waived by Purchaser or Parent in whole or in part at any time and from time to time in their sole discretion. The failure by Parent or Purchaser 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 that may be asserted at any time and from time to time.

15. CERTAIN LEGAL MATTERS AND REGULATORY APPROVALS.

General. Based upon its examination of publicly available information with respect to the Company and the review of certain information furnished by the Company to Parent and discussions of representatives of Parent with representatives of the Company during Parent's investigation of the Company (see Section 10), neither Purchaser nor Parent is aware of any license or other regulatory permit that appears to be material to the business of the Company and the Subsidiaries, taken as a whole, which might be adversely affected by the acquisition of Shares by Purchaser pursuant to the Offer or the Stock Purchase Agreement or, except as set forth below, of any approval or other action by any domestic (federal or state) or foreign governmental, administrative or regulatory authority or agency which would be required prior to the acquisition of Shares by Purchaser pursuant to the Offer or the Stock Purchase Agreement. 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 shall not be satisfied). 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, Purchaser or Parent or that certain parts of the businesses of the Company, Purchaser or Parent 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. See Section 14.

State Takeover Laws. A number of states have adopted laws and regulations applicable to attempts to acquire securities of corporations which are incorporated, or have substantial assets, shareholders, 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 shareholders. The state law before the Supreme Court was by its

terms applicable only to corporations that had a substantial number of shareholders in the state and were incorporated there.

The State of Texas recently enacted Part Thirteen (Articles 13.01 et seq.) of Texas Law (the "Business Combination Law") which has application to "issuing public corporations" formed under Texas Law, such as the Company. The Business Combination Law imposes a three-year moratorium on certain business combination transactions between an issuing public corporation and an "affiliated shareholder" (generally, a beneficial owner of 20% or more of the then outstanding voting shares of the issuing public corporation) or any affiliate or associate of the affiliated shareholder unless (i) the proposed business combination, or the purchase or acquisition of voting shares on the date such person became an affiliated shareholder (the "share acquisition date"), was approved by the board of directors of the issuing public corporation prior to the affiliated shareholder's share acquisition date or (ii) the proposed business combination is approved by the affirmative vote of at least two-thirds of the outstanding voting shares (excluding the shares owned by the affiliated shareholder and its affiliates and associates) at a meeting of shareholders (and not by written consent) duly called for that purpose not less than six months after the affiliated shareholder's share acquisition date. Application of the Business Combination Law is subject to a number of exceptions.

Because the transactions contemplated by the Merger Agreement and the Stock Purchase Agreement have been unanimously approved by the Board, the restrictions under the Business Combination Law will not affect the Offer or the Merger or the transactions contemplated by the Stock Purchase Agreement. The Business Combination Law will apply to the Company for so long as it has (i) 100 or more shareholders of record, (ii) any class of voting securities registered under Exchange Act or (iii) any class of voting securities qualified for trading in a national market system, but not thereafter.

The Business Combination Law also permits a corporation's board of directors, when considering the best interests of the corporation, to consider the long-term as well as the short-term interests of the corporation and its shareholders, including the possibility that those interests may be best served by the continued independence of the corporation.

Purchaser 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 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 are 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 or the Merger, 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.

Antitrust. 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 and the FTC and certain waiting period requirements have been satisfied. The acquisition of Shares by Purchaser pursuant to the Offer and the Stock Purchase Agreement are subject to such requirements. See Section 2.

Pursuant to the HSR Act, on or about January 13, 1998, Parent filed a Premerger Notification and Report Form in connection with the purchase of Shares pursuant to the Offer and the Stock Purchase Agreement with the Antitrust Division and the FTC. Under the provisions of the HSR Act applicable to the Offer and the Stock Purchase Agreement, the purchase of Shares pursuant to the Offer or the Stock Purchase Agreement may not be consummated until the expiration of a 15 calendar day waiting period following the filing by Parent. Accordingly, the waiting period under the HSR Act applicable to the purchase of Shares pursuant to the Offer or the Stock Purchase Agreement will expire at 11:59 p.m., New York City time, on January 28, 1998, 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, Parent has requested early termination of the waiting period applicable to the Offer and the Stock Purchase Agreement. 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 Parent with respect to the Offer or the Stock Purchase Agreement, the waiting period with respect to the Offer or the Stock Purchase Agreement would expire at 11:59 p.m., New York City time, on the tenth calendar day after the date of substantial compliance by Parent with such request. Thereafter, the waiting period could be extended only by court order. If the acquisition of 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, pursuant to the Merger Agreement, shall be extended up to May 15, 1998 and may, thereafter, be further 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 extended period expires on or before the date when the initial 15-day period would otherwise have expired, or 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. It is a condition to the Offer that the waiting period applicable under the HSR Act to the Offer or the Stock Purchase Agreement expire or be terminated. See Section 2 and Section 14.

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 or the Stock Purchase Agreement. At any time before or after the purchase of Shares pursuant to the Offer or the Stock Purchase Agreement 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 the Stock Purchase Agreement or seeking the divestiture of Shares purchased by Purchaser or the divestiture of substantial assets of Parent, 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 Parent relating to the businesses in which Parent, the Company and their respective subsidiaries are engaged, Parent and Purchaser believe that the Offer will not violate the antitrust laws. Nevertheless, there can be no assurance that a challenge to the Offer or the Stock Purchase Agreement on antitrust grounds will not be made or, if such a challenge is made, what the result would be. See Section 14 for certain conditions to the Offer, including conditions with respect to litigation.

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 Parent have retained Innisfree M&A Incorporated, as the Information Agent, and ChaseMellon Shareholder Services L.L.C., 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 shareholders to forward materials relating to the Offer to beneficial owners.

As compensation for acting as Information Agent in connection with the Offer, the Information Agent will be paid reasonable and customary compensation for its services 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 all holders of Shares. Purchaser is not aware of any jurisdiction where the

making of the Offer is prohibited by any administrative or judicial action pursuant to any valid state statute. If Purchaser becomes aware of any valid state statute 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 state statute. If, after such good faith effort, Purchaser cannot comply with any such state statute, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in such state. 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.

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, Parent and Purchaser have filed with the Securities and Exchange Commission (the "Commission") the Schedule 14D-1, together with exhibits, furnishing certain additional information with respect to the Offer. The Schedule 14D-1 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 (except that they will not be available at the regional offices of the Commission).

SABRE ACQUISITION, INC.

January 16, 1998

DIRECTORS AND EXECUTIVE OFFICERS OF

PARENT AND PURCHASER

1. Directors and Executive Officers of Parent. 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 Parent. Except for W. Michael Brown, who is a citizen of both Great Britain and the United States, Alan M. Lewis, who is a citizen of Canada, Great Britain and South Africa, Paul Brett, Nigel R. Harrison, David J. Hulland, Martin B. Jones and Andrew G. Mills who are citizens of Great Britain and Richard J. Harrington who is a citizen of the United States, each such person is a citizen of Canada. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to employment with Parent.

| NAME, AGE AND CURRENT BUSINESS ADDRESS | PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT; MATERIAL POSITIONS HELD DURING THE PAST FIVE YEARS AND BUSINESS ADDRESSES THEREOF |
|---|---|
| Kenneth R. Thomson, 74..... The Woodbridge Company Limited 65 Queen Street West Toronto, Ontario M5H 2M8 Canada | Chairman of Parent since July 1978. Director of Parent since July 1976. Chairman of the Woodbridge Company Limited, 65 Queen Street West, Toronto, Ontario, M5H 2M8, Canada, since March 1979. Director of the Woodbridge Company Limited since, August 1956. |
| John A. Tory, 67..... The Woodbridge Company Limited 65 Queen Street West Toronto, Ontario M5H 2M8 Canada | Deputy Chairman of Parent from February 1978 to December 31, 1997. Director of Parent since February 1978. Director of Abitibi Consolidated, Inc., 207 Queens Quay West, Toronto, Ontario, M5J 2P5, Canada, since September 1965. Director of Rogers Communications Inc., 40 King Street West, Toronto, Ontario, M5H 3Y2, Canada, since December 1979. Director, Sun Life Insurance Company of Canada, 150 King Street West, Toronto, Ontario, M5H 1J9, Canada, from December 1971 to 1994. Director and President of the Woodbridge Company Limited, 65 Queen Street West, Toronto, Ontario, M5H 2M8, Canada, since October 1967 and March 1979, respectively. Director of Hudson's Bay Company, 401 Bay Street, Toronto, Ontario M5H 2Y4, Canada, since May 1979. Deputy Chairman and Director of Markborough Properties Inc., One Dundas Street West, Suite 2800, Toronto, Ontario M5G 2J2, Canada, since September 1989. Director of The Thomson Corporation PLC, First Floor, the Quadrangle, 180 Wardour Street, W1A 4YG, England, since December 1977. Director of the Royal Bank of Canada, 200 King Street West, Toronto, Ontario M5H 1CA, Canada, since March 1971. |

PRESENT PRINCIPAL OCCUPATION OR
EMPLOYMENT; MATERIAL POSITIONS HELD
DURING THE PAST FIVE YEARS AND
BUSINESS ADDRESSES THEREOF

NAME, AGE AND
CURRENT BUSINESS ADDRESS

| | |
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| <p>W. Michael Brown, 62..... The Thomson Corporation Metro Center One Station Place Stamford, Connecticut 06902</p> | <p>Director of Parent since July 1978. Deputy Chairman of Parent since October 1997. President of Parent from December 1984 to October 1997. Director of Hudson's Bay Company, 401 Bay Street, Toronto, Ontario, M5H 2Y4, Canada, since 1985. Director of Southwestern Area Commerce and Industry Association, One Landmark Square, Stamford, Connecticut 06901, from November 1994 to July 1997. Director of Markborough Properties Inc., One Dundas Street West, Suite 2800, Toronto, Ontario, M5H 2Y4, Canada, from April 1990 to June 1997.</p> |
| <p>Ronald D. Barbaro, 66..... Clairvest Group Inc. Suite 1700 22 St. Clair Avenue East Toronto, Ontario M4V 2S3 Canada</p> | <p>Director of Parent since May 1993. Director, Clairvest Group Inc., Suite 1700, 22 St. Clair Avenue East, Toronto, Ontario, M4V 2S3, Canada, since September 1994. Director of Equifax Canada, 7171 Jean Talon East, Anjou, Quebec, H1M 3N2, Canada, since June 1997. Director of ChoicePoint, Inc., 1000 Alderman Drive, Alpharetta, Georgia 30005, since July 1997. Director of Prudential of America Life Insurance Company of Canada ("PALI"), c/o Prudential of America Insurance Co. (Canada), 200 Consilium Place, Scarborough, Ontario, M1H 3E6, Canada, since January 1991. Chairman of PALI from 1992 to January 1997. President of Prudential Insurance Company of America, Inc., 260 Madison Avenue, Second Floor, New York, New York 10116, from 1990 to 1993. President of Worldwide Operations Prudential Insurance Company of America-Canada from 1985 to 1990. Director of Equifax Inc., 1600 Peachtree Street, N.W., Atlanta, Georgia 30309, from April 1992 to July 1997. Director, Canbra Foods Ltd., P.O. Box 99, 2415 2nd Avenue "A" North, Lethbridge, Alberta, T1J 3Y4, Canada, since July 1988; interim-Chairman since March 1996; Chairman since March 1997. Director, Consoltex Group Inc., 8555 TransCanada Highway, Ville Saint-Laurent, Quebec, H4S 1Z6, Canada, since May 1997. Director, Flow International Corporation, 2300 - 64th Avenue South, Kent, Washington 98032, since 1995. Chairman, Natraceuticals Inc., 8290 Woodbine Avenue, Markham, Ontario, L3R 9W9, Canada, since February 1997. Director, Signature Security Group Inc., 26 - 28 Market Street, Sydney, NSW, Australia, since March 1997. Director, VoxCom Incorporated, #102,4209 - 99 Street, Edmonton, Alberta, T6E 5V7, Canada, since December 1996. Director, O'Donnell Investment Management Corp., 4100 Yonge Street, Suite 601, Toronto, Ontario, M2P 2B5, Canada, since April 1997.</p> |

PRESENT PRINCIPAL OCCUPATION OR
EMPLOYMENT; MATERIAL POSITIONS HELD
DURING THE PAST FIVE YEARS AND
BUSINESS ADDRESSES THEREOF

NAME, AGE AND
CURRENT BUSINESS ADDRESS

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|---|---|
| Paul Brett, 53..... Thomas Travel Group Britannia House Airport Approach Road London Luton Airport Luton, Bedfordshire LU2 9ND England | Director of Parent since June 1989. Executive Vice President of Parent since June 1989. Chairman and Chief Executive Officer of Thomson Travel Group, Britannia House, Airport Approach Road, London Luton Airport, Luton, Bedfordshire, LU2 9ND, England, since March 1989. |
| V. Maureen Kempston Darkes, 49..... General Motors of Canada Limited 1908 Colonel Sam Drive Oshawa, Ontario L1H8T7 Canada | Director of Parent since May 1996. President and General Manager, General Motors of Canada Limited ("GMCL"), 1908 Colonel Sam Drive, Oshawa, Ontario, L1H 8T7, Canada. Director of GMCL since August 1991. Vice President of GMCL from August 1991 to July 1994. Director, CN Rail, 935 de la Gauchetiere Street West, Montreal, Quebec, Canada, since March 1995. Director of Noranda, Inc., 181 Bay Street, Suite 1400, Toronto, Ontario, Canada, since January 1998. |
| William J. DesLauries, 67..... Tory, Tory, DesLauries & Binnington Aetna Tower, Suite 3000 P.O. Box 270 Toronto-Dominion Centre Toronto, Ontario M5K 1N2 Canada | Director of Parent since July 1978. Partner in Tory, Tory, DesLauries & Binnington, Suite 3000, Aetna Tower, P.O. Box 270, Toronto-Dominion Centre, Toronto, Ontario M5K 1N2, Canada, since July 1963. |
| John F. Fraser, 67..... Russel Metals, Inc. Suite 600 One Lombard Place Winnipeg, Manitoba R3B 0X3 Canada | Director of Parent since June 1989. Chairman of Air Canada, 355 Portage Avenue, Room 500, Winnipeg, Manitoba, R3B 2C3, Canada, since August 1996. Director of Air Canada since 1989. Vice Chairman of Russel Metals, Inc., Suite 600, One Lombard Place, Winnipeg, Manitoba, R3B 0X3, Canada, since May 1995. Chairman of Russel Metals, Inc. from May 1992 to May 1995. Chairman and Chief Executive Officer of Russel Metals, Inc. from May 1991 to May 1992. President and Chief Executive Officer of Russel Metals, Inc. from May 1978 to May 1991. Director, America West Airlines, Inc., 4000 East Sky Harbor Boulevard, Phoenix, Arizona 85034, since August 1994. Director, Bank of Montreal, First Bank Tower, First Canadian Place, Toronto, Ontario, M5X 1A1, Canada, since January 1985. Director, Centra Gas Manitoba Inc., 444 St. Mary Avenue, Winnipeg, Manitoba, R3C 3T7, Canada, since February 1985. Director, International Comfort Products Corporation, 501 Corporate Centre Drive, Suite 200, Franklin, TN 37067, from May 1985 to April 1990 and June 1992 to present. Director, Manitoba Telecom, Services, Inc., 489 Empress Street, Winnipeg, Manitoba, R3C 3V6, Canada, since May 1997. Director, Shell Canada Limited, 400-4th Avenue S.W., Calgary, Alberta, T2P 0J4, Canada, since April 1990. |

PRESENT PRINCIPAL OCCUPATION OR
EMPLOYMENT; MATERIAL POSITIONS HELD
DURING THE PAST FIVE YEARS AND
BUSINESS ADDRESSES THEREOF

NAME, AGE AND
CURRENT BUSINESS ADDRESS

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| <p>Richard J. Harrington, 51..... The Thomson Corporation Metro Center One Station Place Stamford, Connecticut 06902</p> | <p>Director of Parent since September 1993. President and Chief Executive Officer of Parent since October 1997. Executive Vice-President of Parent from September 1993 to October 1997. President and Chief Executive Officer, Thomson Newspapers Group, Metro Center, One Station Place, Stamford, Connecticut 06902, from July 1993 to October 1997. President and Chief Executive Officer, Thomson Professional Publishing, Metro Center, One Station Place, Stamford, Connecticut 06902, from June 1989 to July 1993.</p> |
| <p>Nigel R. Harrison, 48..... The Thomson Corporation Metro Center One Station Place Stamford, Connecticut 06902</p> | <p>Director of Parent since June 1989. Chief Financial Officer of Parent since July 1984. Executive Vice-President of Parent since June 1989.</p> |
| <p>Mark D. Knight, 54..... The Thomson Corporation PLC The Quadrangle, First Floor 180 Wardour Street London W1A 4YG England</p> | <p>Director of Parent since June 1989. Senior Vice-President of Parent since July 1984. Secretary of Parent since July 1978.</p> |
| <p>C. Edward Medland, 69..... Beauwood Investments, Inc. 121 King Street West, Suite 2525 Toronto, Ontario M5H 3T9 Canada</p> | <p>Director of Parent since July 1978. President of Beauwood Investments, Inc., 121 King Street West, Suite 2525, Toronto, Ontario, M5H 3T9, Canada, since July 1988. Director of The Seagram Company, 1430 Peel Street, Montreal, Quebec, H3A 1S9, Canada, since November 1973. Director of Abitibi Consolidated Inc., 800 Boulevard Rene Levesque West, Montreal, Quebec, H3B 1Y9, Canada, since April 1978. Director of Teleglobe, Inc., 1000 de la Gauchetiere Street West, Suite 1500, Montreal, Quebec, H3B 4X5, Canada, since May 1992. Director of Canada Trust Financial Services, Inc., Canada Trust Tower, 161 Bay Street, Toronto, Ontario, M5J 2S1, Canada, since March 1989. Director of Premium Income Corporation, 121 King Street West, 26th Floor, Toronto, Ontario, M5H 3T9, Canada, since October 1996. Chairman of Ontario Teachers' Pension Plan Board ("OTPPB"), 5650 Yonge Street, Toronto, Ontario M2M 4H5, Canada, since January 1996. Director of OTPPB since January 1990. Director of Quorum Growth, Inc., Sun Life Tower, 150 King Street West, Toronto, Ontario, M5H 1J9, Canada, from October 1992 to February 1996. Director of Canadian Tire Corporation, 2180 Yonge Street, Toronto, Ontario, M3S 2B9, Canada, from May 1988 to May 1996.</p> |

PRESENT PRINCIPAL OCCUPATION OR
EMPLOYMENT; MATERIAL POSITIONS HELD
DURING THE PAST FIVE YEARS AND
BUSINESS ADDRESSES THEREOF

NAME, AGE AND
CURRENT BUSINESS ADDRESS

| NAME, AGE AND CURRENT BUSINESS ADDRESS | PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT; MATERIAL POSITIONS HELD DURING THE PAST FIVE YEARS AND BUSINESS ADDRESSES THEREOF |
|--|--|
| Andrew G. Mills, 45..... Thomson Financial & Professional Publishing Group 22 Pittsburgh Street Boston, Massachusetts 02210 | Director and Executive Vice President of Parent since January 1995. President and Chief Executive Officer of Thomson Financial & Professional Publishing Group, 22 Pittsburgh Street, Boston, Massachusetts, 02210, since May 1994. Chairman of Massachusetts Technology Development Corporation, 149 State Street, Boston, Massachusetts 02109, since 1990. |
| Vance K. Opperman, 54..... Key Investments Inc. 601 Second Avenue South Suite 5200 Minneapolis, MN 55402 | Director of Parent since September 1996. President and Chief Executive Officer of Key Investments Inc., 601 Second Avenue South, Suite 5200, Minneapolis, MN 55402, since October 1996. Director, Chief Executive Officer and General Counsel, MSP Communications, Inc. since December 1996. President and Chief Operating Officer of West Publishing Company ("West") between 1993 and 1996. General Counsel of West prior to 1993. Served on West's Board of Directors from 1992 to 1996. |
| David K.R. Thomson, 40..... The Woodbridge Company Limited 65 Queen Street West Toronto, Ontario M5H 2M8 Canada | Director of Parent since April 1988. Deputy Chairman of the Woodbridge Company Limited, 65 Queen Street West, Toronto, Ontario, M5H 2M8, Canada, since June 1990. |
| Richard M. Thomson, 64..... Toronto-Dominion Bank Toronto-Dominion Bank Tower, 11th Floor Toronto, Ontario M5K 1A2 Canada | Director of Parent since October 1984. Chairman and Chief Executive Officer of the Toronto Dominion Bank, 11th Floor, Toronto-Dominion Bank Tower, Toronto, Ontario M5K 1A2, Canada, since May 1978. |
| Peter J. Thomson, 32..... The Woodbridge Company Limited 65 Queen Street West Toronto M5H 2M8 Canada | Director of Parent since January 1995. Deputy Chairman of The Woodbridge Company Limited, 65 Queen Street West, Toronto, M5H 2M8, Canada, since November 1993. |
| David J. Hulland, 47..... The Thomson Corporation Metro Center One Station Place -- Stamford, Connecticut 06902 | Vice-President of Parent since May 1993. Group Controller of Parent since December 1984. |
| Robert J. Jachino, 63..... Markborough Development Metro Center One Station Place -- Stamford, Connecticut 06902 | Vice President of Parent since May 1992. President and Chief Executive Officer of Markborough Development, Metro Center, One Station Place, Stamford, Connecticut 06902, since September 1995. President and Chief Executive Officer, Thomson Information/Publishing Group, Metro Center, One Station Place, Stamford, Connecticut 06902, from May 1984 to January 1991. Director of Howe Sportsdata, Inc., 14 Fish Pier Road, Boston, Massachusetts 02210, since November 1992. Chairman of Perc, Inc., 107 Perkins Road, Greenwich, Connecticut 06830, since January 1992. |

PRESENT PRINCIPAL OCCUPATION OR
EMPLOYMENT; MATERIAL POSITIONS HELD
DURING THE PAST FIVE YEARS AND
BUSINESS ADDRESSES THEREOF

NAME, AGE AND
CURRENT BUSINESS ADDRESS

| | |
|--|---|
| <p>Martin B. Jones, 46..... The Thomson Corporation The Quadrangle, First Floor 180 Wardour Street London W1A 4YG England</p> | <p>Vice President of Parent since May 1993. Group Treasurer of Parent since December 1984.</p> |
| <p>Alan M. Lewis, 60..... The Thomson Corporation Suite 2706 P.O. Box 24 66 Wellington Street West Toronto, Ontario M5K 1A1 Canada</p> | <p>Treasurer of Parent since May 1979.</p> |
| <p>Robert Daleo, 49..... The Thomson Corporation Metro Center One Station Place -- Stamford, CT 06902</p> | <p>Executive Vice-President, Finance and Business Development of Parent since November 1997. Senior Vice President, Finance and Business Development of Parent from January 1997 to October 1997. Senior Vice President and Chief Operating Officer, Thomson Newspapers, Metro Center, One Station Place, Stamford, CT 06902, from January 1996 to December 1997. Senior Vice President and Chief Financial Officer, Thomson Newspapers, from December 1994 to December 1995. Senior Vice President and General Manager, Sweets Group, McGraw-Hill Company, 1221 Avenue of the Americas, New York, New York 10020, until November 1994.</p> |
| <p>Robert C. Hall, 66..... The Thomson Corporation Metro Center One Station Place -- Stamford, CT 06902</p> | <p>Vice-President of Parent since January 1995. President and Chief Executive Officer of Thomson Information & Publishing Group, Metro Center, One Station Place, Stamford, CT 06902, from 1993 to January 1995. Director of the Advanta Corporation, Welch and McLean Roads, Spring House, PA, since 1994. Director of Advanta Partners, Welch and McLean Roads, Spring House, PA, since 1994.</p> |
| <p>Joseph J.G.M. Vermeer, 51..... The Thomson Corporation Metro Center One Station Place -- Stamford, CT 06902</p> | <p>Vice-President and Director of Taxes of Parent since January 1995. Partner in Peat Marwick Thorne, 40 King Street West, Toronto, Ontario, Canada, from 1977 to December 31, 1994.</p> |

2. Directors and Executive Officers of Purchaser. The following table sets forth the name, age, 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. Michael S. Harris is a citizen of the United States and Nigel R. Harrison is a citizen of Great Britain. Unless otherwise indicated, the current business address of each person is Sabre Acquisition, Inc., Metro Center, One Station Place, Stamford, Connecticut 06902. Each occupation set forth opposite an individual's name, refers to employment with Purchaser.

PRESENT PRINCIPAL OCCUPATION OR
EMPLOYMENT; MATERIAL POSITIONS HELD
DURING THE PAST FIVE YEARS AND
BUSINESS ADDRESSES THEREOF

NAME, AGE AND
CURRENT BUSINESS ADDRESS

| | |
|---|--|
| Michael S. Harris, 48..... The Thomson Corporation Metro Center One Station Place -- Stamford, CT 06902 | President and Director of Purchaser since January 1998. Assistant Secretary of Parent since July 1993. Vice President and General Counsel of Thomson Holdings Inc. ("THI"), Metro Center, One Station Place, Stamford, CT 06902, since June 1993. Assistant Secretary and Assistant General Counsel of THI from May 1989 to June 1993. |
| Nigel R. Harrison, 48..... | Vice President, Secretary and Treasurer of Purchaser since January 1998. See Parent, above. |

I-7

Texas Business Corporation Act
Articles 5.11-5.13
Dissenter's Rights

ART. 5.11. RIGHTS OF DISSENTING SHAREHOLDERS IN THE EVENT OF CERTAIN CORPORATE ACTIONS

A. Any shareholder of a domestic corporation shall have the right to dissent from any of the following corporate actions:

(1) Any plan of merger to which the corporation is a party if shareholder approval is required by Article 5.03 or 5.16 of this Act and the shareholder holds shares of a class or series that was entitled to vote thereon as a class or otherwise;

(2) Any sale, lease, exchange or other disposition (not including any pledge, mortgage, deed of trust or trust indenture unless otherwise provided in the articles of incorporation) of all, or substantially all, the property and assets, with or without good will, of a corporation if special authorization of the shareholders is required by this Act and the shareholders hold shares of a class or series that was entitled to vote thereon as a class or otherwise; or

(3) Any plan of exchange pursuant to Article 5.02 of this Act in which the shares of the corporation of the class or series held by the shareholder are to be acquired.

B. Notwithstanding the provisions of Section A of this Article, a shareholder shall not have the right to dissent from any plan of merger in which there is a single surviving or new domestic or foreign corporation, or from any plan of exchange, if:

(1) the shares held by the shareholder are part of a class or series, shares of which are on the record date fixed to determine the shareholders entitled to vote on the plan of merger or plan of exchange:

(a) listed on a national securities exchange;

(b) listed on Nasdaq National Market (or successor quotation system) or designated as a national market security on an interdealer quotation system by the National Association of Securities Dealers, Inc., or successor entity; or

(c) held of record by not less than 2,000 holders;

(2) the shareholder is not required by the terms of the plan of merger or plan of exchange to accept for the shareholder's shares any consideration that is different than the consideration (other than cash in lieu of fractional shares that the shareholder would otherwise be entitled to receive) to be provided to any other holder of shares of the same class or series of shares held by such shareholder; and

(3) the shareholder is not required by the terms of the plan of merger or the plan of exchange to accept for the shareholder's shares any consideration other than:

(a) shares of a domestic or foreign corporation that, immediately after the effective time of the merger or exchange will be part of a class or series of shares of which are:

(i) listed, or authorized for listing upon official notice of issuance, on a national securities exchange;

(ii) approved for quotation as a national market security on an interdealer quotation system by the National Association of Securities Dealers, Inc., or successor entity; or

(iii) held of record by not less than 2,000 holders;

(b) cash in lieu of fractional shares otherwise entitled to be received, or

(c) any combination of the securities and cash described in subdivisions (a) and (b) of this Subsection.

ART. 5.12. PROCEDURE FOR DISSENT BY SHAREHOLDERS AS TO SAID CORPORATE ACTIONS

A. Any shareholder of any domestic corporation who has the right to dissent from any of the corporate actions referred to in Article 5.11 of this Act may exercise that right to dissent only by complying with the following procedures:

(1) (a) With respect to proposed corporate action that is submitted to a vote of shareholders at a meeting, the shareholder shall file with the corporation, prior to the meeting, a written objection to the action, setting out that the shareholder's right to dissent will be exercised if the action is effective and giving the shareholder's address, to which notice thereof shall be delivered or mailed in that event. If the action is effected and the shareholder shall not have voted in favor of the action, the corporation, in the case of action other than a merger, or the surviving or new corporation (foreign or domestic) or other entity that is liable to discharge the shareholder's right of dissent, in the case of a merger, shall, within ten (10) days after the action is effected, deliver or mail to the shareholder written notice that the action has been effected, and the shareholder may, within ten (10) days from the delivery or mailing of the notice, make written demand on the existing, surviving, or new corporation (foreign or domestic) or other entity, as the case may be, for payment of the fair value of the shareholder's shares. The fair value of the shares shall be the value thereof as of the day immediately preceding the meeting, excluding any appreciation or depreciation in anticipation of the proposed action. The demand shall state the number and class of the shares owned by the shareholder and the fair value of the shares as estimated by the shareholder. Any shareholder failing to make demand within the ten (10) day period shall be bound by the action.

(b) With respect to proposed corporate action that is approved pursuant to Section A of Article 9.10 of this Act, the corporation, in the case of action other than a merger, and the surviving or new corporation (foreign or domestic) or other entity that is liable to discharge the shareholder's right of dissent, in the case of a merger, shall, within ten (10) days after the date the action is effected, mail to each shareholder of record as of the effective date of the action notice of the fact and date of the action and that the shareholder may exercise the shareholder's right to dissent from the action. The notice shall be accompanied by a copy of this Article and any articles or documents filed by the corporation with the Secretary of State to effect the action. If the shareholder shall not have consented to the taking of the action, the shareholder may, within twenty (20) days after the mailing of this notice, make written demand on the existing, surviving, or new corporation (foreign or domestic) or other entity, as the case may be, for payment of the fair value of the shareholder's shares. The fair value of the shares shall be the value thereof as of the date the written consent authorizing the action was delivered to the corporation pursuant to Section A of Article 9.10 of this Act, excluding any appreciation or depreciation in anticipation of the action. The demand shall state the number and class of shares owned by the dissenting shareholder and the fair value of the shares as estimated by the shareholder. Any shareholder failing to make demand within the twenty (20) day period shall be bound by the action.

(2) Within twenty (20) days after receipt by the existing, surviving, or new corporation (foreign or domestic) or other entity, as the case may be, of a demand for payment made by a dissenting shareholder in accordance with Subsection (1) of this Section, the corporation (foreign or domestic) or other entity shall deliver or mail to the shareholder a written notice that shall either set out that the corporation (foreign or domestic) or other entity accepts the amount claimed in the demand and agrees to pay that amount within ninety (90) days after the date on which the action was effected, and, in the case of shares represented by certificates, upon the surrender of the certificates duly endorsed, or shall contain an estimate by the corporation (foreign or domestic) or other entity of the fair value of the shares, together with an offer to pay the amount of that estimate within ninety (90) days after the date on which the action was effected, upon receipt of notice within sixty (60) days after that date from the shareholder that the shareholder agrees to accept that amount and, in the case of shares represented by certificates, upon the surrender of the certificates duly endorsed.

(3) If, within sixty (60) days after the date on which the corporate action was effected, the value of the shares is agreed upon between the shareholder and the existing, surviving, or new corporation (foreign or domestic) or other entity, as the case may be, payment for the shares shall be made within ninety (90) days after the date on which the action was effected and, in the case of shares represented by certificates, upon surrender of the certificates duly endorsed. Upon payment of the agreed value, the shareholder shall cease to have any interest in the shares or in the corporation.

B. If, within the period of sixty (60) days after the date on which the corporate action was effected, the shareholder and the existing, surviving, or new corporation (foreign or domestic) or other entity, as the case may be, do not so agree, then the shareholder or the corporation (foreign or domestic) or other entity may, within sixty (60) days after the expiration of the sixty (60) day period, file a petition in any court of competent jurisdiction in the county in which the principal office of the domestic corporation is located, asking for a finding and determination of the fair value of the shareholder's shares. Upon the filing of any such petition by the shareholder, service of a copy thereof shall be made upon the corporation (foreign or domestic) or other entity, which shall, within ten (10) days after service, file in the office of the clerk of the court in which the petition was filed a list containing the names and addresses of all shareholders of the domestic corporation who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached by the corporation (foreign or domestic) or other entity. If the petition shall be filed by the corporation (foreign or domestic) or other entity, the petition shall be accompanied by such a list. The clerk of the court shall give notice of the time and place fixed for the hearing of the petition by registered mail to the corporation (foreign or domestic) or other entity and to the shareholders named on the list at the addresses therein stated. The forms of the notices by mail shall be approved by the court. All shareholders thus notified and the corporation (foreign or domestic) or other entity shall thereafter be bound by the final judgment of the court.

C. After the hearing of the petition, the court shall determine the shareholders who have complied with the provisions of this Article and have become entitled to the valuation of and payment for their shares, and shall appoint one or more qualified appraisers to determine that value. The appraisers shall have power to examine any of the books and records of the corporation the shares of which they are charged with the duty of valuing, and they shall make a determination of the fair value of the shares upon such investigation as to them may seem proper. The appraisers shall also afford a reasonable opportunity to the parties interested to submit to them pertinent evidence as to the value of the shares. The appraisers shall also have such power and authority as may be conferred on Masters in Chancery by the Rules of Civil Procedure or by the order of their appointment.

D. The appraisers shall determine the fair value of the shares of the shareholders adjudged by the court to be entitled to payment for their shares and shall file their report of that value in the office of the clerk of the court. Notice of the filing of the report shall be given by the clerk to the parties in interest. The report shall be subject to exceptions to be heard before the court both upon the law and the facts. The court shall by its judgment determine the fair value of the shares of the shareholders entitled to payment for their shares and shall direct the payment of that value by the existing, surviving, or new corporation (foreign or domestic) or other entity, together with interest thereon, beginning ninety-one (91) days after the date on which the applicable corporate action from which the shareholder elected to dissent was effected to the date of such judgment, to the shareholders entitled to payment. The judgment shall be payable to the holders of uncertificated shares immediately but to the holders of shares represented by certificates only upon, and simultaneously with, the surrender to the existing, surviving, or new corporation (foreign or domestic) or other entity, as the case may be, of duly endorsed certificates for those shares. Upon payment of the judgment, the dissenting shareholders shall cease to have any interest in those shares or in the corporation. The court shall allow the appraisers a reasonable fee as court costs, and all court costs shall be allotted between the parties in the manner that the court determines to be fair and equitable.

E. Shares acquired by the existing, surviving, or new corporation (foreign or domestic) or other entity, as the case may be, pursuant to the payment of the agreed value of the shares or pursuant to payment of the judgment entered for the value of the shares, as provided in this Article 5.12, shall, in the case of a merger, be

treated as provided in the plan of merger and, in all other cases, may be held and disposed of by the corporation as in the case of other treasury shares.

F. The provisions of this Article 5.12 shall not apply to a merger if, on the date of the filing of the articles of merger, the surviving corporation is the owner of all the outstanding shares of the other corporations, domestic or foreign, that are parties to the merger.

G. In the absence of fraud in the transaction, the remedy provided by this Article 5.12 to a shareholder objection to any corporate action referred to in Article 5.11 of this Act is the exclusive remedy for the recovery of the value of his shares or money damages to the shareholder with respect to the action. If the existing, surviving, or new corporation (foreign or domestic) or other entity, as the case may be, complies with the requirements of this Article 5.12, any shareholder who fails to comply with the requirements of this Article 5.12 shall not be entitled to bring suit for the recovery of the value of his shares or money damages to the shareholder with respect to the action.

ART. 5.13. PROVISIONS AFFECTING REMEDIES OF DISSENTING SHAREHOLDERS

A. Any shareholder who has demanded payment for his shares in accordance with either Article 5.12 or 5.16 of this Act shall not thereafter be entitled to vote or exercise any other rights of a shareholder except the right to receive payment for his shares pursuant to the provisions of those articles and the right to maintain an appropriate action to obtain relief on the ground that the corporate action would be or was fraudulent, and the respective shares for which payment has been demanded shall not thereafter be considered outstanding for the purposes of any subsequent vote of shareholders.

B. Upon receiving a demand for payment from any dissenting shareholder, the corporation shall make an appropriate notation thereof in its shareholder records. Within twenty (20) days after demanding payment for his shares in accordance with either Article 5.12 or 5.16 of this Act, each holder of certificates representing shares so demanding payment shall submit such certificates to the corporation for notation thereon that such demand has been made. The failure of holders of certificated shares to do so shall, at the option of the corporation, terminate such shareholder's rights under Articles 5.12 and 5.16 of this Act unless a court of competent jurisdiction for good and sufficient cause shown shall otherwise direct. If uncertificated shares for which payment has been demanded or shares represented by a certificate on which notation has been so made shall be transferred, any new certificate issued thereafter shall bear similar notation together with the name of the original dissenting holder of such shares and a transferee of such shares shall acquire by such transfer no rights in the corporation other than those which the original dissenting shareholder had after making demand for payment of the fair value thereof.

C. Any shareholder who has demanded payment for his shares in accordance with either Article 5.12 or 5.16 of this Act may withdraw such demand at any time before payment for his shares or before any petition has been filed pursuant to Article 5.12 or 5.16 of this Act asking for a finding and determination of the fair value of such shares, but no such demand may be withdrawn after such payment has been made or, unless the corporation shall consent thereto, after any such petition has been filed. If, however, such demand shall be withdrawn as hereinbefore provided, or if pursuant to Section B of this Article the corporation shall terminate the shareholder's rights under Article 5.12 or 5.16 of this Act, as the case may be, or if no petition asking for a finding and determination of fair value of such shares by a court shall have been filed within the time provided in Article 5.12 or 5.16 of this Act, as the case may be, or if after the hearing of a petition filed pursuant to Article 5.12 or 5.16, the court shall determine that such shareholder is not entitled to the relief provided by those articles, then, in any such case, such shareholder and all persons claiming under him shall be conclusively presumed to have approved and ratified the corporate action from which he dissented and shall be bound thereby, the right of such shareholder to be paid the fair value of his shares shall cease, and his status as a shareholder shall be restored without prejudice to any corporate proceedings which may have been taken during the interim, and such shareholder shall be entitled to receive any dividends or other distributions made to shareholders in the interim.

Facsimiles of the Letter of Transmittal, properly completed and duly executed, will be accepted. The Letter of Transmittal and certificates evidencing Shares and any other required documents should be sent or delivered by each shareholder or his broker, dealer, commercial bank, trust company or other nominee to the Depositary at one of its addresses set forth below.

The Depositary for the Offer is:

CHASEMELLON SHAREHOLDER SERVICES L.L.C.

| | | |
|----------------------------|---------------------------|----------------------------|
| By Mail: | By Overnight Courier: | By Hand: |
| Post Office Box 3305 | 85 Challenger Road | 120 Broadway, 13th Floor |
| South Hackensack, NJ 07606 | Mail Drop -- Reorg. | New York, NY 10271 |
| Attn: Reorganization Dept. | Ridgefield Park, NJ 07660 | Attn: Reorganization Dept. |

By Facsimile: (201) 329-8936
Confirm by Telephone: (201) 296-4860

Other Information:

Questions or requests for assistance may be directed to the Information Agent at the 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 shareholder may also contact brokers, dealers, commercial banks or trust companies for assistance concerning the Offer.

The Information Agent for the Offer is:

[INSFREE LOGO]

501 Madison Avenue
New York, New York 10022
(212) 750-5833
Call Toll Free: (888) 750-5834

LETTER OF TRANSMITTAL

TO TENDER SHARES OF COMMON STOCK

OF

COMPUTER LANGUAGE RESEARCH, INC.
PURSUANT TO THE OFFER TO PURCHASE
DATED JANUARY 16, 1998

OF

SABRE ACQUISITION, INC.,
A WHOLLY OWNED SUBSIDIARY OF
THE THOMSON CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY
TIME,
ON FRIDAY, FEBRUARY 13, 1998, UNLESS THE OFFER IS EXTENDED.

The Depository for the Offer is:

CHASEMELLON SHAREHOLDER SERVICES L.L.C.

By Mail:
Post Office Box 3305
South Hackensack, NJ 07606
Attn: Reorganization Dept.

By Overnight Courier:
85 Challenger Road
Mail Drop -- Reorg.
Ridgefield Park, NJ 07660

By Hand:
120 Broadway, 13th Floor
New York, NY 10271
Attn: Reorganization Dept.

By Facsimile: (201) 329-8936
Confirm by Telephone: (201) 296-4860

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.

This Letter of Transmittal is to be completed by shareholders 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 the
Depository's account at The Depository Trust Company ("DTC" or the "Book-Entry
Transfer Facility") pursuant to the book-entry transfer procedure described in
"Section 3. Procedures for Accepting the Offer and Tendering Shares" of the
Offer to Purchase (as defined below). DELIVERY OF DOCUMENTS TO THE BOOK-ENTRY
TRANSFER FACILITY DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

A shareholder who desires to tender Shares and whose certificates
evidencing such Shares ("Share Certificates") are not immediately available, or
who cannot deliver their Share Certificates and all other documents required
hereby to the Depository prior to the Expiration Date (as defined in "Section 1.
Terms of the Offer; Expiration Date" of the Offer to Purchase) or who cannot
comply with the procedure for delivery by 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" 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 DTC 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 which Guaranteed Delivery _____

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

DTC Account Number _____

Transaction Code Number _____

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 shareholders 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.

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

Ladies and Gentlemen:

The undersigned hereby tenders to Sabre Acquisition, Inc., a Delaware corporation ("Purchaser") and a wholly owned subsidiary of The Thomson Corporation, a corporation organized under the laws of Ontario, Canada ("Parent"), the above-described shares of Common Stock, par value \$0.01 per share, of Computer Language Research, Inc., a Texas corporation (the "Company") (all shares of such Common Stock from time to time outstanding being, collectively, the "Shares") pursuant to Purchaser's offer to purchase all Shares, at \$22.50 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated January 16, 1998 (the "Offer to Purchase"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (which, together with any amendments or supplements 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.

Subject to, and effective upon, acceptance for payment of the 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 the 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 January 12, 1998 (collectively, "Distributions") and irrevocably appoints the Depository 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.

The undersigned hereby irrevocably appoints Michael S. Harris, Nigel R. Harrison and Edward A. Friedland 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 the 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 shareholders 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 the 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 proxy or power of attorney shall be given or written consent executed (and if given or executed, shall not be effective) by the undersigned with respect thereto. The undersigned understands that, in order for Shares 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, including, without limitation, voting at any meeting of the Company's shareholders then scheduled.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the 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 Depository or Purchaser to be necessary or desirable to complete the sale, assignment and transfer of the Shares tendered hereby and all Distributions. In addition, the undersigned shall remit and transfer promptly to the Depository for the account of Purchaser all Distributions in respect of the 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 the 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 tenders of Shares pursuant to any one of the procedures described in "Section 3. Procedures for Accepting the Offer and Tendering Shares" in 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.

Unless otherwise indicated herein in the box entitled "Special Payment Instructions", please issue the check for the purchase price of all Shares purchased, and return all Share Certificates evidencing Shares not purchased or not tendered 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", please mail the check for the purchase price of all Shares purchased and all Share Certificates evidencing Shares not tendered or not purchased (and accompanying documents, as appropriate) to the address(es) of the registered holder(s) appearing above under "Description of Shares Tendered". In the event that the boxes 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 purchased or not tendered in the name(s) of, and mail such check and Share Certificates to, the person(s) so indicated. Unless otherwise indicated herein in the box entitled "Special Payment Instructions", please credit any Shares tendered hereby and delivered by book-entry transfer, but which are not purchased by crediting the account at DTC. 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 purchase any of the 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 or Share Certificates evidencing Shares not tendered or not purchased are to be issued in the name of someone other than the undersigned, or if Shares tendered hereby and delivered by book-entry transfer which are not purchased are to be returned by credit to an account at the Book-Entry Transfer Facility other than that designated above.

Issue Check Share Certificate(s) to:

Name:

(PLEASE PRINT)

Address:

(ZIP CODE)

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

Credit Shares delivered by book-entry transfer and not purchased to the account set forth below:

Check appropriate Box:

DTC

Account Number:

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

To be completed ONLY if the check for the purchase price of Shares purchased or Share Certificates 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 Share Certificate(s) to:

Name:

(PLEASE PRINT)

Address:

(ZIP CODE)

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

IMPORTANT
SHAREHOLDERS: SIGN HERE
(PLEASE COMPLETE SUBSTITUTE FORM W-9 ON REVERSE)

SIGNATURE(S) OF HOLDER(S)

Dated: -----, 199-

(Must be signed by registered holder(s) exactly as name(s) appear(s) on Share Certificates or on a security position listing by a 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

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 INSTITUTION ONLY.
FINANCIAL INSTITUTIONS: PLACE MEDALLION
GUARANTEE IN SPACE BELOW.

INSTRUCTIONS

FORMING PARTY 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 Medallion Signature Guarantee Program, or by any other "eligible guarantor institution," as such term is defined in Rule 17Ad-5 promulgated under the Securities Exchange Act of 1934, as amended (each of the foregoing being referred to as an "Eligible Institution") unless (i) this Letter of Transmittal is signed by the registered holder(s) of the 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) completed neither the box entitled "Special Payment Instructions" nor the box entitled "Special Delivery Instructions" on the reverse 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 Shares are to be delivered 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 Depository'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 facsimile thereof) and any other documents required by this Letter of Transmittal, must be received by the Depository at one of its addresses set forth on the reverse hereof prior to the Expiration Date (as defined in "Section 1. Terms of the Offer; Expiration Date" of the Offer to Purchase). If Share Certificates are forwarded to the Depository in multiple deliveries, a properly completed and duly executed Letter of Transmittal must accompany each such delivery. Shareholders whose Share Certificates are not immediately available, who cannot deliver their Share Certificates and all other required documents to the Depository 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 Depository 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 Depository'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 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 Depository 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. Procedure 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 shareholder, and the delivery will be deemed made only when actually received by the Depository. 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 facsimile hereof), all tendering shareholders waive any right to receive any notice of the acceptance of their Shares for payment.

3. Inadequate Space. If the space provided herein 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 schedule and attached hereto.

4. Partial Tenders (not applicable to shareholders who tender by book-entry transfer). If fewer than all the Shares evidenced by any Share Certificate delivered to the Depository herewith are to be tendered hereby, fill in the number of Shares which are to be tendered in the box entitled "Number of Shares Tendered". In such cases, new Share Certificate(s) evidencing the remainder of the Shares that were evidenced by the Share Certificates delivered to the

Depository herewith will be sent to the person(s) signing this Letter of Transmittal, unless otherwise provided in the box entitled "Special Delivery Instructions" on the reverse hereof, as soon as practicable after the expiration or termination of the Offer. All Shares evidenced by Share Certificates delivered to the Depository 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 the 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 Share tendered hereby is owned of record by two or more persons, all such persons must sign this Letter of Transmittal.

If any of the Shares tendered hereby are registered in the names of different holders, 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 the 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 purchased are to be issued in the name of, a person other than the registered holder(s), in which case, the Share Certificate(s) evidencing the 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 is signed by a person other than the registered holder(s) of the Shares tendered hereby, the Share Certificate(s) evidencing the 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 purchased are to be issued in the name of, a person other than the registered holder(s), the amount of any stock transfer taxes (whether imposed on the registered holder(s), 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 the 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, or Share Certificate(s) evidencing Shares not tendered or not purchased are to be issued, in the name of 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 someone other than the person(s) signing 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 reverse hereof, the appropriate boxes on the reverse of this Letter of Transmittal must be completed. Shareholders delivering Shares tendered hereby by book-entry transfer may request that Shares not purchased be credited to such account maintained at DTC as such shareholder may designate in the box entitled "Special Payment Instructions" on the reverse hereof. If no such instructions are given, all such Shares not purchased will be returned by crediting the account at DTC designated on the reverse hereof as the account from which such Shares were delivered.

8. Questions and Requests for Assistance or Additional Copies. Questions and requests for assistance may be directed to the Information Agent at its addresses or telephone numbers set forth 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 or from brokers, dealers, commercial banks or trust companies.

9. Substitute Form W-9. Each tendering shareholder is required to provide the Depository with a correct Taxpayer Identification Number ("TIN") on the Substitute Form W-9 which is provided under "Important Tax Information" below, and to certify, under penalty of perjury, that such number is correct and that such shareholder is not subject to backup withholding of federal income tax. If a tendering shareholder has been notified by the Internal Revenue Service that such shareholder is subject to backup withholding, such shareholder must cross out item (2) of the Certification box of the Substitute Form W-9, unless such shareholder has since been notified by the Internal Revenue Service that such shareholder is no longer subject to backup withholding. Failure to provide the information on the Substitute Form W-9 may subject the tendering shareholder to 31% federal income tax withholding on the payment of the purchase price of all Shares purchased from such shareholder. If the tendering shareholder has not been issued a TIN and has applied for one or intends to apply for one in the near future, such shareholder 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 Depository is not provided with a TIN within 60 days, the Depository will withhold 31% on all payments of the purchase price to such shareholder until a TIN is provided to the Depository.

IMPORTANT: THIS LETTER OF TRANSMITTAL OR 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).

IMPORTANT TAX INFORMATION

Under the federal income tax law, a shareholder whose tendered Shares are accepted for payment is required by law to provide the Depository (as payer) with such shareholder's correct TIN on Substitute Form W-9 below. If such shareholder is an individual, the TIN is such shareholder's social security number. If the Depository is not provided with the correct TIN, the shareholder may be subject to a \$50 penalty imposed by the Internal Revenue Service and payments that are made to such shareholder with respect to Shares purchased pursuant to the Offer may be subject to backup withholding of 31%. In addition, if a shareholder 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 shareholders (including, among others, all 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 Depository. See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional instructions. A shareholder should consult his or her tax advisor as to such shareholder's qualification for exemption from backup withholding and the procedure for obtaining such exemption.

If backup withholding applies, the Depository is required to withhold 31% of any payments made to the shareholder. Backup withholding is not an additional tax. Rather, the 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 from the Internal Revenue Service.

PURPOSE OF SUBSTITUTE FORM W-9

To prevent backup withholding on payments that are made to a shareholder with respect to Shares purchased pursuant to the Offer, the shareholder is required to notify the Depository of such shareholder's correct TIN by completing the form below certifying that the TIN provided on Substitute Form W-9 is correct (or that such shareholder is awaiting a TIN), and that (i) such shareholder has not been notified by the Internal Revenue Service that he is subject to backup withholding as a result of a failure to report all interest or dividends or (ii) the Internal Revenue Service has notified such shareholder that such shareholder is no longer subject to backup withholding.

WHAT NUMBER TO GIVE THE DEPOSITARY

The shareholder is required to give the Depository the social security number or employer identification number of the record holder of the Shares tendered hereby. If the 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 shareholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future, the shareholder 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 Depository is not provided with a TIN within 60 days, the Depository will withhold 31% of all payments of the purchase price to such shareholder until a TIN is provided to the Depository.

PAYER'S NAME: CHASEMELLON SHAREHOLDER SERVICES L.L.C.

| | | |
|------------------------|---|--|
| SUBSTITUTE FORM W-9 | PART 1 -- 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) | 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 either because I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to backup withholding as a result of failure to report all interest or dividends, or 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 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 | , | 199 |
|-----------|------|---|-----|

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THIS OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

The Depositary for the Offer is:

CHASEMELLON SHAREHOLDER SERVICES L.L.C.

By Mail:
Post Office Box 3305
South Hackensack, NJ 07606
Attn: Reorganization Dept.

By Overnight Courier:
85 Challenger Road
Mail Drop -- Reorg.
Ridgefield Park, NJ 07660

By Hand:
120 Broadway, 13th Floor
New York, NY 10271
Attn: Reorganization Dept.

By Facsimile: (201) 329-8936
Confirm by Telephone: (201) 296-4860

Questions or requests for assistance may be directed to the Information Agent at the 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 shareholder 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
(212) 750-5833

or

Call Toll Free: (888) 750-5834

NOTICE OF GUARANTEED DELIVERY
 FOR
 TENDER OF SHARES OF COMMON STOCK
 OF
 COMPUTER LANGUAGE RESEARCH, INC.
 (NOT TO BE USED FOR SIGNATURE GUARANTEES)

This Notice of Guaranteed Delivery, or one substantially in the form hereof, 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 (the "Shares"), of Computer Language Research, Inc., a Texas corporation (the "Company"), are not immediately available, (ii) if Share Certificates and all other required documents cannot be delivered to ChaseMellon Shareholder Services L.L.C., 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) 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, telex 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:

CHASEMELLON SHAREHOLDER SERVICES L.L.C.

By Mail:

Post Office Box 3305
 South Hackensack, NJ 07606
 Attn: Reorganization
 Department

By Overnight Courier:

85 Challenger Road-Mail
 Drop-Reorg.
 Ridgefield Park, NJ 07660

By Hand:

120 Broadway,
 13th Floor
 New York, NY 10271
 Attn: Reorganization
 Department

By Facsimile:

(201) 329-8936

Confirm by Telephone:

(201) 296-4860

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 Sabre Acquisition, Inc., a Delaware corporation and a wholly owned subsidiary of the Thomson Corporation, a corporation organized under the laws of Ontario, Canada, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated January 16, 1998 (the "Offer to Purchase"), and the related Letter of Transmittal (which, together with any amendment 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 described in "Section 3. Procedures for Accepting the Offering and Tendering Shares" of the Offer to Purchase.

Number of Shares:

Certificate Nos. (If Available):

Check one box if Shares will be delivered by book-entry transfer:

[] The Depository Trust Company

Account No.

SIGNATURE(S) OF HOLDER(S)

Dated: _____, 199__

Name(s) of Holders:

PLEASE TYPE OR PRINT

ADDRESS

ZIP CODE

AREA CODE AND TELEPHONE NO.

GUARANTEE
(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a firm which is a member of the Medallion Signature Guarantee Program or is an "eligible guarantor institution," as such term is defined in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended, guarantees to deliver to the Depository, Share Certificates evidencing the Shares tendered hereby, in proper form for transfer, or confirmation of book-entry transfer of such Shares into the Depository's account at The Depository Trust Company, with delivery of a Letter of Transmittal (or facsimile thereof) properly completed and duly executed, and any other required documents, all within three Nasdaq National Market trading days of the date hereof.

NAME OF FIRM

TITLE

AUTHORIZED SIGNATURE

ADDRESS

ZIP CODE

Name: -----
PLEASE TYPE OR PRINT

AREA CODE AND TELEPHONE NO.

DO NOT SEND SHARE CERTIFICATES WITH THIS NOTICE.

SHARE CERTIFICATES SHOULD BE SENT WITH YOUR
LETTER OF TRANSMITTAL.

Dated: -----, 199---.

OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF COMMON STOCK
OF
COMPUTER LANGUAGE RESEARCH, INC.
AT
\$22.50 NET PER SHARE
BY
SABRE ACQUISITION, INC.,
A WHOLLY OWNED SUBSIDIARY OF
THE THOMSON CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY
TIME, ON FRIDAY, FEBRUARY 13, 1998 UNLESS THE OFFER IS EXTENDED.

January 16, 1998

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

Sabre Acquisition, Inc., a Delaware corporation ("Purchaser") and a wholly owned subsidiary of The Thomson Corporation, a corporation organized under the laws of Ontario, Canada ("Parent"), has offered to purchase all outstanding shares of Common Stock, par value \$0.01 per share (the "Shares"), of Computer Language Research, Inc., a Texas corporation (the "Company"), at a price of \$22.50 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in Purchaser's Offer to Purchase, dated January 16, 1998 (the "Offer to Purchase"), and the related Letter of Transmittal (which, together with any amendments or supplements thereto, collectively constitute the "Offer"). 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 BEING VALIDLY TENDERED AND NOT WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER AT LEAST TWO-THIRDS OF THE OUTSTANDING SHARES ON A FULLY DILUTED BASIS (INCLUDING, WITHOUT LIMITATION, ALL SHARES ISSUABLE UPON CONVERSION OF ANY CONVERTIBLE SECURITIES OR UPON THE EXERCISE OF ANY OPTIONS, WARRANTS OR RIGHTS) AND (II) THE EXPIRATION OR TERMINATION OF THE APPLICABLE WAITING PERIOD UNDER THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED.

Enclosed for your information and use are copies of the following documents:

1. Offer to Purchase, dated January 16, 1998;
2. Letter of Transmittal to be used by holders of Shares in accepting the Offer and tendering Shares;
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 ChaseMellon Shareholder Services L.L.C. (the "Depository") by the Expiration Date (as defined in the Offer to Purchase) or if the procedure for book-entry transfer cannot be completed by the Expiration Date;
4. A letter to shareholders of the Company from Stephen T. Winn, President and 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 Depository.

WE URGE YOU 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 FRIDAY, FEBRUARY 13, 1998, UNLESS THE OFFER IS EXTENDED.

In all cases, payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depository of (i) the certificates evidencing such Shares or timely confirmation of a book-entry transfer of such Shares into the Depository's account at The Depository Trust Company pursuant to the procedure set forth in "Section 3. Procedures for Accepting the Offer and Tendering Shares" of the Offer to Purchase, (ii) the Letter of Transmittal (or 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 (iii) any other documents required under the Letter of Transmittal.

A shareholder 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" of the Offer to Purchase.

Purchaser will not pay any fees or commissions to any broker, dealer or other person (other than the Depository and the Information Agent as described in the Offer) 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 their address and telephone numbers set forth on the back cover page of the Offer to Purchase.

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

Very truly yours,

Sabre Acquisition, Inc.

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON THE AGENT OF PARENT, PURCHASER, THE COMPANY, THE INFORMATION AGENT OR THE DEPOSITARY, OR OF ANY AFFILIATE OF ANY OF THEM, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR TO MAKE ANY STATEMENT ON BEHALF OF ANY OF THEM 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
COMPUTER LANGUAGE RESEARCH, INC.
AT
\$22.50 NET PER SHARE
BY
SABRE ACQUISITION, INC.,
A WHOLLY OWNED SUBSIDIARY OF
THE THOMSON CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, FEBRUARY 13, 1998, UNLESS THE OFFER IS EXTENDED.

To Our Clients:

Enclosed for your consideration are an Offer to Purchase, dated January 16, 1998 (the "Offer to Purchase"), and a related Letter of Transmittal in connection with the offer by Sabre Acquisition, Inc., a Delaware corporation ("Purchaser") and a wholly owned subsidiary of The Thomson Corporation, a corporation organized under the laws of Ontario, Canada ("Parent"), to purchase all outstanding shares of Common Stock, par value \$0.01 per share (the "Shares"), of Computer Language Research, Inc., a Texas corporation (the "Company"), at a price of \$22.50 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, and in the related Letter of Transmittal (which, together with any amendments or supplements thereto, collectively constitute the "Offer").

We (or our nominee) are the holder of record of Shares held by us 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 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 of the Shares held by us for your account, upon the terms and subject to the conditions set forth in the Offer.

Your attention is invited to the following:

1. The tender price is \$22.50 per Share, net to the seller in cash.
2. The Offer is being made for all outstanding Shares.
3. The Board of Directors of the Company has unanimously approved the Offer and determined that each of the Offer and the Merger (as defined in the Offer to Purchase) is fair to, and in the best interests of, the shareholders of the Company, and recommends that shareholders 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, on Friday, February 13, 1998, unless the Offer is extended.
5. The Offer is conditioned upon, among other things, (i) there being validly tendered and not withdrawn prior to the expiration of the Offer at least two-thirds of the outstanding Shares on a fully diluted basis (including, without limitation, all Shares issuable upon conversion of any convertible securities or upon the exercise of any options, warrants or rights) and (ii) the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

6. Tendering shareholders 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 sale and transfer of any 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 made solely by the Offer to Purchase and the related Letter of Transmittal, and is being made to all holders of Shares. Purchaser is not aware of any jurisdiction where the making of the Offer is prohibited by administrative or judicial action pursuant to any valid state statute. If Purchaser becomes aware of any valid state statute prohibiting the making of the Offer or the acceptance of Shares pursuant thereto, Purchaser will make a good faith effort to comply with such state statute. If, after such good faith effort, Purchaser cannot comply with such state statute, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in such state. 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.

INSTRUCTIONS WITH RESPECT TO THE
OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF COMMON STOCK
OF COMPUTER LANGUAGE RESEARCH, INC.
BY SABRE ACQUISITION, INC.

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase, dated January 16, 1998, and the related Letter of Transmittal (which together constitute the "Offer") in connection with the offer by Sabre Acquisition, Inc., a Delaware corporation and a wholly owned subsidiary of The Thomson Corporation, a corporation organized under the laws of Ontario, Canada, to purchase all outstanding shares of Common Stock, par value \$0.01 per share (the "Shares"), of Computer Language Research, Inc., a Texas corporation.

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 set forth in the Offer.

Number of Shares to be Tendered:
Shares*

Dated: _____, 199

SIGN HERE

SIGNATURE(S)

PLEASE TYPE OR PRINT NAME(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.

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

GUIDELINES FOR DETERMINING THE PROPER 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.

| ----- FOR THIS TYPE OF ACCOUNT: | GIVE THE SOCIAL SECURITY NUMBER OF -- |
|---|---|
| ----- | |
| 1. An individual's account | The individual |
| 2. Two or more individuals (joint account) | The actual owner of the account or, if combined funds, any one of the individuals (1) |
| 3. Custodian and wife (joint account) | The actual owner of the account or, if joint funds, either person (1) |
| 4. Custodian account of a minor (Uniform Gift to Minors Act) | The minor (2) |
| 5. Adult and minor (joint account) | The adult or, if the minor is the only contributor, the minor (1) |
| 6. Account in the name of guardian or committee for a designated ward, minor, or incompetent person | The ward, minor, or incompetent person (3) |
| 7. a. The usual revocable savings trust account (grantor is also trustee) | The grantor-trustee (1) |
| b. So-called trust account that is not a legal or valid trust under State law | The actual owner (1) |
| ----- | |
| FOR THIS TYPE OF ACCOUNT: | GIVE THE EMPLOYER IDENTIFICATION NUMBER OF -- |
| ----- | |
| 8. Sole proprietorship account | The Owner (4) |
| 9. A valid trust, estate, or pension trust | Legal entity (Do not furnish the identifying number of the personal representative or trustee unless the legal entity itself is not designated in the account title.) (5) |
| 10. Corporate account | The Corporation |
| 11. Religious, charitable, or educational organization account | The organization |
| 12. Partnership account held in the name of the business | The partnership |
| 13. Association, club, or other tax-exempt organization | The organization |
| 14. A broker or registered nominee | The broker or nominee |
| 15. 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 |

-
- (1) List first and circle the name of the person whose number you furnish.
 - (2) Circle the minor's name and furnish the minor's social security number.
 - (3) Circle the ward's, minor's or incompetent person's name and furnish such person's social security number.
 - (4) Show the name of the owner.
 - (5) 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.

OBTAINING A NUMBER

If you don't have a taxpayer identification number or you don't know your number, obtain Form SS-5, Application for a Social Security Number Card, 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 payments include the following:

- - A corporation.
- - A financial institution.
- - An organization exempt from tax under section 501(a), or an individual retirement plan.
- - The United States 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 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. 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 exempt charitable remainder trust, or a non-exempt trust described in section 4947(a)(1).
- An entity registered at all times under the Investment Company Act of 1940.
- A foreign central bank of issue.

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 partner.
- Payments of patronage dividends where the amount received is not paid in money.
- Payments made by certain foreign organizations.
- Payments made to a nominee.

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.
- Payments made to a nominee.

Exempt payees described above should file Form W-9 to avoid possible erroneous backup withholding. FILE THIS FORM WITH THE PAYER, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" ON THE FACE OF THE FORM, AND RETURN IT TO THE PAYER, IF THE PAYMENTS ARE INTEREST, DIVIDENDS, OR PATRONAGE DIVIDENDS, ALSO SIGN AND DATE THE FORM.

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 regulations under sections 6041, 6041A (a), 6045, and 6050A.

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 IRS. IRS uses the numbers for identification purposes. Payers must be given the numbers whether or not recipients are required to file tax returns. Payers must generally withhold 31% of taxable interest, dividend, and certain other payments 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 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. -- Falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.
- (4) FAILURE TO REPORT CERTAIN DIVIDEND AND INTEREST PAYMENTS. -- If you fail to include any portion of an includible payment for interest, dividends or patronage dividends in gross income and such failure is due to negligence, a penalty of 20% is imposed on any portion of any underpayment attributable to the failure.

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

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares (as defined below). The Offer is made solely by the Offer to Purchase dated January 16, 1998 (the "Offer to Purchase") and the related Letter of Transmittal, and is being made to all holders of Shares. Purchaser is not aware of any jurisdiction where the making of the Offer is prohibited by administrative or judicial action pursuant to any valid state statute. If Purchaser becomes aware of any valid state statute prohibiting the making of the Offer or the acceptance of Shares pursuant thereto, Purchaser will make a good faith effort to comply with such state statute. If, after such good faith effort, Purchaser cannot comply with such state statute, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in such state. 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
COMPUTER LANGUAGE RESEARCH, INC.
AT
\$22.50 NET PER SHARE
BY
SABRE ACQUISITION, INC.
A WHOLLY OWNED SUBSIDIARY OF
THE THOMSON CORPORATION

Sabre Acquisition, Inc., a Delaware corporation ("Purchaser") and a wholly owned subsidiary of The Thomson Corporation, a corporation organized under the laws of Ontario, Canada ("Parent"), is offering to purchase all outstanding shares of Common Stock, par value \$0.01 per share (the "Shares"), of Computer Language Research, Inc., a Texas corporation (the "Company"), at a purchase price of \$22.50 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated January 16, 1998, and in the related Letter of Transmittal (which, together with 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 FRIDAY, FEBRUARY 13, 1998, UNLESS THE OFFER IS EXTENDED.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (i) THERE BEING VALIDLY TENDERED AND NOT WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER AT LEAST TWO-THIRDS OF THE OUTSTANDING SHARES ON A FULLY DILUTED BASIS (INCLUDING, WITHOUT LIMITATION, ALL SHARES ISSUABLE UPON CONVERSION OF ANY CONVERTIBLE SECURITIES OR UPON THE EXERCISE OF ANY OPTIONS, WARRANTS OR RIGHTS) AND (ii) THE EXPIRATION OR TERMINATION OF THE APPLICABLE ANTITRUST WAITING PERIOD UNDER THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED.

The Offer is being made pursuant to an Agreement and Plan of Merger, dated as of January 12, 1998 (the "Merger Agreement"), among Parent, Purchaser and the Company. The Merger Agreement provides that, among other things, as soon as practicable after the purchase of Shares pursuant to the Offer and the satisfaction of other conditions set forth in the Merger Agreement and in accordance with the relevant provisions of the General Corporation Law of the State of Delaware ("Delaware Law") and the Texas Business Corporation Act ("Texas Law"), Purchaser will be merged with and into the Company (the "Merger"). Following consummation of the Merger, the Company will continue as the surviving corporation (the "Surviving Corporation") and will become a wholly owned subsidiary of Parent. At the effective time of the Merger (the "Effective Time"), each Share issued and outstanding immediately prior to the Effective Time (other than Shares held in the treasury of the Company, or owned by Purchaser, Parent or any direct or indirect wholly owned subsidiary of Parent or of the Company, and other than Shares held by shareholders who shall have fully complied with the statutory dissenter's procedures set forth in Texas Law) will be cancelled and converted automatically into the right to receive \$22.50 in cash, or any higher price that may be paid per Share in the Offer, without interest. Shareholders who fully comply with the statutory dissenter's procedures set forth in Texas 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 Texas Law.

THE BOARD OF DIRECTORS OF THE COMPANY HAS UNANIMOUSLY APPROVED THE OFFER AND DETERMINED THAT EACH OF THE OFFER AND THE MERGER IS FAIR TO, AND IN THE BEST INTERESTS OF, THE SHAREHOLDERS OF THE COMPANY AND RECOMMENDS THAT SHAREHOLDERS ACCEPT THE OFFER AND TENDER THEIR SHARES PURSUANT TO THE OFFER.

Concurrently with entering into the Merger Agreement, Parent, Purchaser and certain shareholders of the Company (the "Majority Shareholders") entered into a Stock Purchase Agreement dated as of January 12, 1998 (the "Stock Purchase Agreement"), pursuant to which, upon the terms and conditions set forth therein, the Majority Shareholders agreed to validly tender (and not withdraw) pursuant to the Offer all Shares now or hereafter owned (beneficially or of record) by the Majority Shareholders and have otherwise agreed to sell to Purchaser all

such Shares at a purchase price per Share equal to \$22.50 (or any higher price that may be paid per Share in the Offer). On January 12, 1998, the Majority Shareholders owned (beneficially or of record) 10,786,962 Shares, constituting approximately 74.6% of the outstanding Shares (or approximately 67% of the outstanding Shares on a fully diluted basis).

For purposes of the Offer, 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 ChaseMellon Shareholder Services, L.L.C. (the "Depository") 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 accepted for payment pursuant to the Offer will be made by deposit of the purchase price therefor with the Depository, which will act as agent for tendering shareholders for the purpose of receiving payments from Purchaser and transmitting such payments to tendering shareholders whose Shares have been accepted for payment. Under no circumstances will interest on the purchase price for Shares be paid, regardless of any delay in making such payment. In all cases, payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depository of (i) the certificates evidencing such Shares (the "Share Certificates") or timely confirmation of a book-entry transfer of such Shares into the Depository's account at The Depository Trust Company pursuant to the procedure set forth 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) and (iii) any other documents required under the Letter of Transmittal.

Subject to the applicable regulations of the Securities and Exchange Commission, Purchaser expressly reserves the right, in its sole discretion (but subject to the terms and conditions of the Merger Agreement), at any time and from time to time, (i) to delay acceptance for payment of, or, regardless of whether such Shares were theretofore accepted for payment, payment for, any Shares pending receipt of any regulatory approval specified in "Section 15. Certain Legal Matters and Regulatory Approvals" of the Offer to Purchase, (ii) to terminate the Offer and not accept for payment any Shares upon the occurrence of any of the conditions specified in "Section 14. Certain Conditions of the Offer" of the Offer to Purchase, (iii) to increase the price per Share payable in the Offer and to modify other terms of the Offer and (iv) to waive any condition or otherwise amend the Offer in any respect, by giving oral or written notice of such delay, termination, waiver or amendment to the Depository and by making a public announcement thereof. Any such extension, delay, termination, waiver or amendment will be followed as promptly as practicable by public announcement thereof, such announcement in the case of an extension to be made no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date of the Offer. During any such extension, all Shares previously tendered and not withdrawn will remain subject to the Offer, subject to the rights of a tendering shareholders to withdraw their Shares.

Tenders of Shares made pursuant to the Offer are irrevocable except that such Shares may be withdrawn at any time prior to 12:00 midnight, New York City time, on Friday

February 13, 1998 (or the latest time and date at which the Offer, if extended by Purchaser, shall expire) and, unless theretofore accepted for payment by Purchaser pursuant to the Offer, may also be withdrawn at any time after Monday, March 16, 1998. For the withdrawal to be effective, a written, telegraphic or facsimile transmission notice of withdrawal must be timely received by the Depository at one of its addresses set forth on the back cover page 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 Depository, then, prior to the physical release of such Share Certificates, the serial numbers shown on such Share Certificates must be submitted to the Depository 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 set forth 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 the time of receipt) of any notice of withdrawal will be determined by Purchaser, in its sole discretion, whose determination will be final and binding.

The information required to be disclosed by Rule 14d-6(e)(1)(vii) 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 shareholder list and security position listings for the purpose of disseminating the Offer to holders of Shares. The Offer to Purchase and the related Letter of Transmittal will be mailed to record holders of Shares whose names appear on the Company's shareholder list and will be furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the shareholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares.

THE OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ 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 tender offer materials may be directed to the Information Agent as set forth 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
(212) 750-5833
or
Call Toll Free: (888) 750-5834

January 16, 1998

Company Press Release

The Thomson Corporation Acquires Computer Language Research, Inc.

TORONTO and CARROLLTON, Texas--(BUSINESS WIRE)--Jan. 13, 1998--Research Institute of America Group (RIAG), a division of The Thomson Corporation (TTC), a leading provider of information-based solutions for tax, accounting, corporate finance and human resource professionals, and Computer Language Research, Inc. (CLR) (Nasdaq/NM:CLRI - news) jointly announced that they have reached an agreement for TTC to acquire CLR at a price of \$22.50 in cash per outstanding share of CLR common stock.

The acquisition will be accomplished through an all cash tender offer for all of the outstanding shares of CLR's common stock, followed by a second step merger for the same consideration to acquire shares not tendered in the tender offer. In addition, TTC has reached an agreement with shareholders holding approximately 75% of the outstanding shares of CLR to sell their stock to TTC by tendering into the tender offer and to otherwise vote their shares in favor of the merger. This transaction values CLR at approximately \$325 million based on the number of outstanding shares. This acquisition is subject to normal Department of Justice clearance under the Hart-Scott-Rodino rules and is expected to close by mid-February.

CLR was founded in 1964 as a computer service bureau for federal income tax returns for tax preparers. Since that time, CLR has expanded its product offerings to include nearly every type of tax return and, in the past years, has evolved into a business applications software company. CLR, which had revenues of \$129 million in 1996, is headquartered in Carrollton, Texas and has approximately 1,100 employees. CLR trades on the NASDAQ market and its share price at the close of business on Monday, January 12 was \$13.75.

CLR's primary business is the provision of tax compliance software to sophisticated users within the national/regional accounting firm and corporate tax markets. The Company also offers tax compliance products for the bank trust and government markets, as well as practice management and financial products for local accounting firms.

Euan C. Menzies, President and CEO of RIAG said, "I am very excited by the prospect of the addition of CLR to our group. CLR is one of the leading providers of tax compliance software to the corporate tax market and to national and regional accounting firms. CLR will complement RIAG's traditional strength with small and medium sized accounting firms." He also stated, "this represents an exciting opportunity to integrate RIA's tax information content with sophisticated application software products to create web-based solutions in these markets."

FIVE YEAR SUMMARY

(millions of US dollars except per common share amounts)

| | 1996 | 1995 | 1994 | 1993 | 1992 |
|---|--------|--------|--------|--------|--------|
| SALES | | | | | |
| Thomson Corporation Publishing International | 2,141 | 2,313 | 1,885 | 1,709 | 1,758 |
| Thomson Financial & Professional Publishing | 1,934 | 1,287 | 1,132 | 992 | 893 |
| Total specialized information/publishing | 4,075 | 3,600 | 3,017 | 2,701 | 2,651 |
| Thomson Newspapers | 1,173 | 1,250 | 1,190 | 1,188 | 1,200 |
| Thomson Travel | 2,475 | 2,375 | 2,227 | 2,040 | 2,204 |
| | 7,723 | 7,225 | 6,434 | 5,929 | 6,055 |
| EBITDA | | | | | |
| Thomson Corporation Publishing International | 471 | 543 | 411 | 375 | 331 |
| Thomson Financial & Professional Publishing | 516 | 293 | 235 | 198 | 171 |
| Total specialized information/publishing | 987 | 836 | 646 | 537 | 502 |
| Thomson Newspapers | 242 | 277 | 261 | 240 | 249 |
| Thomson Travel | 177 | 173 | 208 | 181 | 178 |
| Corporate and other(1) | (70) | (49) | (42) | (33) | (27) |
| | 1,336 | 1,237 | 1,073 | 961 | 902 |
| OPERATING PROFIT BEFORE AMORTIZATION | | | | | |
| Thomson Corporation Publishing International | 351 | 411 | 313 | 291 | 255 |
| Thomson Financial & Professional Publishing | 392 | 222 | 175 | 149 | 135 |
| Total specialized information/publishing | 743 | 633 | 488 | 440 | 390 |
| Thomson Newspapers | 183 | 216 | 195 | 178 | 189 |
| Thomson Travel | 109 | 102 | 140 | 117 | 107 |
| Corporate and other(1) | (70) | (49) | (42) | (33) | (27) |
| | 965 | 902 | 781 | 702 | 659 |
| EARNINGS ATTRIBUTABLE TO COMMON SHARES | | | | | |
| EARNINGS PER COMMON SHARE | \$0.95 | \$1.34 | \$0.74 | \$0.48 | \$0.30 |
| SUPPLEMENT INFORMATION | | | | | |
| Earnings as above | 569 | 789 | 427 | 277 | 166 |
| Less: Gains on disposals of business, net of tax | (156) | (350) | (20) | (15) | (15) |
| Earnings excluding gains on disposals of businesses | 413 | 439 | 407 | 262 | 151 |
| Add back: Unusual charges, net of tax | --- | --- | --- | 75 | 170 |
| Adjusted earnings | 413 | 439 | 407 | 337 | 321 |
| Adjusted earnings per common share | \$0.69 | \$0.74 | \$0.70 | \$0.59 | \$0.57 |

(1) Corporate costs comprise unallocated central costs. Prior year amounts have been reclassified to conform with the current year's presentation.

MANAGEMENT REPORT

The management of The Thomson Corporation is responsible for the accompanying consolidated financial statements and other information included in the annual report. The financial statements have been prepared in conformity with Canadian generally accepted accounting principles using the best estimates and judgments of management, where appropriate. Information presented elsewhere in this annual report is consistent with that in the financial statements.

Management is also responsible for a system of internal control which is designed to provide reasonable assurance that assets are safeguarded, liabilities are recognized and that the accounting systems provide timely and accurate financial reports.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities in respect of financial reporting and internal control. The Audit Committee of the Board of Directors meets periodically with management and the Corporation's independent auditors to discuss auditing matters and financial reporting issues. In addition, the Audit Committee reviews the annual consolidated financial statements and annually recommends to the Board of Directors the appointment of the independent auditors.

| | |
|---|--|
| /s/ Michael Brown ----- Michael Brown, President March 12, 1997 | /s/ Nigel R. Harrison ----- Nigel R. Harrison, Executive Vice-President and Chief Financial Officer |
|---|--|

AUDITORS' REPORT

To the shareholders of The Thomson Corporation

We have audited the accompanying consolidated balance sheets of The Thomson Corporation as at December 31, 1996 and 1995 and the consolidated statement of earnings and retained earnings and of changes in cash position for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 1996 and 1995 and the results of its operations and the changes in its cash position for the years then ended in accordance with generally accepted accounting principles.

/s/ Price Waterhouse

Price Waterhouse
Chartered Accountants, Toronto, Canada
March 12, 1997

CONSOLIDATED STATEMENT OF EARNINGS AND RETAINED EARNINGS (millions of US dollars
except per common share amounts)

| | YEAR ENDED DECEMBER 31 | |
|--|------------------------|---------|
| | 1996 | 1995 |
| ----- | | |
| Sales | 7,723 | 7,725 |
| Cost of sales, selling, marketing, general and administrative expenses | (6,387) | (5,988) |
| ----- | | |
| Earnings before interest, tax, depreciation and amortization | 1,336 | 1,237 |
| Depreciation | (371) | (335) |
| ----- | | |
| Operating profit before amortization | 965 | 902 |
| Amortization (notes 7 and 8) | (183) | (142) |
| ----- | | |
| Operating profit after amortization | 782 | 760 |
| Gains on disposals of businesses (note 14) | 169 | 350 |
| Net interest expense and other financing costs (note 2) | (277) | (225) |
| Income taxes (note 3) | (93) | (86) |
| ----- | | |
| Earnings before dividends declared on preference shares | 581 | 799 |
| Dividends declared on preference shares (note 10) | (12) | (10) |
| ----- | | |
| Earnings attributable to common shares | 569 | 789 |
| Retained earnings at beginning of year | 3,244 | 2,757 |
| Dividends declared on common shares (note 11) | (334) | (302) |
| Costs of preferred share issue (note 10) | (6) | -- |
| ----- | | |
| Retained earnings at end of year | 3,473 | 3,244 |
| ----- | | |
| Earnings per common share (note 4) | \$ 0.95 | \$ 1.34 |
| ----- | | |

CONSOLIDATED BALANCE SHEET
(millions of US dollars)

| | DECEMBER 31 | |
|---|-------------|-------|
| | 1996 | 1995 |
| ASSETS | | |
| Cash and short-term investments | 375 | 391 |
| Receivable from sale of UK newspapers (note 14) | -- | 442 |
| Accounts receivable | 1,168 | 993 |
| Inventories | 329 | 339 |
| Prepaid expenses and other current assets | 353 | 389 |
| ----- | | |
| Current Assets | 2,225 | 2,494 |
| Property and equipment (note 5) | 1,690 | 1,431 |
| Aircraft and spares (note 6) | 750 | 762 |
| Publishing rights and circulation (note 7) | 5,100 | 3,202 |
| Goodwill (note 8) | 2,842 | 1,768 |
| Other assets | 566 | 300 |
| ----- | | |
| Total assets | 13,173 | 9,957 |
| ----- | | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| LIABILITIES | | |
| Short-term indebtedness | 30 | 18 |
| Accounts payable | 1,398 | 1,263 |
| Deferred revenue | 810 | 653 |
| Current portion of long-term debt and finance leases (note 9) | 155 | 165 |
| ----- | | |
| Current liabilities | 2,393 | 2,099 |
| Long-term debt (note 9) | 4,594 | 2,715 |
| Finance leases (note 9) | 251 | 285 |
| Other liabilities | 823 | 568 |
| Deferred income taxes | 465 | 357 |
| ----- | | |
| Total liabilities | 8,526 | 6,024 |
| ----- | | |
| SHAREHOLDERS' EQUITY | | |
| Share capital (notes 10 and 11) | 1,435 | 953 |
| Cumulative translation adjustment (note 17) | (261) | (264) |
| Retained earnings | 3,473 | 3,244 |
| ----- | | |
| Total shareholders' equity | 4,647 | 3,933 |
| ----- | | |
| Total liabilities and shareholders' equity | 13,173 | 9,957 |
| ----- | | |

Approved by the Board

/s/ Kenneth R. Thomson

Kenneth R. Thomson, Director

/s/ Michael Brown

Michael Brown, Director

CONSOLIDATED STATEMENT OF CHANGES IN CASH POSITION (millions of US dollars
except per common share amounts)

| | Year ended December 31 | |
|--|------------------------|--------|
| | 1996 | 1995 |
| CASH PROVIDED BY (USED FOR): | | |
| OPERATIONS | | |
| Earnings before dividends declared on preference shares | 581 | 799 |
| Add (deduct) items not involving cash: | | |
| Depreciation | 371 | 335 |
| Amortization | 183 | 142 |
| Gains on disposals of businesses (note 14) | (169) | (350) |
| Deferred taxes | 48 | 57 |
| Other | 8 | 52 |
| | 1,022 | 1,035 |
| Changes in working capital and other items | (53) | (368) |
| | 969 | 667 |
| INVESTING ACTIVITIES | | |
| Acquisitions of businesses, less cash therein of \$276 million (1995 - \$17 million) | (3,517) | (380) |
| Disposals of businesses: | | |
| Proceeds | 707 | 1,013 |
| UK newspaper proceeds (1995 - receivable) | 442 | (442) |
| Additions to property and equipment, less proceeds from disposals of \$10 million (1995 - \$6 million) | (447) | (377) |
| Aircraft progress payment refunds, less additions to aircraft and spares (1995 - less proceeds from disposals of \$57 million) | 46 | (49) |
| Other investing activities | (54) | (38) |
| | (2,823) | (273) |
| FINANCING ACTIVITIES | | |
| Net change in long-term debt and finance leases | 1,661 | (109) |
| Dividends paid on common shares (note 11) | (184) | (179) |
| Dividends paid on preference shares (note 10) | (12) | (10) |
| Issue of preference shares, net of costs | 326 | -- |
| Other financing activities | (9) | (29) |
| | 1,782 | (327) |
| Translation adjustments | (72) | 67 |
| | 44 | (14) |
| (Decrease) increase in cash | (28) | 53 |
| Cash at beginning of year | 373 | 320 |
| Cash at end of year(1) | 345 | 373 |
| Cash flow per common share provided by operations, before changes in working capital and other items (note 4) | \$ 1.71 | \$1.76 |

(1) Cash comprises cash and short-term investments of \$375 million (1995 - \$391 million) less short-term indebtedness of \$30 million (1995 - \$18 million).

SEGMENTED INFORMATION
(millions of US dollars)

The principal activity of The Thomson Corporation (TTC) is specialized information and publishing. In addition, we have important interests in newspaper publishing and in leisure travel. TTC operates mainly in the United States, the United Kingdom and Canada.

| BUSINESS SEGMENTS - 1996 | TCPI | TFPPG | Total specialized information/publishing | TN | TTG(1) | Corporate and other(2) | Total |
|---|-------|-------|--|-------|--------|------------------------|--------|
| Sales | 2,141 | 1,934 | 4,075 | 1,173 | 2,475 | -- | 7,723 |
| Earnings before interest, tax depreciation and amortization | 471 | 516 | 987 | 242 | 177 | (70) | 1,336 |
| Depreciation | (120) | (124) | (244) | (59) | (68) | -- | (371) |
| Operating profit before amortization | 351 | 392 | 743 | 183 | 109 | (70) | 965 |
| Amortization | (69) | (86) | (155) | (23) | (5) | -- | (183) |
| Operating profit after amortization | 282 | 306 | 588 | 160 | 104 | (70) | 782 |
| Acquisitions of businesses | 200 | 3,399 | 3,599 | 171 | 23 | -- | 3,793 |
| Net additions to fixed assets | 179 | 187 | 366 | 49 | (14) | -- | 401 |
| Assets | 3,575 | 6,049 | 9,624 | 1,766 | 1,406 | 377 | 13,173 |

| BUSINESS SEGMENTS - 1995 | TCPI | TFPPG | Total specialized information/publishing | TN | TTG(1) | Corporate and other(2) | Total |
|---|-------|-------|--|-------|--------|------------------------|-------|
| Sales | 2,313 | 1,287 | 3,600 | 1,250 | 2,375 | -- | 7,225 |
| Earnings before interest, tax depreciation and amortization | 543 | 293 | 836 | 277 | 173 | (49) | 1,237 |
| Depreciation | (132) | (71) | (203) | (61) | (71) | -- | (335) |
| Operating profit before amortization | 411 | 222 | 633 | 216 | 102 | (49) | 902 |
| Amortization | (67) | (42) | (109) | (29) | (4) | -- | (142) |
| Operating profit after amortization | 344 | 180 | 524 | 187 | 98 | (49) | 760 |
| Acquisitions of businesses | 146 | 192 | 338 | 24 | 35 | -- | 397 |
| Net additions to fixed assets | 175 | 108 | 283 | 56 | 87 | -- | 426 |
| Assets | 3,617 | 2,336 | 5,953 | 1,799 | 1,374 | 831 | 9,957 |

(1) Thomson Travel's operating profit before amortization excludes \$23 million (1995 - \$23 million) of net interest income.

(2) Corporate costs comprise unallocated central costs. Corporate assets principally comprise cash and, in 1995, include the receivable from the sale of UK newspapers.

| GEOGRAPHIC SEGMENTS - 1996 | United States | United Kingdom | Canada | Other countries | Corporate and other(1) | Total |
|---|---------------|----------------|--------|-----------------|------------------------|--------|
| Sales by country of origin | 4,109 | 2,897 | 458 | 259 | -- | 7,723 |
| Earnings before interest, tax depreciation and amortization | 1,041 | 249 | 66 | 50 | (70) | 1,336 |
| Depreciation | (261) | (83) | (18) | (9) | -- | (371) |
| Operating profit before amortization | 780 | 166 | 48 | 41 | (70) | 965 |
| Amortization | (158) | (14) | (3) | (8) | -- | (183) |
| Operating profit after amortization | 622 | 152 | 45 | 33 | (70) | 782 |
| Assets | 10,055 | 1,990 | 364 | 387 | 377 | 13,173 |

| GEOGRAPHIC SEGMENTS - 1995 | United States | United Kingdom | Canada | Other countries | Corporate and other(1) | Total |
|---|---------------|----------------|--------|-----------------|------------------------|-------|
| Sales by country of origin | 3,336 | 3,145 | 483 | 261 | -- | 7,225 |
| Earnings before interest, tax depreciation and amortization | 832 | 340 | 70 | 44 | (49) | 1,237 |
| Depreciation | (204) | (104) | (18) | (9) | -- | (335) |
| Operating profit before amortization | 628 | 236 | 52 | 35 | (49) | 902 |
| Amortization | (117) | (15) | (2) | (8) | -- | (142) |
| Operating profit after amortization | 511 | 221 | 50 | 27 | (49) | 760 |
| Assets | 6,414 | 1,952 | 349 | 411 | 831 | 9,957 |

(1) Corporate costs comprise unallocated central costs. Corporate assets principally comprise cash and, in 1995, the receivable from the sale of UK newspapers.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of TTC include all effectively controlled companies and the proportionate share in joint venture interests and are prepared in accordance with accounting principles generally accepted in Canada.

ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those statistics.

FOREIGN CURRENCY

Assets and liabilities of self-sustaining subsidiaries denominated in currencies other than US dollars are translated at December 31 rates of exchange and the results of their operations are translated at average rates of exchange for the year. The resulting translation adjustments are accumulated in a separate component of shareholders' equity. Other currency gains or losses are included in earnings.

The rates of exchange used to translate amounts expressed in the significant currencies other than US dollars are as follows:

| | 1996 | 1995 |
|---|---------|---------|
| Pound sterling (US\$ /pound sterling ¹) | \$ 0.95 | \$ 1.34 |
| Average for the year | \$ 1.56 | \$ 1.58 |
| At December 31 | \$ 1.71 | \$ 1.55 |
| Canadian dollar (US\$ / Cdn\$1) | | |
| Average for the year | \$ 0.73 | \$ 0.73 |
| At December 31 | \$ 0.73 | \$ 0.73 |

INVENTORIES

Inventories comprise principally finished goods and are valued at the lower of cost and net realizable value. Cost is determined principally on a first-in, first-out basis.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost and depreciated on a straight line basis over their estimated useful lives as follows:

| | |
|-------------------------------------|-------------|
| Buildings and building improvements | 10-40 years |
| Machinery and equipment | 3-20 years |
| Newspaper presses | 20-25 years |
| Computer hardware and software | 3-5 years |

AIRCRAFT AND SPARES

Aircraft and spares are depreciated on a straight line basis over the estimated useful lives, ranging from 14 to 20 years.

PUBLISHING RIGHTS, CIRCULATION AND GOODWILL

Publishing rights and circulation are recorded at acquisition cost and are amortized over periods not exceeding 40 years. Goodwill represents the excess of the cost of the investment in acquired businesses over values attributed to underlying net tangible assets, publishing rights and circulation, and is amortized over periods not exceeding 40 years.

The carrying values of publishing rights, circulation and goodwill are periodically reviewed to determine if any permanent impairment has occurred. Impairment is measured by comparing the undiscounted amount of expected future operating cash flows with the unamortized balances of these assets. Any permanent impairment in the amount of publishing rights, circulation and goodwill is expensed.

DERIVATIVE FINANCIAL INSTRUMENTS

TTC enters into hedging arrangements through the forward currency exchange and swap markets to reduce its exposure to currency and interest rate fluctuations. While the hedging instruments are subject to the risk of loss from changes in interest and exchange rates, these losses are offset by gains on the exposures being hedged.

Gains and losses on derivative contracts designed as hedges of existing assets and liabilities are accrued as exchange rates change, thereby offsetting gains and losses from the underlying assets and liabilities.

Gains and losses on foreign exchange contracts used to hedge anticipated transactions are deferred and included in earnings when the transactions being hedged are recognized.

The differential paid or received on interest rate swap agreements is recognized as part of net interest expense.

CHANGE IN ACCOUNTING POLICY FOR FINANCIAL INSTRUMENTS

Effective in 1996, TTC adopted the new Canadian Institute of Chartered Accountants accounting recommendations for the presentation and disclosure of financial instruments. As a result, the accounting for and presentation of non-US dollar denominated debt hedged into US dollars by derivative contracts has been changed. Previously, such debt was translated at the rate established in the derivative contract and separate accounting recognition was not given to the derivative contract. Under the new recommendations, the primary debt instruments are translated at year-end exchange rates. The related receivables or payables arising from the translation gains and losses on the derivative contracts, which effectively offset the gains and losses on translation of the debt, are included within 'Other assets' or 'Other liabilities' as appropriate. These recommendations, which have no impact on earnings or cash flow, have been applied retroactively and the December 31, 1995 balance sheet has been reclassified.

DEFERRED REVENUE

Inclusive tour revenue is included in deferred revenue until the date of tour departure.

Subscription revenue received in advance of the delivery of services or publications is included in deferred revenue and as services are rendered or publications sent to subscribers the proportionate share is recognized as revenue.

DEFERRED INCOME TAXES

The tax allocation method is followed in providing for income taxes whereby earnings are charged with income taxes relating to reported profits. Differences between such taxes and taxes currently payable, which result from timing differences between the recognition of income and expenses for accounting and tax purposes, are reflected as deferred income taxes.

COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform with the current year's presentation.

2. NET INTEREST EXPENSE AND OTHER FINANCING COSTS

| | 1996 | 1995 |
|---|-------|-------|
| Interest income | 42 | 50 |
| Interest on short-term indebtedness | (22) | (28) |
| Interest on long-term debt and finance leases | (297) | (247) |
| | (277) | (225) |

3. INCOME TAXES

Income taxes of \$93 million (1995 - \$86 million) as a percentage of earnings before income taxes and preference dividends were 13.8% (1995 - 9.7%). Excluding the net gains from disposals of businesses, the effective tax rate was 15.8% (1995 - 16.1%). This effective tax rate differs from the Canadian corporate tax rate of approximately 44% due principally to the effect of lower tax rates in other countries where TTC has operating and finance subsidiaries, and to the use of tax losses.

TTC and its subsidiaries have certain loss carryforwards, the benefits of which have not been recorded in these consolidated financial statements. These tax loss carryforwards approximate \$350 million and expire between 1997 and 2010. The ability to realize these benefits is dependent upon a number of factors including the future profitability of operations in the jurisdictions in which the tax losses arose.

4. EARNINGS AND CASH FLOW PER COMMON SHARE

The weighted average number of common shares outstanding in 1996 was 598,537,029 (1995 - 589,304,500).

5. PROPERTY AND EQUIPMENT

| | 1996 | 1995 |
|---|------------------|------------------|
| Land and buildings | 630 | 561 |
| Machinery and equipment and newspaper presses | 1,461 | 1,279 |
| Newspaper presses held under finance leases | -- | 45 |
| Computer hardware and software | 1,042 | 850 |
| Accumulated depreciation | 3,133 (1,443) | 2,735 (1,304) |
| | 1,690 | 1,431 |

The depreciation charge in 1996 was \$337 million (1995 - \$298 million).

6. AIRCRAFT AND SPARES

| | 1996 | 1995 |
|------------------------------------|--------------|--------------|
| Aircraft and spares | 251 | 278 |
| Aircraft held under finance leases | 724 | 658 |
| Accumulated depreciation | 975 (225) | 936 (174) |
| | 750 | 762 |

The depreciation charge in 1996 was \$34 million (1995 - \$37 million).

7. PUBLISHING RIGHTS AND CIRCULATION

| | 1996 | 1995 |
|-----------------------------------|-------|-------|
| Publishing rights and circulation | 5,604 | 3,627 |
| Accumulated amortization | (504) | (425) |
| | 5,100 | 3,202 |

The amortization charge in 1996 was \$117 million (1995 - \$92 million).

8. GOODWILL

| | 1996 | 1995 |
|--------------------------|-------|-------|
| Goodwill | 3,247 | 2,121 |
| Accumulated amortization | (405) | (353) |
| | 2,842 | 1,768 |

The amortization charge in 1996 was \$66 million (1995 - \$50 million).

9. FINANCIAL INSTRUMENTS

CARRYING AMOUNTS

Amounts recorded in the consolidated balance sheet are referred to as "carrying amounts" and are based on year-end exchange rates, as applicable.

FAIR VALUES

The fair values of cash and short-term investments, accounts receivable, short-term indebtedness and accounts payable approximate their carrying amounts because of the short-term maturity of these instruments. The fair value of long-term debt, including the current portion, is estimated based on either quoted market prices for similar issues or current rates offered to TTC for debt of the same maturity. The fair values of forward contracts and interest rate swaps are estimated based upon discounted cash flows using applicable current market rates.

CREDIT RISK

TTC attempts to minimize its credit exposure to counterparties by only entering into derivative contracts with major investment grade international financial institutions.

LONG-TERM DEBT

| | As at December 31, 1996 | | | As at December 31, 1996 | | |
|-----------------------------------|--------------------------|---------------------------|-------------|--------------------------|---------------------------|-------------|
| | CARRYING AMOUNT | | | FAIR VALUE | | |
| | Primary debt instruments | Currency swap instruments | Hedged debt | Primary debt instruments | Currency swap instruments | Hedged debt |
| Bank and other | 2,622 | (151) | 2,471 | 2,627 | (147) | 2,480 |
| 9.15% Debentures, due 1998 | 183 | 40 | 223 | 197 | 24 | 221 |
| 10.55% Debentures, due 2001 | 183 | 33 | 216 | 215 | -- | 215 |
| 7.90% Debentures, due 2002 | 183 | 27 | 210 | 198 | 10 | 208 |
| 7.70% Debentures, due 2003 | 183 | 13 | 196 | 195 | (2) | 193 |
| 9.15% Debentures, due 2004 | 183 | (1) | 182 | 209 | (32) | 177 |
| 7.95% Debentures, due 2005 | 183 | 3 | 186 | 196 | (11) | 185 |
| 7.15% Debentures, due 2006 | 183 | 2 | 185 | 186 | (6) | 180 |
| Floating rate notes, due 2000 | 150 | -- | 150 | 150 | -- | 150 |
| Private placements, due 1999-2006 | 675 | -- | 675 | 696 | -- | 696 |
| | 4,728 | (34) | 4,694 | 4,869 | (164) | 4,705 |
| Current portion | (134) | 12 | (122) | | | |
| | 4,594 | (22) | 4,572 | | | |

| | As at December 31, 1995 | | | As at December 31, 1995 | | |
|-----------------------------------|--------------------------|---------------------------|-------------|--------------------------|---------------------------|-------------|
| | CARRYING AMOUNT | | | FAIR VALUE | | |
| | Primary debt instruments | Currency swap instruments | Hedged debt | Primary debt instruments | Currency swap instruments | Hedged debt |
| Bank and other | 828 | 1 | 829 | 826 | 2 | 828 |
| 10.15% Debentures, due 1996 | 110 | 15 | 125 | 112 | 15 | 127 |
| 9.15% Debentures, due 1998 | 183 | 40 | 223 | 197 | 24 | 221 |
| 10.55% Debentures, due 2001 | 183 | 33 | 216 | 211 | 1 | 212 |
| 7.90% Debentures, due 2002 | 183 | 26 | 209 | 191 | 16 | 207 |
| 7.70% Debentures, due 2003 | 183 | 13 | 196 | 186 | 7 | 193 |
| 9.15% Debentures, due 2004 | 183 | (1) | 182 | 203 | (25) | 178 |
| 7.95% Debentures, due 2005 | 183 | 3 | 186 | 188 | (3) | 185 |
| Floating rate notes, due 2000 | 150 | -- | 150 | 150 | -- | 150 |
| Private placements, due 1999-2006 | 675 | -- | 675 | 723 | -- | 723 |
| | 2,861 | 130 | 2,991 | 2,987 | 37 | 3,024 |
| Current portion | (146) | (15) | (161) | | | |
| | 2,715 | 115 | 2,830 | | | |

Bank and other debt at December 31, 1996 are primarily pound sterling denominated (1995-US dollar denominated) and are largely hedged into US dollars. All the debentures are

Canadian dollar denominated and are fully hedged into US dollars. The floating rate notes and private placements are US dollar denominated.

After taking account of the hedging arrangements, the carrying amount of long-term debt, all of which is unsecured, is denominated in the following currencies:

| | 1996 | 1995 |
|------------------|-------|-------|
| US dollar | 4,502 | 2,858 |
| Other currencies | 102 | 133 |
| | 4,694 | 2,991 |

Maturities of long-term debt, after accounting for hedges, in each of the next five years and thereafter are: \$122 million in 1997, \$1,402 million in 1998, \$179 million in 1999, \$429 million in 2000, \$271 million in 2001 and \$2,291 million in 2002 and thereafter.

At December 31, 1996, undrawn bank facilities, which have various expiration dates through 2002, amounted to approximately \$1,475 million.

FINANCE LEASES

The fair values of finance lease obligations approximate their carrying amounts. The obligations, which are principally in respect of aircraft, are as follows:

| | 1996 | 1995 |
|---|------|-------|
| Aircraft | 266 | 254 |
| Newspaper presses and other equipment | 6 | 50 |
| | 272 | 304 |
| | 1996 | 1995 |
| Total future minimum lease payments | 353 | 432 |
| Imputed interest | (81) | (128) |
| | 272 | 304 |
| Portion included in current liabilities | (21) | (19) |
| | 251 | 285 |

The outstanding finance lease obligations, net of imputed interest, are denominated in the following currencies:

| | 1996 | 1995 |
|------------------|------|------|
| US dollar | 5 | 35 |
| Other currencies | 267 | 269 |
| | 272 | 304 |

INTEREST RATE RISK EXPOSURES

TTC enters into interest rate swap agreements to reduce the impact of changes in interest rates on floating rate debt and finance leases. The notional amount of interest rate swap agreements is used to measure interest to be paid or received and does not represent the amount of exposure to credit loss. The fair value of interest rate swap agreements is not significant. Floating interest rate long-term debt and finance leases are LIBOR based and consequently interest rates are reset periodically. TTC's exposures to interest rate risk on total long-term debt and finance leases as at December 31, 1996 are summarized as follows:

| | WITH FIXED INTEREST RATES MATURING IN: | | | | WITH FLOATING INTEREST RATES | TOTAL |
|---|--|-----------------|----------------------|-------------|---------------------------------------|-------|
| | Less than 1 year | 1 to 5 years | More than 5 years | Total fixed | | |
| Long-term debt* | 20 | 1,055 | 1,048 | 2,123 | 2,571 | 4,694 |
| Interest rate swaps | -- | 1,521 | 351 | 1,872 | (1,872) | -- |
| | 20 | 2,576 | 1,399 | 3,995 | 699 | 4,694 |
| Finance leases | -- | -- | -- | -- | 272 | 272 |
| Interest rate swaps | -- | 90 | -- | 90 | (90) | -- |
| | -- | 90 | -- | 90 | 182 | 272 |
| Total long-term debt* and finance leases | 20 | 2,666 | 1,399 | 4,085 | 881 | 4,966 |

* After currency swaps

After taking account of hedging arrangements, the fixed and floating mix of long-term debt and finance leases is as follows:

| | 1996 | AVERAGE INTEREST RATE | 1995 | Average interest rate |
|------------------------|-------|-----------------------------|-------|--------------------------|
| Long-term debt | | | | |
| Fixed interest rate | 3,995 | 6.7% | 1,682 | 7.2% |
| Floating interest rate | 699 | 6.2% | 1,309 | 6.0% |
| | 4,694 | 6.6% | 2,991 | 6.7% |
| Finance leases | | | | |
| Fixed interest rate | 90 | 9.0% | 107 | 8.2% |
| Floating interest rate | 182 | 5.0% | 197 | 5.1% |
| | 272 | 6.3% | 304 | 6.2% |
| | | % SHARE | | % Share |
| Total Fixed | 4,085 | 82% | 1,789 | 54% |
| Total Floating | 881 | 18% | 1,506 | 46% |

| | | | |
|-------|------|-------|------|
| 4,966 | 100% | 3,295 | 100% |
|-------|------|-------|------|

HEDGES OF NET INVESTMENTS IN FOREIGN AFFILIATES

TTC has hedged a major part of its investments in non-US dollar denominated net assets by way of forward exchange contracts. In the following summary of net asset hedges outstanding, the "contractual amount" represents the contracted US dollar equivalent of commitments to sell foreign currencies, principally pounds sterling. These contracts mature at various dates through 2004.

Net asset hedges outstanding:

| | 1996 | 1995 |
|-------------------------------|------|-------|
| Contractual amount | 938 | 1,357 |
| Carrying amount - gain (loss) | (88) | 2 |
| Fair value - gain (loss) | (71) | 10 |

HEDGES OF ANTICIPATED TRANSACTIONS

TTC enters into forward exchange contracts to hedge certain anticipated, but not yet committed, transaction exposures denominated in foreign currencies. Forward contracts totalling \$1,191 million relating to anticipated transactions (principally within TTC) and which mature on various dates through 1999 were outstanding at the end of 1996. The fair value of these contracts at December 31, 1996 was a loss of \$111 million.

10. PREFERENCE SHARE CAPITAL

| | 1996 | | 1995 | |
|-----------|------------------|----------------|------------------|----------------|
| | NUMBER OF SHARES | STATED CAPITAL | Number of shares | Stated capital |
| Series II | 6,000,000 | 110 | 6,000,000 | 110 |
| Series V | 18,000,000 | 332 | -- | -- |
| | | 442 | | 110 |

The authorized preference share capital of TTC is an unlimited number of preference shares without par value. The directors are authorized to issue preference shares without par value in one or more series, and to determine the number of shares in and terms attaching to each such series.

SERIES II, CUMULATIVE REDEEMABLE PREFERENCE SHARES

The Series II preference shares are non-voting and are redeemable at the option of TTC for Cdn \$25.00 per share, together with accrued dividends. Dividends are payable quarterly thereon at an annual rate of 70% of the Canadian bank prime rate applied to the stated capital of such shares. The total number of authorized Series II preference shares is 6,000,000.

SERIES V, CUMULATIVE REDEEMABLE PREFERENCE SHARES

In December 1996, TTC issued Cdn \$450 million of Series V cumulative redeemable preference shares. These preference shares are non-voting and are redeemable at the option of TTC on January 2, 2002, for Cdn \$25.00 per share and thereafter for Cdn \$25.50, together with accrued dividends. Through January 1, 2002, the dividends are payable quarterly at Cdn \$1.25 per share per annum. Subsequent to January 1, 2002, dividends will be payable monthly at a rate which floats in relation to changes in both the Canadian bank prime rate and the calculated trading price of the Series V preference shares. In no event, however, will the annual floating dividend rate applicable for a month be less than 50% of prime or greater than prime. The total number of authorized Series V preference shares is 18,000,000. The cost of the issue has been charged to retained earnings.

11. COMMON SHARE CAPITAL AND DIVIDENDS
TTC COMMON SHARES

| | 1996 | | 1995 | |
|------------------------------|---------------------|-------------------|---------------------|-------------------|
| | NUMBER OF SHARES | STATED CAPITAL | Number of shares | Stated capital |
| Balance at beginning of year | 594,732,256 | 843 | 585,487,730 | 720 |
| Issued | 8,783,060 | 150 | 9,244,526 | 123 |
| Balance at end of year | 603,515,316 | 993 | 594,732,256 | 843 |

The common shares are voting shares. The authorized common share capital of TTC is an unlimited number of shares.

Holders of the common shares may participate in the dividend reinvestment plan under which cash dividends are automatically reinvested in new common shares having a value equal to the cash dividend. Such shares are valued at the weighted average price at which the common shares were traded on The Toronto Stock Exchange during the five trading days immediately preceding the record date for such dividend. All of the share issues made in 1996 and 1995 were in connection with the dividend reinvestment plan.

TTCPLC COMMON SHARES

Linked to 235,439,882 of the common shares of TTC (1995 - 258,562,534) are the same number of related common shares of The Thomson Corporation PLC (TTCPLC) at par value of one sterling penny each. Included in the stated capital of TTC is \$4 million (1995 - \$4 million) in respect of these shares.

The authorized common share capital of TTCPLC is 300,000,000 shares of one sterling penny each. The TTCPLC common shares are non-voting and may be redeemed by TTCPLC at any time at their par value on not less than one month's prior notice. All of the voting ordinary shares of TTCPLC are held indirectly by TTC.

Dividends will be paid on the TTCPLC common shares in pounds sterling unless the shareholder has elected to receive dividends on the related TTC common shares. Dividends on the TTCPLC common shares are payable in priority to dividends on the TTCPLC voting ordinary shares.

A holder of TTC common shares, who does not also hold related common shares of TTCPLC, has the ability to acquire one related common share of TTCPLC for each common share of TTC held by such shareholder upon payment of one sterling penny for each share so acquired. In 1996, 865,833 (1995 - 23,295,120) common shares of TTCPLC were issued on this basis.

Holders of the TTCPLC common shares may also participate in the dividend reinvestment plan and during 1996, 574,188 (1995 - 644,597) of such shares were issued under the plan.

If at any time, any TTCPLC common shares are both registered on the Canadian branch register of TTCPLC and held by shareholders who have elected to receive dividends on their common shares of TTC rather than on the related TTCPLC common shares, such TTCPLC common shares will be redeemed by TTCPLC at par. During 1996, 24,562,673 (1995 - 2,045,747) TTCPLC common shares were redeemed in this way.

DIVIDENDS

Dividends on the TTC common shares are declared and payable in US dollars. Dividends declared per common share in 1996 were 55.75 cents (1995 - 51.25 cents). Equivalent dividends of 35.982 pence (1995 - 32.4518 pence) were paid per related common share of TTCPLC. Shareholders have the option of receiving dividends on the TTC common shares in equivalent Canadian funds.

In the consolidated statement of changes in cash position, dividends paid on common shares are shown net of \$65 million (1995 - \$94 million) reinvested in common shares issued under the dividend reinvestment plan and \$85 million (1995 - \$29 million) by way of private

placements of common shares to TTC's major shareholders. These private placements discharged, in part, the commitment of TTC's major shareholders to participate in the plan to the extent of at least 50% of the dividends received on the TTC common shares directly and indirectly owned by them. TTC's major shareholders acquired these common shares on the same terms and conditions under which TTC issues common shares to shareholders participating in the plan.

12. PENSION PLANS

TTC maintains pension plans which cover most of its employees. TTC uses the accrued benefit actuarial method and best estimate assumptions to determine pension costs, liabilities and other pension information for defined benefit plans.

| | 1996 | 1995 |
|---|-------|------|
| ----- | | |
| Aggregate defined benefit plan details: | | |
| Pension expense for the year | 6 | 13 |
| Present value of accumulated benefit obligation as at December 31 | 788 | 605 |
| Market value of plan assets as at December 31 | 1,183 | 782 |
| ----- | | |

Pension expense for the year in respect of defined contribution plans was \$39 million (1995 - \$38 million). Other post-employment benefit arrangements vary by business and geographic segment and, where they do exist, the cost of these are expensed as incurred.

13. CONTINGENCIES AND COMMITMENTS

OPERATING LEASES

Operating lease payments in 1996 were \$199 million (1995 - \$166 million). The future minimum operating lease payments are \$213 million in 1997, \$197 million in 1998, \$156 million in 1999, \$132 million in 2000, \$102 million in 2001 and \$633 million in 2002 and thereafter.

CAPITAL COMMITMENTS

Capital expenditures contracted for, but for which no related liability had been incurred at December 31, 1996, amounted to \$123 million (1995 - \$197 million), principally in respect of orders for two aircraft, one of which will be delivered in 1997 and one in 1998.

14. ACQUISITIONS AND DISPOSALS OF BUSINESSES

Businesses were acquired during the year for an aggregate cash consideration of \$3,793 million (1995 - \$397 million). All acquisitions have been accounted for on the purchase

basis and the results of acquired businesses are included in the consolidated financial statements from the dates of acquisition.

Details of net assets acquired are as follows:

| | WEST | OTHER I/P | TOTAL I/P | TN | TTG | 1996 TOTAL | 1995 TOTAL |
|---|-------|--------------|--------------|-----|-----|---------------|---------------|
| Working capital, including cash of \$276 million (1995 - \$17 million) | 257 | (15) | 242 | 6 | 1 | 249 | (23) |
| Property and equipment | 231 | 14 | 245 | 46 | 2 | 293 | 10 |
| Publishing rights and circulation | 2,009 | 87 | 2,096 | 12 | -- | 2,108 | 272 |
| Goodwill | 1,030 | 107 | 1,137 | 107 | 21 | 1,265 | 146 |
| Other net liabilities | (102) | (19) | (121) | -- | (1) | (122) | (8) |
| Total | 3,425 | 174 | 3,599 | 171 | 23 | 3,793 | 397 |

Allocations related to certain acquisitions may be subject to adjustment pending final valuation.

On June 20, 1996, TTC acquired all the outstanding shares of West Publishing Company (West) for \$3,425 million in cash. West is a leading US legal publisher best known for its WESTLAW online research service and its database of editorially-enhanced primary law.

In 1996, TTC sold 17 US and 14 Canadian newspapers as well as several other businesses in TCPI, most notably the remaining UK regional newspaper centre in Aberdeen, Scotland, for total proceeds of \$707 million.

In 1995, TTC completed the sale of its UK regional newspaper centres, except for Aberdeen for total proceeds of \$589 million, of which \$147 million was received in 1995 with the balance received in 1996. In addition, TTC sold 25 US and 21 Canadian newspapers as well as several other businesses, principally within TCPI, for total proceeds of \$424 million.

15. RELATED PARTY TRANSACTION

In June 1993, TTC acquired certain land development assets in the US from an affiliate of The Woodbridge Company Limited which had previously acquired such assets from Markborough Properties. Through Woodbridge and its affiliates, the Thomson family owns approximately 73% of the common shares of TTC and approximately 64% of the common shares of Markborough. The transaction was reviewed by a committee of independent directors of TTC and determined to be fair and reasonable to its minority shareholders.

The purchase price is \$30 million with additional amounts payable in 1998. The additional amounts payable shall be a portion of the cash generated to June 1998 from the

properties acquired, plus the independently determined values of properties unsold at that date. At December 31, 1996, based on cash generated to that date, an additional purchase price payable of \$123 million (1995 - \$98 million) has been recorded in 'Other liabilities'. The extent to which TTC will benefit from tax losses relating to such properties will depend on the total amount generated by the properties acquired.

16. INVESTMENT IN JOINT VENTURE PARTNERSHIP

Augusta Newsprint Company is an equal joint venture partnership between TTC and Abitibi- Price Inc. The partnership operates a newsprint mill in Augusta, Georgia and owns related woodlands. Summarized financial information relating to TTC's 50% share of the joint venture is as follows:

| | 1996 | 1995 |
|--|------|------|
| ----- | | |
| Consolidated balance sheet | | |
| Current assets | 17 | 39 |
| Long-term assets | 97 | 104 |
| Current liabilities | 10 | 12 |
| Long-term liabilities | 29 | 48 |
| Consolidated statement of earnings | | |
| Sales | 112 | 123 |
| Profit before income taxes | 26 | 32 |
| Consolidated statement of changes in cash position | | |
| Cash flow provided by (used for): | | |
| Operations | 43 | 36 |
| Investing activities | (4) | (7) |
| Financing activities | (23) | (22) |
| ----- | | |

17. CUMULATIVE TRANSLATION ADJUSTMENT

An analysis of the cumulative translation losses shown separately in shareholders' equity is as follows:

| | 1996 | 1995 |
|---------------------------------------|-------|-------|
| ----- | | |
| Balance at beginning of year | (264) | (335) |
| Realized from disposals of businesses | 5 | 64 |
| Translation and other | (2) | 7 |
| ----- | | |
| Balance at end of year | (261) | (264) |
| ----- | | |

18. SEGMENTED INFORMATION See pages 6 and 7.

AGREEMENT AND PLAN OF MERGER

Among

THE THOMSON CORPORATION,

SABRE ACQUISITION, INC.

and

COMPUTER LANGUAGE RESEARCH, INC.

Dated as of January 12, 1998

=====

Glossary of Defined Terms
(Not Part of This Agreement)

| Defined Term ----- | Location of Definition ----- |
|--|---------------------------------|
| affiliate..... | ss. 9.03(a) |
| Agreement..... | Preamble |
| beneficial owner..... | ss. 9.03(b) |
| Blue Sky Laws..... | ss. 3.05(b) |
| Board..... | Recitals |
| business day..... | ss. 9.03(c) |
| Certificate of Merger..... | ss. 2.02 |
| Certificates..... | ss. 2.09(b) |
| Code..... | ss. 3.10(a) |
| Company..... | Preamble |
| Company Common Stock..... | Recitals |
| Company Preferred Stock..... | ss. 3.03 |
| Conditional Optionees..... | ss. 2.07(e) |
| Conditional Options..... | ss. 2.07(e) |
| Confidentiality Agreement..... | ss. 6.04(b) |
| control..... | ss. 9.03(d) |
| Delaware Law..... | Recitals |
| Disclosure Schedule..... | ss. 3.01(a) |
| Dissenting Shares..... | ss. 2.08(a) |
| Effective Time..... | ss. 2.02 |
| Environmental Laws..... | ss. 3.16(a) |
| Environmental Permits..... | ss. 3.16(b) |
| ERISA..... | ss. 3.10(a) |
| ERISA Affiliate..... | ss. 3.10(a) |
| Exchange Act..... | ss. 1.02(b) |
| Hazardous Substances..... | ss. 3.16(a) |
| HSR Act..... | ss. 3.05(b) |
| Indemnified Parties..... | ss. 6.07(b) |
| Intellectual Property..... | ss. 9.03(f) |
| IRS..... | ss. 3.10(a) |
| Licensed Intellectual Property..... | ss. 9.03(f) and (g) |
| Liens..... | ss. 3.13(b) |
| Majority Shareholders..... | Recitals |
| Material Adverse Effect..... | ss. 3.01(a) |
| Material Licensed Intellectual Property..... | ss. 3.14(a) |
| Material Subsidiary..... | ss. 3.01(b) |
| Merger..... | Recitals |
| Merger Consideration..... | ss. 2.06(a) |

| Defined Term ----- | Location of Definition ----- |
|--------------------------------------|---------------------------------|
| Minimum Condition..... | ss. 1.01(a) |
| Multiemployer Plan..... | ss. 3.10(b) |
| Multiple Employer Plan..... | ss. 3.10(b) |
| 1982 Options..... | ss. 2.07(a) |
| 1982 Plan..... | ss. 2.07(a) |
| 1994 Options..... | ss. 2.07(c) |
| 1994 Plan..... | ss. 2.07(c) |
| 1996 Balance Sheet..... | ss. 3.07(c) |
| 1997 Incentive Plan..... | ss. 2.07(j) |
| 1997 Options..... | ss. 2.07(b) |
| 1997 Plan..... | ss. 2.07(b) |
| Offer..... | Recitals |
| Offer Conditions..... | ss.1.01(a) |
| Offer Documents..... | ss. 1.01(b) |
| Offer to Purchase..... | ss. 1.01(b) |
| Officers' Incentive Plan..... | ss. 2.07(j) |
| Optionees..... | ss. 2.07(a) |
| Owned Intellectual Property..... | ss. 3.14(a) |
| Parent..... | Preamble |
| Paying Agent..... | ss. 2.09(a) |
| Per Share Amount..... | Recitals |
| Permits..... | ss. 3.06 |
| Permitted Liens..... | ss. 3.13(b) |
| person..... | ss. 9.03(e) |
| Plans..... | ss. 3.10(a) |
| Proxy Statement..... | ss. 3.12 |
| Retention Bonus Plan..... | ss. 2.07(i) |
| Purchaser..... | Preamble |
| Schedule 14D-1..... | ss. 1.01(b) |
| Schedule 14D-9..... | ss. 1.02(b) |
| Scheduled Intellectual Property..... | ss. 3.14(a) |
| SEC..... | ss. 1.01(a) |
| SEC Reports..... | ss. 3.07(a) |
| Securities Act..... | ss. 3.07(a) |
| Shares..... | Recitals |
| Software..... | ss. 9.03(h) |
| Stock Purchase Agreement..... | Recitals |
| Stockholders' Meeting..... | ss. 6.01(a) |
| Subsidiary..... | ss. 3.01(a) |
| subsidiary..... | ss. 9.03(i) |

| Defined Term ----- | Location of Definition ----- |
|----------------------------|---------------------------------|
| Surviving Corporation..... | ss. 2.01 |
| Taxes or taxes..... | ss. 3.15 |
| Texas Law..... | Recitals |
| Transactions..... | ss. 3.04 |
| Vested Options..... | ss. 2.07(d) |
| Vested Percentage..... | ss. 2.07(a) |
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ANNEX A - Conditions to the Offer

AGREEMENT AND PLAN OF MERGER, dated as of January 12, 1998 (this "Agreement"), among THE THOMSON CORPORATION, a corporation incorporated under the laws of Ontario, Canada ("Parent"), SABRE ACQUISITION, INC., a Delaware corporation and a wholly owned subsidiary of Parent ("Purchaser"), and COMPUTER LANGUAGE RESEARCH, INC., a Texas corporation (the "Company").

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

WHEREAS, in furtherance of such acquisition, it is proposed that Purchaser shall make a cash tender offer (the "Offer") to acquire all the issued and outstanding shares of Common Stock, par value \$.01 per share, of the Company ("Company Common Stock") (shares of Company Common Stock being hereinafter collectively referred to as "Shares") for \$22.50 per Share (such amount, or any greater amount per Share paid pursuant to the Offer, being hereinafter referred to as the "Per Share Amount") net to the seller in cash, upon the terms and subject to the conditions of this Agreement and the Offer; and

WHEREAS, the Board of Directors of the Company (the "Board") has unanimously approved the making of the Offer and resolved and agreed, upon the terms and subject to the conditions set forth herein, 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 Parent, Purchaser and the Company have each approved the merger (the "Merger") of Purchaser with and into the Company in accordance with the General Corporation Law of the State of Delaware ("Delaware Law") and the Texas Business Corporation Act ("Texas Law") following the consummation of the Offer and upon the terms and subject to the conditions set forth herein; and

WHEREAS, Parent, Purchaser and certain stockholders of the Company (the "Majority Shareholders") have entered into a Stock Purchase Agreement, dated as of the date hereof (the "Stock Purchase Agreement"), providing for, among other things, each Majority Shareholder to sell to Purchaser, and Purchaser to purchase from each Majority Shareholder, all of his, her or its Shares at the Per Share Amount, subject to the conditions set forth therein, and an agreement by each Majority Shareholder to tender all of his, her or its Shares pursuant to the Offer;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, Parent, Purchaser and the Company hereby agree as follows:

ARTICLE I

THE OFFER

SECTION 1.01. The Offer. (a) Provided that this Agreement shall not have been terminated in accordance with Section 8.01 and none of the events set forth in paragraphs (a) through (g) in Annex A hereto shall have occurred or be existing, Purchaser shall commence the Offer as promptly as reasonably practicable after the date hereof, but in no event later than five business days after the initial public announcement of this Agreement. The obligation of Purchaser to accept for payment and pay for Shares tendered pursuant to the Offer shall be subject to the condition (the "Minimum Condition") that at least two-thirds of the then outstanding Shares 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) shall have been validly tendered and not withdrawn prior to the expiration of the Offer and also shall be subject to the satisfaction of the other conditions set forth in Annex A hereto (collectively with the Minimum Condition, the "Offer Conditions"). Purchaser expressly reserves the right to waive any of the Offer Conditions, to increase the price per Share payable in the Offer and to modify other terms of the Offer; provided, however, without the prior consent of the Company, Purchaser shall not (i) waive the Minimum Condition or reduce the number of Shares subject to the Offer, (ii) reduce the price per Share payable in the Offer, (iii) extend the Offer or amend or add to the Offer Conditions, (iv) change the form of consideration payable in the Offer, or (v) amend, add or waive any other term of the Offer in any manner that would adversely affect the Company or its stockholders. Notwithstanding the foregoing, Purchaser (i) shall not terminate and shall extend the Offer, up to February 28, 1998 if, at the initial scheduled expiration of the Offer (which shall be 20 business days following commencement of the Offer), or any extension thereof, any of the Offer Conditions shall not be satisfied or waived by Purchaser (provided, that if the only unsatisfied Offer Condition shall be the failure of the waiting period under the HSR Act to have expired or been terminated, then Purchaser shall extend the Offer, for one or more periods of not more than 10 business days, pursuant to this clause (i) up to May 15, 1998), (ii) shall extend the Offer for any period required by any rule, regulation or interpretation of the Securities and Exchange Commission (the "SEC") or the staff thereof applicable to the Offer, and (iii) may, without the consent of the Company, extend the Offer for an aggregate period of not more than 10 business days beyond the latest applicable date that would otherwise be permitted under clause (i) or (ii) of this sentence if, as of such date, all of the Offer Conditions are satisfied or waived by Purchaser, but the number of Shares validly tendered and not withdrawn pursuant to the Offer equals 80% or more, but less than 90%, of the then outstanding Shares on a fully diluted basis. The Per Share Amount shall, subject to applicable withholding of taxes, be net to the seller in cash, upon the terms and subject to the conditions of the Offer. Subject to the terms and conditions of the Offer (including, without limitation, the Minimum Condition), Purchaser shall accept Shares for payment and shall pay for all Shares validly tendered and not withdrawn as soon as it is permitted to do so under applicable law.

(b) As promptly as reasonably practicable on the date of commencement of the Offer, Purchaser shall file with the SEC a Tender Offer Statement on Schedule 14D-1 (together with all amendments and supplements thereto, the "Schedule 14D-1") with respect to the Offer. The Schedule 14D-1 shall contain or shall incorporate by reference an offer to purchase (the "Offer to Purchase") and forms of the related letter of transmittal and any related summary advertisement (the Schedule 14D-1, the Offer to Purchase and such other documents, together with all supplements and amendments thereto, being referred to herein collectively as the "Offer Documents"). The Company and its counsel shall be given a reasonable opportunity to review and comment upon the Offer Documents prior to the filing thereof with the SEC. Parent, Purchaser and the Company agree to correct promptly any information provided by any of them for use in the Offer Documents which shall have become false or misleading, and Parent and Purchaser further agree to take all steps necessary to cause the Schedule 14D-1 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. Parent and Purchaser agree to provide the Company and its counsel with any comments Parent, Purchaser or their counsel may receive from the SEC or its staff with respect to the Offer Documents promptly after receipt of such comments.

(c) Parent shall provide or cause to be provided to Purchaser on a timely basis the funds necessary to accept for payment, and pay for, any Shares that Purchaser becomes obligated to accept for payment, and pay for, pursuant to the Offer.

SECTION 1.02. Company Action. (a) The Company hereby approves of and consents to the Offer and represents that (i) the Board, at a meeting duly called and held on January 12, 1998, unanimously adopted resolutions (A) determining that this Agreement and the transactions contemplated hereby, including each of the Offer and the Merger, are fair to and in the best interests of the holders of Shares, (B) approving and adopting this Agreement and the transactions contemplated hereby and (C) recommending that the stockholders of the Company accept the Offer and, if required, approve and adopt this Agreement and the transactions contemplated hereby, and (ii) Goldman, Sachs & Co. has delivered to the Board its opinion (which will be confirmed in writing) to the effect that the 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 Company hereby consents to the inclusion in the Offer Documents of the recommendation of the Board described in the immediately preceding sentence. The Company has been advised by each of its directors and executive officers that they intend either to tender all Shares beneficially owned by them to Purchaser 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 promptly as reasonably practicable on the date of commencement of the Offer, the Company shall file with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 (together with all amendments and supplements thereto, the

"Schedule 14D-9") containing, subject to the following sentence, the recommendation of the Board described in Section 1.02(a) and shall disseminate the Schedule 14D-9 to the extent required by Rule 14d-9 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and any other applicable federal securities laws. Subject to the fiduciary duties of the Board under applicable law as determined by the Board in good faith after consultation with the Company's outside counsel, and subject to the terms of this Agreement, the Schedule 14D-9 shall contain the recommendation of the Board described in Section 1.02(a) above. The Company hereby agrees that no failure of the Schedule 14D-9 to contain the recommendation of the Board described in Section 1.02(a) above, nor any withdrawal of such recommendation by the Board, shall render invalid or otherwise vacate the approval of the Board for purposes of Article 13.03 of Texas Law and the Company shall not otherwise take any action that would result in a breach of the Company's representation and warranty, as of the date of such action, set forth in the last sentence of Section 3.04 of this Agreement. Parent and its counsel shall be given an opportunity to review and comment upon the Schedule 14D-9 prior to the filing thereof with the SEC. The Company, Parent and Purchaser agree to correct promptly any information provided by any of them for use in the Schedule 14D-9 which shall have become false or misleading, and the Company further agrees to take all steps necessary to cause the Schedule 14D-9 as so corrected to be filed with the SEC and disseminated to holders of Shares, in each case as and to the extent required by applicable federal securities laws. The Company agrees to provide Parent and Purchaser and their counsel with any 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 of such comments.

(c) The Company shall promptly furnish Purchaser with mailing labels containing the names and addresses of all record holders of Shares and with security position listings of Shares held in stock depositories, each as of a recent date, together with all other available listings and computer files containing names, addresses and security position listings of record holders and beneficial owners of Shares. The Company shall furnish Purchaser with such additional information, including, without limitation, updated listings and computer files of stockholders, mailing labels and security position listings, and such other assistance as Parent, Purchaser or their agents may reasonably request in communicating the Offer to the Company's stockholders. Subject to the requirements of applicable law, and except for such steps as are necessary to disseminate the Offer Documents and any other documents necessary to consummate the Offer or the Merger, Parent and Purchaser and their agents shall hold in confidence the information contained in such labels, listings and files, shall use such information only in connection with the Offer and the Merger, 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 control.

ARTICLE II

THE MERGER

SECTION 2.01. The Merger. Upon the terms and subject to the conditions set forth in Article VII, and in accordance with Delaware Law and Texas Law, at the Effective Time (as hereinafter defined) Purchaser shall be merged with and into the Company. As a result of the Merger, the separate corporate existence of Purchaser shall cease and the Company shall continue as the surviving corporation of the Merger (the "Surviving Corporation"). Notwithstanding anything to the contrary contained in this Section 2.01, Parent may elect instead, at any time after consummation of the Offer and prior to the date on which the Proxy Statement (as hereinafter defined) is mailed initially to the Company's stockholders, to merge the Company into Purchaser or another direct or indirect wholly owned subsidiary of Parent. In such event, the parties agree to execute an appropriate amendment to this Agreement in order to reflect the foregoing and to provide, as the case may be, that Purchaser or such other wholly owned subsidiary of Parent shall be the Surviving Corporation.

SECTION 2.02. Effective Time; Closing. As promptly as practicable after the satisfaction or, if permissible, waiver of the conditions set forth in Article VII, the parties hereto shall cause the Merger to be consummated by filing this Agreement or a certificate of merger or certificate of ownership and merger with the Secretary of State of the State of Delaware and articles of merger with the Secretary of State of the State of Texas (collectively, the "Certificate of Merger"), in such forms as are required by, and executed in accordance with the relevant provisions of, Delaware Law and Texas Law (the date and time of such filing being the "Effective Time"). Prior to such filing, a closing shall be held at the offices of Shearman & Sterling, 599 Lexington Avenue, New York, New York 10022, or such other place as the parties shall agree, for the purpose of confirming the satisfaction or waiver, as the case may be, of the conditions set forth in Article VII.

SECTION 2.03. Effect of the Merger. The effect of the Merger shall be as provided in the applicable provisions of Delaware Law and Texas Law. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time all the property, rights, privileges, powers and franchises of the Company and Purchaser shall vest in the Surviving Corporation, and all debts, liabilities, obligations, restrictions, disabilities and duties of the Company and Purchaser shall become the debts, liabilities, obligations, restrictions, disabilities and duties of the Surviving Corporation.

SECTION 2.04. Articles of Incorporation; By-laws. (a) Unless otherwise determined by Parent prior to the Effective Time, at the Effective Time the Articles of Incorporation of the Company, as in effect immediately prior to the Effective Time, shall be the Articles of Incorporation of the Surviving Corporation until thereafter amended as provided by law and such Articles of Incorporation; provided, however, that, at the Effective Time, subject to Section 6.07 hereof, the Articles of Incorporation of the Surviving

Corporation shall be amended in their entirety to be substantially identical to Purchaser's Certificate of Incorporation.

(b) Unless otherwise determined by Parent prior to the Effective Time, but subject to Section 6.07 hereof, the By-laws of the Company, as in effect immediately prior to the Effective Time, shall be the By-laws of the Surviving Corporation until thereafter amended as provided by law, the Articles of Incorporation of the Surviving Corporation and such By-laws.

SECTION 2.05. Directors and Officers. The directors of Purchaser immediately prior to the Effective Time shall be the initial directors of the Surviving Corporation, each to hold office in accordance with the Articles of Incorporation and By-laws of the Surviving Corporation, and the officers of the Company immediately prior to the Effective Time shall be the initial officers of the Surviving Corporation, in each case until their respective successors are duly elected or appointed and qualified.

SECTION 2.06. Conversion of Securities. At the Effective Time, by virtue of the Merger and without any action on the part of Purchaser, the Company or the holders of any of the following securities:

(a) Each Share issued and outstanding immediately prior to the Effective Time (other than any Shares to be cancelled pursuant to Section 2.06(b) and any Dissenting Shares (as hereinafter defined)) shall be cancelled and shall be converted automatically into the right to receive an amount equal to the Per Share Amount in cash (the "Merger Consideration") payable, without interest, to the holder of such Share, upon surrender, in the manner provided in Section 2.09, of the certificate that formerly evidenced such Share;

(b) Each Share held in the treasury of the Company and each Share owned by Purchaser, Parent or any direct or indirect wholly owned subsidiary of Parent or of the Company immediately prior to the Effective Time shall be cancelled without any conversion thereof and no payment or distribution shall be made with respect thereto; and

(c) Each share of Common Stock, par value \$.01 per share, of Purchaser issued and outstanding immediately prior to the Effective Time shall be converted into and exchanged for one validly issued, fully paid and nonassessable share of Common Stock, par value \$.01 per share, of the Surviving Corporation.

SECTION 2.07. Stock Options; Equity Compensation and Bonus Arrangements. (a) With respect to those individuals whose names appear in the list referred to in Section 2.07(f) who were awarded stock options (the "Optionees") that were granted by the Company under the 1982 Stock Option Plan of the Company (the "1982 Plan") prior to the Effective Time (the "1982 Options"), each such Optionee, as of the Effective Time, shall

be vested in the aggregate 1982 Options awarded to such Optionee in accordance with the following table:

| Date 1982 Option Awarded ----- | Vested Percentage (the "Vested Percentage") ----- |
|---|--|
| Prior to March 1, 1995 | 100% |
| On or after March 1, 1995 but prior to March 1, 1996 | 80% |
| On or after March 1, 1996 | 60% |

(b) With respect to Optionees who were granted stock options under the Company's 1997 Stock Incentive Plan (the "1997 Plan") prior to the Effective Time (the "1997 Options"), each such Optionee, as of the Effective Time, shall be vested in 60% of the 1997 Options awarded to such Optionee.

(c) With respect to the stock options that were granted by the Company under the 1994 Non-Employee Director Company Plan (the "1994 Plan") prior to the Effective Time (the "1994 Options"), as of the Effective Time, all 1994 Options shall be fully vested.

(d) Subject to the next two sentences, each Optionee who holds any vested and unexercised 1982 Options, 1994 Options or 1997 Options as of the Effective Time (the "Vested Options") shall receive from the Company, immediately after the Effective Time, in settlement and cancellation of each Vested Option, a lump sum amount in cash equal to the product of (i) the difference between the Per Share Amount and the per share exercise price of a Vested Option and (ii) the number of shares of Company Common Stock subject to such Vested Option. In the event that the amount provided to any individual pursuant to this Section 2.07(d) (without giving effect to any other payments or benefits to such individual, and assuming the allocation of such individual's "base amount" in its entirety to the payment provided in this paragraph (d)) constitutes a "parachute payment" within the meaning of Section 280G of the Code, and, but for this sentence, would be subject to the excise tax imposed by Section 4999 of the Code, the Company shall reduce the aggregate number of Vested Options of such individual (such reduction, the "Excess Options") (in such manner as the Company, in its reasonable discretion, shall deem appropriate) such that the present value thereof (as determined by the Code and the applicable regulations) is equal to 2.99 times such individual's "base amount" as defined in Section 280G(b)(3) of the Code. The Excess Options shall immediately lapse and become void.

(e) With respect to the individuals who shall be identified by the Company to Parent in writing prior to the Effective Time (the "Conditional Optionees"), to whom the Company had granted stock options that were conditional upon the approval by the Board and the shareholders of the Company of an amendment to the 1997 Plan (the "Conditional

Options"), the Company agrees to pay each holder of a Conditional Option, immediately after the Effective Time, a lump sum amount in cash equal to 60% of the product of (i) the Per Share Amount minus the exercise price per share of Company Common Stock subject to a Conditional Option and (ii) the number of shares of Company Common Stock subject to such Conditional Option.

(f) The Company has provided to Parent in writing a full and complete list of (i) the name of each Optionee and Conditional Optionee, (ii) the number of the 1982 Options, 1994 Options, 1997 Options and Conditional Options held by each Optionee and Conditional Optionee, the number of shares of Company Common Stock subject to each stock option and Conditional Option as of the date of this Agreement and the portion of such stock options that will become Vested Options with respect to each Optionee as of the Effective Time, (iii) the exercise price of each 1982 Option, 1994 Option, 1997 Option and Conditional Option held by each Optionee and Conditional Optionee as of the date of this Agreement and (iv) the lump-sum amount that each Optionee and Conditional Optionee will receive pursuant to the formula set forth in Sections 2.07(d) and (e) above. A list of additional stock options, if any, that the Company may award prior to the Effective Time (which shall not be exercisable for more than 25,000 shares of Company Common Stock and which shall be awarded according to terms and conditions that are identical to those applicable to the Conditional Options) shall be provided in writing by the Company to the Parent prior to the Effective Time (the "Additional Awards"). Except for the Additional Awards, the Company agrees that no additional stock options will be awarded under any of the Plans prior to the Effective Time. The Company further agrees to update the information provided to Parent concerning Optionees and Conditional Optionees contemplated by paragraphs (e) and (f) in the event any of the information included therein changes during the period between the date of this Agreement and the Effective Time.

(g) As of the Effective Time, the Company shall have taken all necessary actions to terminate the 1982 Plan, the 1997 Plan, the 1994 Plan and such plans shall be terminated as of the Effective Time.

(h) The Company agrees that all unvested 1997 Options and 1982 Options shall lapse and become void as of the Effective Time and any obligation express or implied that the Company shall have incurred with respect to the Conditional Options shall lapse and become void as of the Effective Time. The Company agrees to take all actions that may be necessary pursuant to this Section 2.07(h). After the Effective Time, the Rent Roll, Inc. 1997 Stock Incentive Plan and any awards thereunder shall continue in effect according to the terms of such plan and awards.

(i) On or before the Effective Time, the Company shall adopt a Retention Bonus Plan (the "Retention Bonus Plan") for employees of the Company substantially in the form set forth on Section 2.07(i) of the Disclosure Schedule. The Company shall provide Parent in writing a list of the employees who shall participate in the Retention Bonus Plan,

and the retention bonus for which each such employee shall be eligible. Parent agrees that the Retention Bonus Plan will offer the selected participants an aggregate of \$7,785,389 in benefits thereunder.

(j) As soon as practicable after the Effective Time, Parent shall adopt a 1998 incentive bonus program, which shall replace the 1997 Annual Incentive Plan of the Company (the "1997 Incentive Plan") and the 1997 Officers' Annual Incentive Plan of the Company (the "Officers' Incentive Plan"), pursuant to which annual bonuses will be calculated according to certain measures of the performance of the Company, including, without limitation, annual increases in profit and revenue compared with the preceding year. As of the Effective Time, the Company shall have taken all necessary actions to terminate the 1997 Incentive Plan and the Officers' Incentive Plan and such plans shall be terminated as of the Effective Time.

(k) On or before the Effective Time, the Company shall adopt a severance plan for those of its employees who are at grade level E-16 or above as of the date hereof that shall become effective as of the Effective Time. Such plan will provide for payment of severance to any of such employees terminated other than for Cause (as defined in the Retention Bonus Plan) prior to the second anniversary of the Effective Time and to any of such employees who resign for Good Reason (as defined in the Retention Bonus Plan) prior to the second anniversary of the Effective Time equal to a minimum of six months' base salary, plus an additional two weeks' base salary per full year of tenure with the Company. The maximum severance benefit pursuant to such plan shall equal 12 months' salary. On or before the Effective Time, the Company shall offer written agreements (substantially in the forms set forth in Section 2.07(k) of the Disclosure Schedule) to certain employees of the Company identified to the Purchaser in writing providing for severance benefits in lieu of participating in the severance plan. On or before the Effective Time, the Company shall offer written agreements to its officers providing that, in the event it is determined that any payment by the Company or any affiliate to or for the benefit of such officers (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by such officers with respect to such excise tax (collectively, the "Excise Tax"), then the officers shall be entitled to receive an additional payment (a "Gross-up Payment") in an amount such that after payment by such officer of all taxes, interest and penalties, including, without limitation, any income taxes and Excise Tax imposed upon the Gross-up Payment, the officer retains an amount of the Gross-up Payment equal to the Excise Tax imposed upon the Payment; provided, however, that each such agreement will require each officer who is entitled to a Gross-up Payment to cooperate with a tax advisor of the Company's choice in the determination of such Gross-up Payment.

SECTION 2.08. Dissenting Shares. (a) Notwithstanding any provision of this Agreement to the contrary, Shares that are outstanding immediately prior to the Effective Time and which are held by stockholders who shall have not voted in favor of the Merger or consented thereto in writing and who shall have demanded properly in writing appraisal for such Shares in accordance with Article 5.11 of Texas Law (collectively, the "Dissenting

Shares") shall not be converted into or represent the right to receive the Merger Consideration. Such stockholders shall be entitled to receive payment of the appraised value of such Shares held by them in accordance with the provisions of such Article 5.11, except that all Dissenting Shares held by stockholders who shall have failed to perfect or who effectively shall have withdrawn or lost their rights to appraisal of such Shares under such Article 5.11 shall thereupon be deemed to have been converted into and to have become exchangeable for, as of the Effective Time, the right to receive the Merger Consideration, without any interest thereon, upon surrender, in the manner provided in Section 2.09, of the certificate or certificates that formerly evidenced such Shares.

(b) The Company shall give Parent (i) prompt notice of any demands for appraisal received by the Company, withdrawals of such demands, and any other instruments served pursuant to Texas Law and received by the Company and (ii) the opportunity to direct all negotiations and proceedings with respect to demands for appraisal under Texas Law. The Company shall not, except with the prior written consent of Parent, make any payment with respect to any demands for appraisal or offer to settle or settle any such demands.

SECTION 2.09. Surrender of Shares; Stock Transfer Books. (a) Prior to the Effective Time, Purchaser shall designate a bank or trust company (which shall be reasonably acceptable to the Company) to act as agent (the "Paying Agent") for the holders of Shares in connection with the Merger to receive the funds to which holders of Shares shall become entitled pursuant to Section 2.06(a). Such funds shall be invested by the Paying Agent as directed by the Surviving Corporation with interest and earnings thereon accruing for the benefit of the Surviving Corporation.

(b) Promptly after the Effective Time, the Surviving Corporation shall cause to be mailed to each person who was, at the Effective Time, a holder of record of Shares entitled to receive the Merger Consideration pursuant to Section 2.06(a) a form of letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the certificates evidencing such Shares (the "Certificates") shall pass, only upon proper delivery of the Certificates to the Paying Agent) and instructions for use in effecting the surrender of the Certificates pursuant to such letter of transmittal. Upon surrender to the Paying Agent of a Certificate, together with such letter of transmittal, duly completed and validly executed in accordance with the instructions thereto, and such other documents as may be required pursuant to such instructions, the holder of such Certificate shall be entitled to receive in exchange therefor the Merger Consideration for each Share formerly evidenced by such Certificate, and such Certificate shall then be cancelled. No interest shall accrue or be paid on the Merger Consideration payable upon the surrender of any Certificate for the benefit of the holder of such Certificate. If payment of the Merger Consideration is to be made to a person other than the person in whose name the surrendered Certificate 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 the Surviving Corporation that such taxes either have been paid or are not applicable.

(c) At any time following the sixth month after the Effective Time, the Surviving Corporation shall be entitled to require the Paying Agent to deliver to it any funds which had been made available to the Paying Agent and not disbursed to holders of Shares (including, without limitation, all interest and other income received by the Paying Agent in respect of all funds made available to it), and thereafter such holders shall be entitled to look to the Surviving Corporation (subject to abandoned property, escheat and other similar laws) only as general creditors thereof with respect to any Merger Consideration that may be payable upon due surrender of the Certificates held by them. Notwithstanding the foregoing, neither the Surviving Corporation nor the Paying Agent shall be liable to any holder of a Share for any Merger Consideration delivered in respect of such Share to a public official pursuant to any abandoned property, escheat or other similar law.

(d) At the close of business on the day of the Effective Time, the stock transfer books of the Company shall be closed and thereafter there shall be no further registration of transfers of Shares on the records of the Company. From and after the Effective Time, the holders of Shares outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such Shares except as otherwise provided herein or by applicable law.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to Parent and Purchaser that:

SECTION 3.01. Organization and Qualification; Subsidiaries. (a) Each of the Company and each subsidiary of the Company (a "Subsidiary") is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has the requisite power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as it is now being conducted, except where the failure to be so organized, existing or in good standing or to have such power, authority and governmental approvals would not, individually or in the aggregate, have a Material Adverse Effect (as defined below). The Company and each Subsidiary is duly qualified or licensed as a foreign corporation to do business, and is in good standing, in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary, except for such failures to be so qualified or licensed and in good standing that would not, individually or in the aggregate, have a Material Adverse Effect. When used in connection with the Company or any Subsidiary, the term "Material Adverse Effect" means any change

or effect that, when taken together with all other adverse changes and effects, is or is reasonably likely to be materially adverse to the business, results of operations (on an annualized basis), financial condition or assets of the Company and the Subsidiaries taken as a whole. A true and complete list of all the Subsidiaries, together with the jurisdiction of incorporation of each Subsidiary and the percentage of the outstanding capital stock of each Subsidiary owned by the Company and each other Subsidiary, is set forth in Section 3.01 of the Disclosure Schedule delivered in connection with this Agreement by the Company to Parent and Purchaser (the "Disclosure Schedule"). Except as disclosed in such Section 3.01, the Company does not directly or indirectly own any equity or similar interest in, or any interest convertible into or exchangeable or exercisable for, any equity or similar interest in, any corporation, partnership, joint venture or other business association or other entity.

(b) Each Subsidiary that is material to the business, results of operations (on an annualized basis), financial condition or assets of the Company and the Subsidiaries taken as a whole is so identified in Section 3.01 of the Disclosure Schedule and is referred to herein as a "Material Subsidiary".

SECTION 3.02. Articles of Incorporation and By-laws. The Company has heretofore furnished to Parent a complete and correct copy of the Articles of Incorporation and the By-laws or equivalent organizational documents, each as amended to date, of the Company and each Material Subsidiary. Such Articles of Incorporation, By-laws and equivalent organizational documents are in full force and effect. Neither the Company nor any Material Subsidiary is in violation of any of the provisions of their respective Certificate of Incorporation, Articles of Incorporation, By-laws or equivalent organizational documents in any material respect.

SECTION 3.03. Capitalization. The authorized capital stock of the Company consists of 40,000,000 Shares and 10,000,000 shares of Preferred Stock, par value \$1.00 per share ("Company Preferred Stock"). As of the date hereof, (i) 14,463,844 Shares are issued and outstanding, all of which are validly issued, fully paid and nonassessable, (ii) 810,019 Shares are held in the treasury of the Company, (iii) no Shares are held by the Subsidiaries, and (iv) 1,646,150 Shares are reserved for future issuance pursuant to employee stock options or stock incentive rights granted (or permitted to be granted in accordance with the terms of this Agreement) pursuant to the Company's stock option Plans. As of the date hereof, no shares of Company Preferred Stock are issued and outstanding. Except as set forth in this Section 3.03 or in Section 3.03 of the Disclosure Schedule, there are no options, warrants or other rights, agreements, arrangements or commitments to which the Company or any Subsidiary is a party of any character relating to the issued or unissued capital stock of the Company or any Subsidiary or obligating the Company or any Subsidiary to issue or sell any shares of capital stock of, or other equity interests in, the Company or any Subsidiary. All Shares subject to issuance as aforesaid, upon issuance on the terms and conditions specified in the instruments or resolutions pursuant to which they are issuable, will be duly authorized, validly issued, fully paid and nonassessable. Except as set forth in Section 3.03 of the Disclosure Schedule, there are no outstanding contractual obligations of

the Company or any Subsidiary to repurchase, redeem or otherwise acquire any Shares or any capital stock of any Subsidiary or to provide funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in, any Subsidiary or any other person, other than guarantees by the Company or any of its Subsidiaries of the obligations of one another in the ordinary course of business, none of which is material to the Company and its Subsidiaries, taken as a whole. Each outstanding share of capital stock of each Subsidiary is duly authorized, validly issued, fully paid and nonassessable and each such share owned by the Company or another Subsidiary is free and clear of all security interests, liens, claims, pledges, options, rights of first refusal, agreements, limitations on the Company's or such other Subsidiary's voting rights, charges and other encumbrances of any nature whatsoever.

SECTION 3.04. Authority Relative to This Agreement. The Company has all necessary power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby (such transactions, together with the transactions contemplated by the Stock Purchase Agreement, being the "Transactions"). The execution and delivery of this Agreement by the Company and the consummation by the Company of the Transactions have been duly and validly authorized by all necessary corporate action and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or to consummate the Transactions (other than, with respect to the Merger, the approval and adoption of this Agreement by the holders of two-thirds of the then outstanding Shares if and to the extent required by applicable law, and the filing and recordation of appropriate merger documents as required by Delaware Law and Texas Law). This Agreement has been duly and validly executed and delivered by the Company and, assuming the due authorization, execution and delivery by Parent and Purchaser, constitutes the legal, valid and binding obligation of the Company. The Company has taken all actions necessary to satisfy or render inapplicable the restrictions on business combinations contained in Article 13.03 of Texas Law with respect to the Transactions and with respect to a merger or other business combination of Parent, Purchaser or any affiliate thereof with the Company after the acquisition by Purchaser of Shares pursuant to the Offer or the Stock Purchase Agreement.

SECTION 3.05. No Conflict; Required Filings and Consents. (a) The execution and delivery of this Agreement by the Company do not, and the performance of this Agreement by the Company will not, (i) conflict with or violate the Articles of Incorporation or By-laws or equivalent organizational documents of the Company or any Subsidiary, (ii) conflict with or violate any law, rule, regulation, order, judgment or decree applicable to the Company or any Subsidiary or by which any property or asset of the Company or any Subsidiary 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 the Company or any Subsidiary pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which the Company or any Subsidiary is a party or by which the Company or any Subsidiary or any

asset or property of any of them is bound or affected, except as set forth in Section 3.05 of the Disclosure Schedule and except, with respect to clauses (ii) and (iii), for any such conflicts, violations, breaches, defaults or other occurrences which would not, individually or in the aggregate, have a Material Adverse Effect.

(b) The execution and delivery of this Agreement by the Company do not, and the performance of this Agreement by the Company will not, require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority, domestic or foreign, except (i) for applicable requirements, if any, of the Exchange Act, state securities or "blue sky" laws ("Blue Sky Laws") and state takeover laws, the pre-merger notification requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder (the "HSR Act"), and filing and recordation of appropriate merger documents as required by Delaware Law and Texas Law and (ii) where failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not prevent or materially delay consummation of the Offer or the Merger, or otherwise prevent the Company from performing its obligations under this Agreement in all material respects, and would not, individually or in the aggregate, have a Material Adverse Effect. Section 3.05(b) of the Disclosure Schedule sets forth a list of all notes, bonds, mortgages, indentures, contracts, agreements, leases, licenses, permits, franchises and other material instruments material to the Company and the Subsidiaries, taken as a whole, which contain restrictions or prohibitions on or are, pursuant to the provisions thereof, adversely affected by a change of control of the Company or any Subsidiary.

SECTION 3.06. Compliance. Each of the Company and the Subsidiaries is in possession of all franchises, grants, authorizations, licenses, permits, easements, variances, exceptions, consents, certificates, approvals and orders of any governmental or regulatory authority necessary for the Company or the Subsidiaries to own, lease and operate its properties or to carry on its business as it is now being conducted, except where the failure to have, or the suspension or cancellation of, any of the Permits would not, individually or in the aggregate, have a Material Adverse Effect (the "Permits"). As of the date hereof, no suspension or cancellation of any of the Permits is pending or, to the knowledge of the Company, threatened, except where the failure to have, or the suspension or cancellation of, any of the Permits would not, individually or in the aggregate, have a Material Adverse Effect. A list of the material Permits is set forth in Section 3.06 of the Disclosure Schedule. Neither the Company nor any Subsidiary is in conflict with, or in default, breach or violation of, (i) any law, rule, regulation, order, judgment or decree applicable to the Company or any Subsidiary or by which any property or asset of the Company or any Subsidiary is bound or affected, or (ii) any note, bond, mortgage, indenture, contract, agreement, lease, license, Permit, franchise or other instrument or obligation to which the Company or any Subsidiary is a party or by which the Company or any Subsidiary or any property or asset of the Company or any Subsidiary is bound or affected, except for any such conflicts, defaults, breaches or violations that would not, individually or in the aggregate, have a Material Adverse Effect. To the Company's

knowledge, no other party is in material breach or material violation of, or material default under, any contract or agreement that is material to the Company and its Subsidiaries, taken as a whole. The Company has made available or furnished to Parent complete and accurate copies of all contracts and agreements material to the Company and its Subsidiaries, taken as a whole, including, without limitation, all loan agreements.

SECTION 3.07. SEC Filings; Financial Statements. (a) The Company has filed all forms, reports and documents required to be filed by it with the SEC since December 31, 1993, and has heretofore delivered or made available to Parent, in the form filed with the SEC, (i) its Annual Reports on Form 10-K for the fiscal years ended December 31, 1994, 1995 and 1996, respectively, (ii) its Quarterly Reports on Form 10-Q for the periods ended March 31, 1997, June 30, 1997 and September 30, 1997, (iii) all proxy statements relating to the Company's meetings of stockholders (whether annual or special) held since December 31, 1993 and (iv) all other forms, reports and other registration statements filed by the Company with the SEC since December 31, 1996 (the forms, reports and other documents referred to in clauses (i), (ii), (iii) and (iv) above being referred to herein, collectively, as the "SEC Reports"). The SEC Reports (i) were prepared, in all material respects, in accordance with the requirements of the Securities Act of 1933, as amended (the "Securities Act"), and the Exchange Act, as the case may be, and the rules and regulations thereunder and (ii) did not at the time they were filed contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. No Subsidiary is required to file any form, report or other document with the SEC.

(b) Each of the consolidated financial statements (including, in each case, any notes thereto) contained in the SEC Reports was prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated (except as may be indicated in the notes thereto) and each fairly presented the consolidated financial position, results of operations and changes in financial position of the Company and the consolidated Subsidiaries as at the respective dates thereof and for the respective periods indicated therein except as otherwise noted therein (subject, in the case of unaudited statements, to normal and recurring year-end adjustments which were not and are not expected, individually or in the aggregate, to have a Material Adverse Effect).

(c) Except as and to the extent set forth on the consolidated balance sheet of the Company and the consolidated Subsidiaries as at December 31, 1996, including the notes thereto (the "1996 Balance Sheet"), neither the Company nor any Subsidiary has any liability or obligation of any nature (whether accrued, absolute, contingent or otherwise) which would be required to be reflected on a balance sheet, or in the notes thereto, prepared in accordance with generally accepted accounting principles, except (i) for liabilities and obligations incurred in the ordinary course of business consistent with past practice since December 31, 1996 which would not, individually or in the aggregate, have a Material

Adverse Effect, (ii) as contemplated by, or disclosed pursuant to, this Agreement or (iii) as disclosed in SEC Reports filed prior to the date of this Agreement.

SECTION 3.08. Absence of Certain Changes or Events. Since December 31, 1996, except as contemplated by, or disclosed pursuant to, this Agreement or disclosed in any SEC Report filed since December 31, 1996 and prior to the date of this Agreement, the Company and the Subsidiaries have conducted their businesses only in the ordinary course and in a manner consistent with past practice and there has not been (i) any Material Adverse Effect, (ii) any damage, destruction or loss (whether or not covered by insurance) with respect to any property or asset of the Company or any Subsidiary and having, individually or in the aggregate, a Material Adverse Effect, (iii) any change by the Company in its accounting methods, principles or policies, (iv) any material revaluation by the Company of any asset (including, without limitation, any writing down of the value of inventory or writing off of notes or accounts receivable), other than in the ordinary course of business consistent with past practice, (v) any entry by the Company or any Subsidiary into any commitment or transaction material to the Company and the Subsidiaries taken as a whole, (vi) any declaration, setting aside or payment of any dividend or distribution in respect of any capital stock of the Company or any redemption, purchase or other acquisition of any of its securities other than regular quarterly dividends on the Shares not in excess of \$.10 per Share, (vii) any increase in or establishment of any bonus, insurance, severance, deferred compensation, pension, retirement, profit sharing, stock option (including, without limitation, the granting of stock options, stock appreciation rights, performance awards, or restricted stock awards), stock purchase or other employee benefit plan, or any other increase in the compensation payable or to become payable to any officers or key employees of the Company or any Subsidiary, except in the ordinary course of business consistent with past practice, or (viii) any disclosure by the Company or the Subsidiaries of any secret or confidential Intellectual Property material to the Company and the Subsidiaries, taken as a whole, except pursuant to appropriate, valid and enforceable confidentiality agreements or any lapse or abandonment of any Intellectual Property material to the Company and Subsidiaries, taken as a whole.

SECTION 3.09. Absence of Litigation. Except as disclosed in the SEC Reports filed prior to the date of this Agreement, there is no litigation, suit, claim, action, proceeding or investigation pending or, to the knowledge of the Company, threatened against the Company or any Subsidiary, or any property or asset of the Company or any Subsidiary, before any court, arbitrator or administrative, governmental or regulatory authority or body, domestic or foreign, which (i) individually or in the aggregate, is reasonably likely to have a Material Adverse Effect or (ii) seeks to materially delay or prevent the consummation of any Transaction. Except as disclosed in SEC Reports filed prior to the date of this Agreement, neither the Company nor any Subsidiary nor any property or asset of the Company or any Subsidiary is subject to any continuing order of, consent decree, settlement agreement or similar written agreement with, or, to the knowledge of the Company, continuing investigation by, any governmental or regulatory authority, domestic or foreign, or any order, writ, judgment, injunction, decree, determination or award of any governmental or

regulatory authority or any arbitrator having, individually or in the aggregate, a Material Adverse Effect.

SECTION 3.10. Employee Benefit Plans. (a) Section 3.10 of the Disclosure Schedule contains a true and complete list of all employee benefit plans (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) and all bonus, stock option, stock purchase, restricted stock, incentive, deferred compensation, retiree medical or life insurance, supplemental retirement, severance or other benefit plans, programs or arrangements, and all employment, termination, severance or other contracts or agreements to which the Company, any Subsidiary or any entity that is a member of a controlled group of the Company for purposes of Section 4001(a)(14) of ERISA (an "ERISA Affiliate") is a party, with respect to which the Company, any Subsidiary or any ERISA Affiliate has any obligation or which are maintained, contributed to or sponsored by the Company, any Subsidiary or any ERISA Affiliate for the benefit of any current or former employee, officer or director of the Company, any Subsidiary or any ERISA Affiliate (collectively, the "Plans"). Except as set forth in Section 3.10 of the Disclosure Schedule, each Plan is in writing and the Company has previously made available to or furnished Parent with a true and complete copy of (i) each trust or other funding arrangement, (ii) each summary plan description and summary of material modifications, (iii) the most recently filed Internal Revenue Service ("IRS") Form 5500, (iv) the most recently received IRS determination letter for each such Plan, and (v) the most recently prepared financial statement in connection with each such Plan. Except for sales incentives and employment arrangements entered into in the ordinary course of business consistent with past practice, neither the Company nor any Subsidiary has any express or implied commitment (i) to create, incur liability with respect to or cause to exist any other employee benefit plan, program or arrangement, (ii) to enter into any contract or agreement to provide compensation or benefits to any individual or (iii) to modify, change or terminate any Plan, other than with respect to a modification, change or termination required by ERISA or the Internal Revenue Code of 1986, as amended (the "Code").

(b) None of the Company, any Subsidiary or any ERISA Affiliate is or has been within the last six years, obligated to contribute, on behalf of any current or former employee, to a multiemployer plan (as defined in Section 3(37) or 4001(a)(3) of ERISA or Section 412 of the Code (a "Multiemployer Plan")) and no such ERISA Affiliate is liable or reasonably expected to be liable for any withdrawal liability under Section 4201 of ERISA. None of the Plans is 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 could incur liability under Section 4063 or 4064 of ERISA (a "Multiple Employer Plan"). None of the Company, any Subsidiary or any ERISA Affiliate has had any obligation under, nor has maintained, contributed to or sponsored for the benefit of any current or former employee, officer or director of the Company, any Subsidiary or any ERISA Affiliate, any single employer pension plan within the meaning of Section 4001(a)(15) of ERISA or any plan subject to the minimum funding requirements of Section 412 of the Code. Except as disclosed in Section 3.10 of the Disclosure Schedule, none of the Plans (i) provides for the

payment of separation, severance, termination or similar-type benefits to any person, (ii) obligates the Company or any Subsidiary to pay separation, severance, termination or other benefits as a result of any Transaction or (iii) obligates the Company or any Subsidiary to make any payment or provide any benefit that could be subject to a tax under Section 4999 of the Code. None of the Plans provides for or promises retiree or postemployment medical, disability or life insurance benefits to any current or former employee, officer or director of the Company or any Subsidiary, except as required under Section 4980B of the Code.

(c) Each Plan which is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the IRS that such Plan is so qualified, and each trust established in connection with any Plan which is intended to be exempt from federal income taxation under Section 501(a) of the Code has received a determination letter from the IRS that such trust is so exempt. No fact or event has occurred since the date of any such determination letter from the IRS that could adversely affect the qualified status of any such Plan or the exempt status of any such trust. Neither the Company nor any Subsidiary has, within the past six years, maintained or contributed to a trust which is intended to be qualified as a voluntary employees' beneficiary association exempt from federal income taxation under Sections 501(a) and 501(c)(9) of the Code.

(d) There has been no prohibited transaction (within the meaning of Section 406 of ERISA or Section 4975 of the Code) with respect to any Plan. Neither the Company nor any Subsidiary is currently liable or has previously incurred any liability for any tax or penalty arising under Section 4971, 4972, 4979, 4980 or 4980B of the Code or Section 502(c) of ERISA, and no fact or event exists which could give rise to any such liability.

(e) Except as set forth on Section 3.10(e) of the Disclosure Schedule, each Plan is now and has been operated (i) in all respects in accordance with the requirements of ERISA and the Code and (ii) in all material respects in accordance with the requirements of all other applicable laws, and the Company and each Subsidiary have performed all obligations required to be performed by them under any Plan. Except as set forth in Section 3.10(e) of the Disclosure Schedule, all contributions, premiums or payments required to be made with respect to any Plan are fully deductible for income tax purposes and no such deduction previously claimed has been challenged by any government entity. The 1996 Balance Sheet reflects an accrual of all material amounts of employer contributions and premiums accrued but unpaid with respect to the Plans as of its date.

(f) The Company and the Subsidiaries have not incurred any liability under, and have complied in all respects with, the Worker Adjustment Retraining Notification Act and the regulations promulgated thereunder ("WARN") and do not reasonably expect to incur any such liability as a result of actions taken or not taken prior to the Effective Time. Section 3.10(f) of the Disclosure Schedule lists (i) all the employees terminated or laid off by the Company or any Subsidiary during the 90 days prior to the date hereof and (ii) all the employees of the Company or any Subsidiary who have experienced a

reduction in hours of work of more than 50% during any month during the 90 days prior to the date hereof and describes all notices given by the Company and the Subsidiaries in connection with WARN. The Company will, by written notice to Parent and Purchaser, update Section 3.10(f) of the Disclosure Schedule to include any such terminations, layoffs and reductions in hours from the date hereof through the Effective Time and will provide Parent and Purchaser with any related information which they may reasonably request.

(g) With respect to the Rent Roll, Inc. Stock Incentive Plan (the "Rent Roll Plan"), the only awards that have been granted under the Rent Roll Plan have been in the form of stock options and the terms of each such grant have been reflected in stock option agreements. Each of such stock option agreements are identical to the form of such stock option agreement provided to Parent by the Company and are all identical to each other, except, in each case, with respect to the number of shares subject to the stock option granted thereunder and the exercise price thereof.

SECTION 3.11. Labor Matters. Except as set forth in Section 3.11 of the Disclosure Schedule, (i) there are no legal actions pending or, to the best knowledge of the Company, threatened between the Company or any Subsidiary and any of their respective employees, which legal actions have or could reasonably be expected to have a Material Adverse Effect; (ii) neither the Company nor any Subsidiary is or has ever been a party to any collective bargaining agreement or other labor union contract applicable to persons employed by the Company or any Subsidiary, nor, to the best knowledge of the Company, are there any activities or proceedings of any labor union to organize any such employees; (iii) there are no unfair labor practice complaints pending against the Company or any Subsidiary before the National Labor Relations Board or any current union representation questions involving employees of the Company or any Subsidiary; and (iv) there is no strike, slowdown, work stoppage or lockout, or, to the best knowledge of the Company, threat thereof, by or with respect to any employees of the Company or any Subsidiary.

SECTION 3.12. Offer Documents; Schedule 14D-9; Proxy Statement. Neither the Schedule 14D-9 nor any information supplied by the Company for inclusion in the Offer Documents shall, at the respective times the Schedule 14D-9, the Offer Documents or any amendments or supplements thereto are filed with the SEC or are first published, sent or given to stockholders of the Company, 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 made therein, in the light of the circumstances under which they are made, not misleading. Neither the proxy statement to be sent to the stockholders of the Company in connection with the Stockholders' Meeting (as hereinafter defined) or the information statement to be sent to such stockholders, as appropriate (such proxy statement or information statement, as amended or supplemented, being referred to herein as the "Proxy Statement"), shall, at the date the Proxy Statement (or any amendment or supplement thereto) is first mailed to stockholders of the Company, at the time of the Stockholders' Meeting and at the Effective Time, be false or misleading with respect to any material fact, or omit to state any material fact required to be stated therein or necessary in order to make

the statements made therein, in the 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 the Proxy Statement shall comply in all material respects as to form with the requirements of the Exchange Act and the rules and regulations thereunder.

SECTION 3.13. Real Property and Leases; Personal Property. (a) The Company and the Subsidiaries have sufficient title to all their properties and assets to conduct their respective businesses as currently conducted or as contemplated to be conducted, with only such exceptions as, individually or in the aggregate, would not have a Material Adverse Effect.

(b) Each parcel of real property owned or leased by the Company or any Subsidiary which is material to the Company and the Subsidiaries, taken as a whole, (i) is listed in Section 3.13(b) of the Disclosure Schedule, (ii) is owned or 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 (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, and (D) all matters of record, Liens and other imperfections of title and encumbrances which, individually or in the aggregate, would not have a Material Adverse Effect (collectively, "Permitted Liens"), and (iii) is 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 best knowledge of the Company, has any such condemnation, expropriation or taking been proposed.

(c) All leases of real property leased for the use or benefit of the Company or any Subsidiary to which the Company or any Subsidiary is a party which are material to the Company and the Subsidiaries, taken as a whole, and all material amendments and modifications thereto (i) are described in Section 3.13(c) of the Disclosure Schedule (and true, complete and correct copies of all of such leases, amendments and modifications have been provided or made available by the Company to Parent) and (ii) are in full force and effect and have not been modified or amended in any material respect. There exists no default under any such lease by the Company or any Subsidiary, nor any event which with notice or lapse of time or both would constitute a default thereunder by the Company or any Subsidiary, except for such defaults as would not, individually or in the aggregate, have a Material Adverse Effect, and, to the Company's knowledge, there exists no default under any such lease by any other party to such lease, nor, to the Company's knowledge, any event which with notice or lapse of time or both would constitute a default thereunder by such other party.

(d) All tangible personal property and equipment which is material to the operations or business of the Company and its Subsidiaries, taken as a whole, is in good working order, ordinary and reasonable wear and tear (and obsolescence) excepted, and has been maintained in accordance with good and reasonable business practices.

SECTION 3.14. Intellectual Property. (a) Section 3.14 of the Disclosure Schedule sets forth a true and complete list of all registered patents and patent applications, registered trademarks and trademark applications, registered copyrights and copyright applications, and Software owned by the Company or a Subsidiary and material to the business or operation of the Company or a Material Subsidiary (the "Scheduled Intellectual Property") (the Scheduled Intellectual Property together with any other Intellectual Property owned by the Company or a Subsidiary and material to the business or operation of the Company or a Material Subsidiary, hereinafter the "Owned Intellectual Property"). Section 3.14 of the Disclosure Schedule also sets forth a true and complete list of all Licensed Intellectual Property which is material to the business or operation of the Company or a Material Subsidiary (the "Material Licensed Intellectual Property"). The Owned Intellectual Property and the Material Licensed Intellectual Property collectively constitute all of the Intellectual Property material to the continued operation of the Company and each Material Subsidiary in a manner consistent with past practice.

(b) For any registered or registration pending Scheduled Intellectual Property held by assignment, such assignment has been duly recorded with the governmental or regulatory authority from which such Scheduled Intellectual Property issued or before which such Scheduled Intellectual Property is pending.

(c) The rights of the Company or any Subsidiary in or to the Intellectual Property do not conflict with or infringe upon the rights of any third party, and no claim has been asserted to the Company or a Subsidiary that the use of such Intellectual Property does or may infringe upon the rights of any third party, except for such infringements as would not, individually or in the aggregate, have a Material Adverse Effect.

(d) The Company or a Subsidiary is the exclusive owner of the entire and unencumbered right, title and interest in and to all Owned Intellectual Property and is entitled to use all such Owned Intellectual Property in the continued operation of the Company or any Subsidiary in a manner consistent with past practice.

(e) The Company or a Subsidiary has the right to use all Material Licensed Intellectual Property in the continued operation of the Company in accordance with the terms of the respective license agreement.

(f) Except as would not, individually or in the aggregate, have a Material Adverse Effect, the Owned Intellectual Property is valid and enforceable, and has not been adjudged invalid or unenforceable in whole or in part.

(g) Except as would not, individually or in the aggregate, have a Material Adverse Effect, the Company and the Subsidiaries have performed all acts and have paid all required fees and taxes to (i) maintain all registered Owned Intellectual Property in full force and effect in its country of issuance or registration, and (ii) to maintain all applications for registration of Owned Intellectual Property in full force and effect in the country in which such application has been filed.

(h) Except as would not, individually or in the aggregate, have a Material Adverse Effect, and except as disclosed in the SEC Reports filed prior to the date of this Agreement, to the Company's best knowledge, no litigation, claims, actions, suits or proceedings have been asserted, are pending or threatened against the Company or any Subsidiary (i) based upon or challenging or seeking to deny or restrict the use by the Company or any Subsidiary of any Owned Intellectual Property, or of any Material Licensed Intellectual Property, or (ii) alleging that any services provided, or products manufactured or sold by the Company or any Subsidiary, infringe any patent, trademark, or any other right of any third party. Except as would not, individually or in the aggregate, have a Material Adverse Effect, to the best knowledge of the Company, no person is engaging in any activity that infringes upon the Intellectual Property or upon the rights of the Company or any Subsidiary therein. Except as disclosed in Section 3.14 of the Disclosure Schedule, and except with respect to licenses directly or indirectly to end users in the ordinary course of business, neither the Company nor any Subsidiary has granted any license or other right to any third party with respect to Owned Intellectual Property, or with respect to any Material Licensed Intellectual Property. Except as would not, individually or in the aggregate, have a Material Adverse Effect, the consummation of the Transactions will not result in the termination or impairment of any of the Intellectual Property material to the business or operation of the Company or any Material Subsidiary.

(i) The Company and its Subsidiaries have delivered or made available to Purchaser correct and complete copies of all the licenses and sublicenses, and any amendments thereto, for the Material Licensed Intellectual Property. With respect to each such license and sublicense (except as would not, individually or in the aggregate, have a Material Adverse Effect):

(1) such license or sublicense, together with any associated agreements related to the subject matter thereof, if applicable, is valid and binding and in full force and effect and represents the entire agreement between the respective licensor and licensee with respect to the subject matter of such license or sublicense;

(2) except as set forth in Section 3.05(b) of the Disclosure Schedule, such license or sublicense will not cease to be valid and binding and in full force and effect on terms identical to those currently in effect as a result of the consummation of the Transactions, nor will the consummation of the Transactions constitute a breach or default under such license or sublicense or otherwise give the licensor or sublicensor a right to terminate such license or sublicense;

(3) with respect to each such license and sublicense: (A) neither the Company nor any Subsidiary has received any notice of termination or cancellation under such license or sublicense which has not been cured or waived, (B) neither the Company nor any Subsidiary has received any notice of a breach or default under such license or sublicense, which breach has not been cured, and (C) neither the Company nor any Subsidiary has granted to any other third party any rights, adverse or otherwise, under such license or sublicense that would constitute a breach of such license or sublicense;

(4) to the Company's best knowledge, neither the Company, any Subsidiary, nor any other party to such license or sublicense is in breach or default in any material respect, and, to the Company's best knowledge, no event has occurred that, with notice or lapse of time would constitute such a breach or default or permit termination, modification or acceleration under such license or sublicense; and

(5) to the Company's best knowledge, no claim, action, suit or proceeding before any governmental or regulatory authority has been asserted, is pending, or threatened against the Company or any Subsidiary (A) challenging or seeking to deny or restrict the use by the Company or any Subsidiary of any such Material Licensed Intellectual Property, or (B) alleging that such Material Licensed Intellectual Property is being licensed, sublicensed or used in violation of any patent, trademark, or any other right of any third party.

(j) Except as would not, individually or in the aggregate, have a Material Adverse Effect, solely with respect to Software that is material to the business or operation of the Company or any Material Subsidiary: (i) to the best knowledge of the Company, such Software, including Third Party Software contained in such Software, is free of all viruses, worms, trojan horses and other known contaminants, except for such trojan horses and other contaminants in such Software by design of the Company or a Subsidiary, and such Software, including Third Party Software contained in such Software, does not contain a feature to disable the operation of all or any part of such Software that arises automatically, through passage of time, or through any act of a user of such Software, except for such disabling features in such Software by design of the Company or a Subsidiary; (ii) the final release of such Software for any given product year substantially conforms to the published specifications and user documentation for such Software, and does not contain any bugs, errors, or problems that materially disrupt its operation or have a material adverse impact on the operation of other software programs or operating systems; (iii) the source code of such Software contains comments regarding operation and revision history in accordance with standard industry practices; (iv) such Software, including Third Party Software contained in such Software, to the best knowledge of the Company, does not contain any bugs, errors, or problems that materially disrupt its operation or have a material adverse impact on the operation of other software programs or operating systems that would not be curable within the cure period of any license agreement pertaining to such Software; (v) the Company has not received notice by telephone, writing, e-mail or other means that such Software, including Third Party Software contained in such Software, contains any bugs, errors, or

problems that materially disrupt its operation or have a material adverse impact on the operation of other software programs or operating systems, except for such bugs, errors, or problems that the Company has provided a fix, patch, or revision in or to the Software, or that would be curable within the cure period of any license agreement pertaining to such Software; (vi) to the extent currently contractually required, the Software is Year 2000 Compliant; (vii) the Company and each Subsidiary are making commercially reasonable efforts to make Year 2000 Compliant that Software that the Company, in the exercise of reasonable judgment, believes requires Year 2000 Compliance, and are aware of no facts or circumstances that would prevent the Company or a Subsidiary from making such Software Year 2000 Compliant; and (viii) the Company has obtained all approvals necessary for exporting such Software outside the United States and importing such Software into any country in which such Software is now sold or licensed for use by the Company or its Subsidiaries, directly or indirectly, and to the knowledge of the Company, all such export and import approvals in the United States and throughout the world are valid, current, outstanding and in full force and effect.

(k) Except as would not, individually or in the aggregate, have a Material Adverse Effect, no rights in any Software that is material to the business or operation of the Company or any Material Subsidiary have been transferred to any customer or other third party by the Company or its Subsidiaries except to the customers of the Company or the Subsidiaries to whom the Company or its Subsidiaries have licensed such Software in the ordinary course of business. To the best knowledge of the Company, all source code, software tools, library functions, and other Software developed by the Company or any Subsidiary, or by any third party on behalf of the Company or a Subsidiary, that is or was utilized by the Company or a Subsidiary within the past five (5) years in the development of any Software that is material to the business or operation of the Company or any Material Subsidiary, or that is required to operate or modify the Software, is in the possession of the Company or a Subsidiary. To the best knowledge of the Company, the Company or a Subsidiary has the right to use such source code, software tools, library functions, and other Software to the extent necessary to conduct and to continue to conduct the business and operations of the Company and the Subsidiaries consistent with past practice.

SECTION 3.15. Taxes. Except for such matters as would not, individually or in the aggregate, have a Material Adverse Effect or as set forth in Section 3.15 of the Disclosure Schedule, (i) the Company and the Subsidiaries have timely filed or will timely file all returns and reports required to be filed by them with any taxing authority with respect to Taxes, taking into account any extension of time to file granted to or obtained on behalf of the Company and the Subsidiaries, (ii) all Taxes that are due have been paid or will be paid (other than Taxes which (1) are not yet delinquent or (2) are being contested in good faith and have not been finally determined), (iii) no deficiency for any Tax has been asserted or assessed by a taxing authority against the Company or any of the Subsidiaries (or against any consolidated, combined, unitary or other group for Tax purposes of which the Company or any Subsidiary is or has been a member and for which deficiency the Company or any Subsidiary could have liability) which deficiency has not been paid other than any deficiency being contested in good faith, (iv) the Company and the Subsidiaries have provided adequate

reserves (in accordance with generally accepted accounting principles) in their financial statements for any Taxes that have not been paid, whether or not shown as being due on any returns, (v) the Company and the Subsidiaries have complied with all withholding obligations and reporting requirements in respect thereof, (vi) there are no Tax Liens upon any property or assets of the Company or any of the Subsidiaries except Liens for current Taxes not yet due, (vii) neither the Company nor any of its Subsidiaries has been required to include in income any adjustment pursuant to section 481 of the Code by reason of a voluntary change in accounting method initiated by the Company or any of its Subsidiaries, and the IRS has not initiated or proposed any such adjustment or change in accounting method, (viii) except as set forth in the financial statements described in Section 3.07, neither the Company nor any Subsidiary has entered into a transaction which is being accounted for under the installment method of section 453 of the Code, and (ix) neither the Company nor any Subsidiary has filed a consent pursuant to section 341(f) of the Code or agreed to have section 341(f)(2) of the Code apply. Neither the Company nor any Subsidiary has been requested in writing to give any currently effective waivers extending the statutory period of limitation applicable to any federal or state income tax return for any period which disputes, claims, assessments or waivers are reasonably likely to have a Material Adverse Effect. The consolidated federal income tax returns of Company and the Subsidiaries for each taxable year through December 31, 1992 have been examined by the IRS, and either no material deficiencies were asserted as a result of such examination for which the Company does not have adequate reserves (in accordance with generally accepted accounting principles) or all such deficiencies were satisfied. As used in this Agreement, "Taxes" or "taxes" shall mean any and all taxes, fees, levies, duties, tariffs, imposts and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any governmental or regulatory authority or body, domestic or foreign, 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 customers' duties, tariffs and similar charges.

SECTION 3.16. Environmental Matters. (a) For purposes of this Agreement, the following terms shall have the following meanings: (i) "Hazardous Substances" means (A) those substances defined in or regulated under the following federal statutes and their state counterparts, as each may be amended from time to time, and all regulations thereunder: the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Clean Water Act, the Safe Drinking Water Act, the Atomic Energy Act, the Federal Insecticide, Fungicide, and Rodenticide Act and the Clean Air Act; (B) petroleum and petroleum products including crude oil and any fractions thereof; (C) natural gas, synthetic gas, and any mixtures thereof; (D) radon; (E) any other contaminant; and (F) any substance with respect to which a federal, state or local agency requires environmental investigation, monitoring, reporting or remediation; and (ii) "Environmental Laws" means any federal, state or local law relating to (A) releases or

threatened releases of Hazardous Substances or materials containing Hazardous Substances; (B) the manufacture, handling, transport, use, treatment, storage or disposal of Hazardous Substances or materials containing Hazardous Substances; or (C) otherwise relating to pollution of the environment or the protection of human health.

(b) Except as described in Section 3.16 of the Disclosure Schedule or as would not, individually or in the aggregate, have a Material Adverse Effect: (i) neither the Company nor any Subsidiary has violated and neither is in violation of any Environmental Law; (ii) to the best knowledge of the Company, none of the properties (including, without limitation, soils and surface and ground waters) currently owned or leased by the Company or any Subsidiary are contaminated with any Hazardous Substance; (iii) to the best knowledge of the Company, none of the properties (including, without limitation, soils and surface and ground waters) formerly owned or leased by the Company or any Subsidiary, as of the date of the transfer of conveyance of any such property, were contaminated with any Hazardous Substance; (iv) to the best knowledge of the Company, neither the Company nor any Subsidiary is actually, potentially or allegedly liable for any off-site contamination; (v) to the best knowledge of the Company, neither the Company nor any Subsidiary is actually, potentially or allegedly liable under any Environmental Law (including, without limitation, pending or threatened Liens); (vi) the Company and the Subsidiaries have all permits, licenses and other authorizations required under any Environmental Law ("Environmental Permits"); and (vii) the Company and each Subsidiary has always been and is in compliance with its Environmental Permits.

SECTION 3.17. Brokers. No broker, finder or investment banker (other than Goldman, Sachs & Co.) is entitled to any brokerage, finder's or other fee or commission in connection with the Transactions 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 Goldman, Sachs & Co. pursuant to which such firm would be entitled to any payment relating to the Transactions.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PARENT AND PURCHASER

Parent and Purchaser hereby, jointly and severally, represent and warrant to the Company that:

SECTION 4.01. Corporate Organization. Each of Parent and Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has the requisite power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as it is now being conducted, except where the failure to be so organized, existing or in good standing or to have such power, authority and governmental approvals would not,

individually or in the aggregate, have a material adverse effect on the business or operations of Parent and Purchaser and their respective subsidiaries taken as a whole.

SECTION 4.02. Authority Relative to This Agreement. Each of Parent and Purchaser has all necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Transactions. The execution and delivery of this Agreement by Parent and Purchaser and the consummation by Parent and Purchaser of the Transactions have been duly and validly authorized by all necessary corporate action and no other corporate proceedings on the part of Parent or Purchaser are necessary to authorize this Agreement or to consummate the Transactions (other than, with respect to the Merger, the filing and recordation of appropriate merger documents as required by Delaware Law and Texas Law). This Agreement has been duly and validly executed and delivered by Parent and Purchaser and, assuming the due authorization, execution and delivery by the Company, constitutes a legal, valid and binding obligation of each of Parent and Purchaser enforceable against each of Parent and Purchaser in accordance with its terms.

SECTION 4.03. No Conflict; Required Filings and Consents. (a) 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 Certificate of Incorporation or By-laws of either Parent or Purchaser, (ii) 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 either of them 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 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 either of them is bound or affected, except, with respect to clauses (ii) and (iii), for any such conflicts, violations, breaches, defaults or other occurrences which would not, individually or in the aggregate, have a material adverse effect on the ability of Parent and Purchaser to perform their obligations under this Agreement and to consummate the Transactions.

(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, require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority, domestic or foreign, except (i) for applicable requirements, if any, of the Exchange Act, Blue Sky Laws and state takeover laws, the HSR Act and filing and recordation of appropriate merger documents as required by Delaware Law and Texas Law and (ii) where failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not prevent or materially delay consummation of the Offer or the Merger, or otherwise prevent Parent or Purchaser from

performing their respective obligations under this Agreement and consummating the Transactions.

SECTION 4.04. Financing. Parent has, or will have, immediately prior to the expiration of the Offer, sufficient funds to permit Purchaser to acquire all the outstanding Shares in the Offer and the Merger.

SECTION 4.05. Offer Documents; Proxy Statement. The Offer Documents will not, at the time the Offer Documents are filed with the SEC or are first published, sent or given to stockholders of the Company, 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 made therein, in the light of the circumstances under which they are made, not misleading. The information supplied by Parent or its affiliates for inclusion in the Proxy Statement will not, on the date the Proxy Statement (or any amendment or supplement thereto) is first mailed to stockholders of the Company, at the time of the Stockholders' Meeting and at the Effective Time, contain any statement which, at such time and in light of the circumstances under which it is made, is false or misleading with respect to any material fact, or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not false or 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. Notwithstanding the foregoing, Parent and Purchaser make no representation or warranty with respect to any information supplied by the Company or any of its representatives which is contained in any of the foregoing documents or the Offer Documents. The Offer Documents shall comply in all material respects as to form with the requirements of the Exchange Act and the rules and regulations thereunder.

SECTION 4.06. Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Parent or Purchaser.

SECTION 4.07. Absence of Litigation. As of the date of this Agreement, there is no litigation, suit, claim, action, proceeding or investigation pending or, to the best knowledge of Parent and Purchaser, threatened against, Parent or Purchaser or any of their respective properties or assets before any court, arbitrator or administrator, governmental or regulatory authority or body, domestic or foreign, which seeks to delay or prevent or would result in the material delay of or would prevent the consummation of any Transaction. Neither Parent nor Purchaser or any property or asset of Parent or Purchaser is subject to any continuing order of, consent decree, settlement agreement or similar written agreement with, or, to the knowledge of Parent and Purchaser, continuing investigation by, any governmental or regulatory authority, domestic or foreign, or any order, writ, judgment, injunction, decree, determination or award of any governmental or regulatory authority or any arbitrator which would prevent Parent or Purchaser from performing their respective material obligations under this Agreement or prevent or materially delay the consummation of any Transaction.

SECTION 4.08. No Prior Activities. Since the date of its incorporation, Purchaser has not engaged and will not engage prior to the Effective Time or termination of this Agreement in any activities other than in connection with or as contemplated by this Agreement or the Stock Purchase Agreement or in connection with arranging any financing required to consummate any of the Transactions.

SECTION 4.09. Parent Not an Affiliated Shareholder. As of the date hereof, (i) neither Parent nor any of its affiliates is, with respect to the Company, an "Affiliated shareholder" as such term is defined in Part 13 of Texas Law and (ii) except to the extent that Parent or its affiliates may be deemed to beneficially own Shares as a result of this Agreement or the Stock Purchase Agreement, Parent and its affiliates collectively do not hold directly or indirectly five percent (5%) or more of the outstanding voting shares of the Company.

ARTICLE V

CONDUCT OF BUSINESS PENDING THE MERGER

SECTION 5.01. Conduct of Business by the Company Pending the Merger. The Company covenants and agrees that, between the date of this Agreement and the time at which Purchaser's designees to the Board represent at least a majority of the number of directors on the Board (including all vacancies), the businesses of the Company and the Subsidiaries shall be conducted only in, and the Company and the Subsidiaries shall not take any action except in, the ordinary course of business and in a manner consistent with past practice; and the Company shall use its reasonable best efforts to preserve substantially intact the business organization of the Company and the Subsidiaries, to keep available the services of the current officers, employees and consultants of the Company and the Subsidiaries and to preserve the current relationships of the Company and the Subsidiaries with customers, suppliers and other persons with which the Company or any Subsidiary has significant business relations. By way of amplification and not limitation, except as contemplated by, or disclosed pursuant to, this Agreement, neither the Company nor any Subsidiary shall, between the date of this Agreement and the time at which Purchaser's designees to the Board represent at least a majority of the number of directors on the Board (including all vacancies), directly or indirectly do any of the following without the prior written consent of Parent:

(a) amend or otherwise change its Articles of Incorporation or By-laws or equivalent organizational documents;

(b) issue, sell, pledge, dispose of, grant, encumber, or authorize the issuance, sale, pledge, disposition, grant or encumbrance of (i) any shares of capital stock of any class of the Company or any Subsidiary, or any options, warrants, convertible securities or other rights of any kind to acquire any shares of such capital stock, or any other ownership interest (including, without limitation, any phantom

interest), of the Company or any Subsidiary (except for the issuance of a maximum of 1,646,150 Shares issuable upon exercise of employee stock options outstanding on the date hereof or as disclosed in the Disclosure Schedule or otherwise in writing to Parent prior to the date hereof) or (ii) any assets of the Company or any Subsidiary, except for transactions in the ordinary course of business and in a manner consistent with past practice;

(c) declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock, except for regular quarterly dividends on the Shares declared and paid at times consistent with past practice in an aggregate amount not in excess of \$.10 per Share per quarter;

(d) reclassify, combine, split, subdivide or redeem, purchase or otherwise acquire, directly or indirectly, any of its capital stock;

(e) (i) acquire (including, without limitation, by merger, consolidation, or acquisition of stock or assets) any corporation, partnership, other business organization or any division thereof or any material amount of assets, except for such acquisitions which do not exceed \$3,000,000 in the aggregate for all such acquisitions; (ii) incur any indebtedness for borrowed money or issue any debt securities or assume, guarantee or endorse, or otherwise as an accommodation become responsible for, the obligations of any person, or make any loans or advances, except in the ordinary course of business and consistent with past practice; (iii) enter into any contract or agreement other than in the ordinary course of business, consistent with past practice; (iv) authorize any single capital expenditure which is in excess of \$1,000,000 or capital expenditures which are, in the aggregate, in excess of \$5,000,000 for the Company and the Subsidiaries taken as a whole; or (v) enter into or amend any contract, agreement, commitment or arrangement with respect to any matter prohibited by this Section 5.01(e);

(f) increase the compensation payable or to become payable to its directors, officers or employees, except for increases in accordance with past practices in salaries or wages of employees of the Company or any Subsidiary who are not officers or directors of the Company, or grant any severance or termination pay to, or enter into any employment or severance agreement with any director, officer or other employee of the Company or any Subsidiary, or establish, adopt, enter into or amend any collective bargaining, bonus, profit sharing, thrift, compensation, stock option, restricted stock, pension, retirement, deferred compensation, employment, termination, severance or other plan, agreement, trust, fund, policy or arrangement for the benefit of any director, officer or employee, except for payments under the 1997 Incentive Plan and the Officers' Incentive Plan up to a maximum of \$1.8 million and except in the ordinary course of business consistent with past practices;

(g) except as may be required by a change in the rules relating to generally accepted accounting principles or if the Company elects early adoption of AICPA Statement of Position No. 97-2, Software Revenue Recognition, take any action, other than reasonable and usual actions in the ordinary course of business and consistent with past practice, with respect to accounting policies or procedures (including, without limitation, procedures with respect to the payment of accounts payable and collection of accounts receivable);

(h) make any Tax election or settle or compromise any material federal, state, local or foreign income Tax liability except in the ordinary course of business consistent with past practices;

(i) pay, discharge or satisfy any claim, liability or obligation (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction, in the ordinary course of business and consistent with past practice, of liabilities reflected or reserved against in the 1996 Balance Sheet or in SEC Reports filed prior to the date hereof or subsequently incurred in the ordinary course of business and consistent with past practice;

(j) amend, modify or consent to the termination of any lease, license, contract or agreement which is material to the Company and its Subsidiaries, taken as a whole, or amend, modify or consent to the termination of the Company's or the Subsidiary's rights thereunder, other than in the ordinary course of business consistent with past practice; or

(k) enter into any lease, license, contract or agreement that would be material to the Company and its Subsidiaries taken as a whole, other than in the ordinary course of business consistent with past practice or as otherwise permitted by this Section 5.01.

ARTICLE VI

ADDITIONAL AGREEMENTS

SECTION 6.01. Stockholders' Meeting. (a) If required by applicable law in order to consummate the Merger, the Company, acting through the Board, shall, in accordance with applicable law and the Company's Articles of Incorporation and By-laws, (i) duly call, give notice of, convene and hold an annual or special meeting of its stockholders as soon as practicable following either consummation of the Offer or the purchase by Purchaser of the Shares held by the Majority Shareholders pursuant to the Stock Purchase Agreement, whichever occurs first, for the purpose of considering and taking action on this Agreement and the Transactions (the "Stockholders' Meeting") and (ii) subject to the fiduciary duties of the Board under applicable law, (A) include in the Proxy Statement the unanimous recommendation of the Board that the stockholders of the Company approve and

adopt this Agreement and the Transactions and (B) use its reasonable best efforts to obtain such approval and adoption. At the Stockholders' Meeting, Parent and Purchaser shall cause all Shares then owned by them and their subsidiaries to be voted in favor of the approval and adoption of this Agreement and the Transactions.

(b) Notwithstanding the foregoing, in the event that Purchaser shall acquire at least 90% of the then outstanding Shares, the parties hereto agree, at the request of Purchaser, subject to Article VII, to take all necessary and appropriate action to cause the Merger to become effective, in accordance with Article 5.16 of Texas Law, as soon as reasonably practicable after such acquisition, without a meeting of the stockholders of the Company.

SECTION 6.02. Proxy Statement. If required by applicable law, as soon as practicable following either consummation of the Offer or the purchase by Purchaser of the Shares held by the Majority Shareholders pursuant to the Stock Purchase Agreement, whichever occurs first, the Company shall file the Proxy Statement with the SEC under the Exchange Act, and shall use its reasonable best efforts to have the Proxy Statement cleared by the SEC. Parent, Purchaser and the Company shall cooperate with each other in the preparation of the Proxy Statement, and the Company shall notify Parent of the receipt of any comments of the SEC with respect to the Proxy Statement and of any requests by the SEC for any amendment or supplement thereto or for additional information and shall provide to Parent promptly copies of all correspondence between the Company or any representative of the Company and the SEC. The Company shall give Parent and its counsel the opportunity to review the Proxy Statement prior to its being filed with the SEC and shall give Parent and its counsel the opportunity to review all amendments and supplements to the Proxy Statement and all responses to requests for additional information and replies to comments prior to their being filed with, or sent to, the SEC. Each of the Company, Parent and Purchaser agrees to use its reasonable best efforts, after consultation with the other parties hereto, to respond promptly to all such comments of and requests by the SEC and to cause the Proxy Statement and all required amendments and supplements thereto to be mailed to the holders of Shares entitled to vote at the Stockholders' Meeting at the earliest practicable time.

SECTION 6.03. Company Board Representation; Section 14(f). (a) Promptly upon the purchase by Purchaser of Shares pursuant to the Offer, and from time to time thereafter, Purchaser shall be entitled to designate up to such number of directors, rounded up to the next whole number, on the Board as shall give Purchaser representation on the Board equal to the product of the total number of directors on the Board (giving effect to the directors elected pursuant to this sentence) multiplied by the percentage that the aggregate number of Shares beneficially owned by Purchaser or any affiliate of Purchaser following such purchase bears to the total number of Shares then outstanding, and the Company shall, at such time, promptly take all actions necessary to cause Purchaser's designees to be elected as directors of the Company, including increasing the size of the Board or securing the resignations of incumbent directors or both. At such times, the Company shall use its best efforts to cause persons designated by Purchaser to constitute the same percentage as persons

designated by Purchaser shall constitute of the Board of (i) each committee of the Board, (ii) each board of directors of each domestic Subsidiary and (iii) each committee of each such board, in each case only to the extent permitted by applicable law.

(b) The Company shall promptly take all actions required pursuant to Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder in order to fulfill its obligations under this Section 6.03 and shall include in the Schedule 14D-9 such information with respect to the Company and its officers and directors as is required under Section 14(f) and Rule 14f-1 to fulfill such obligations. Parent or Purchaser shall supply to the Company and be solely responsible for any information with respect to either of them and their nominees, officers, directors and affiliates required by such Section 14(f) and Rule 14f-1.

(c) Following the election of designees of Purchaser pursuant to this Section 6.03, prior to the Effective Time, any amendment of this Agreement or the Articles of Incorporation or By-laws of the Company, any termination of this Agreement by the Company, any extension by the Company of the time for the performance of any of the obligations or other acts of Parent or Purchaser or waiver of any of the Company's rights hereunder shall require the concurrence of a majority of the directors of the Company then in office who neither were designated by Purchaser nor are employees of the Company.

SECTION 6.04. Access to Information; Confidentiality. (a) From the date hereof to the Effective Time, the Company shall, and shall cause the Subsidiaries and the officers, directors, employees, auditors and agents of the Company and the Subsidiaries to, afford the officers, employees and agents of Parent and Purchaser and persons providing or committing to provide Parent or Purchaser with financing for the Transactions reasonable access at all reasonable times to the officers, employees, agents, properties, offices, plants and other facilities, books and records of the Company and each Subsidiary, and shall furnish Parent and Purchaser and persons providing or committing to provide Parent or Purchaser with financing for the Transactions with all financial, operating and other data and information as Parent or Purchaser, through its officers, employees or agents, may reasonably request.

(b) All information obtained by Parent or Purchaser or other persons acting on their behalf or for their benefit pursuant to this Section 6.04 shall be kept confidential in accordance with the confidentiality agreement, dated November 21, 1997 (the "Confidentiality Agreement"), between Parent and the Company. The Confidentiality Agreement is hereby amended to provide that, upon consummation of the Offer and the purchase by Purchaser of the Shares held by the Majority Shareholders pursuant to the Stock Purchase Agreement or the Offer, the first paragraph on page three of the Confidentiality Agreement (relating to acquisition proposals) and the third paragraph on page three of the Confidentiality Agreement (relating to solicitation of employees) shall each be deleted in their entirety and be of no force and effect.

(c) No investigation pursuant to this Section 6.04 shall affect any representation or warranty in this Agreement of any party hereto or any condition to the obligations of the parties hereto.

SECTION 6.05. No Solicitation of Transactions. (a) Neither the Company nor any Subsidiary shall, directly or indirectly, through any officer, director, agent or otherwise, solicit, initiate, encourage the submission of or accept any proposal or offer from any person relating to any acquisition or purchase of all or (other than in the ordinary course of business) any portion of the assets of, or any equity interest in, the Company or any Subsidiary or any business combination with the Company or any Subsidiary or participate in any negotiations regarding, or furnish to any other person any information with respect to, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other person to do or seek any of the foregoing. The Company immediately shall cease and cause to be terminated all existing discussions or negotiations with any parties conducted heretofore with respect to any of the foregoing. Notwithstanding the foregoing provisions of this Section 6.05, (i) the Company may engage in discussions or negotiations with a third party who seeks to initiate such discussions or negotiations or may furnish such third party information concerning the Company and its Subsidiaries, in each case only in response to a request for such information or access which was not encouraged, solicited or initiated by the Company or any of its affiliates, and pursuant to appropriate confidentiality agreements, (ii) the Board may take and disclose to the Company's stockholders a position contemplated by Rule 14e-2 promulgated under the Exchange Act and (iii) following receipt of a proposal or offer from a third party, the Board may withdraw or modify its recommendation referred to in Section 1.02, but in each case referred to in the foregoing clauses (i) through (iii) only to the extent that the Board shall conclude in good faith based upon the advice of the Company's outside counsel that such action is required in order for the Board to act in a manner which is consistent with its fiduciary obligations under applicable law. The Company shall notify Parent promptly if any such proposal or offer with any person with respect thereto, is made and shall, in any such notice to Parent, indicate in reasonable detail the identity of the person making such proposal or offer and the terms and conditions of such proposal or offer. In connection with any such proposal or offer, 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.

(b) Notwithstanding anything in paragraph (a) or any other provision to the contrary in this Agreement, the Company shall not take any action which would render invalid or ineffective, or otherwise vacate or withdraw, the approval of the Transactions by the Board for purposes of Article 13.03 of Texas Law and shall not take any action that would cause the Company to breach its representation and warranty, as of the taking of such action, set forth in the last sentence of Section 3.04 of this Agreement.

SECTION 6.06. Employee Benefits Matters. Following the Effective Time, Parent shall cause the current employees of the Company to (i) be eligible to participate in the employee benefit plans of a subsidiary of Parent, the benefits under which, in the aggregate, shall be at least as favorable as those provided under the Plans (subject to the

provisions of Section 2.07 hereof), (ii) continue to participate in the Plans as in effect immediately prior to the Effective Time or (iii) be eligible to participate in a benefits package that is a combination of (i) and (ii) and is at least as favorable, in the aggregate, as those provided under the Plans, provided that nothing herein shall prevent Parent from terminating the employment of any such employee or modifying or terminating such plans from time to time and the choice of alternatives (i), (ii) or (iii) above shall be at the sole discretion of Parent. Any group health plan offered to current employees of the Company and their dependents shall not exclude coverage on account of any pre-existing condition, and in determining deductibles and co-payments under any group health plan of Parent or its subsidiaries, such employees and their dependents shall be credited with any deductibles and co-pays accrued through the Effective Time. For purposes of any length of service requirements, waiting periods, vesting periods, benefit accruals or differential benefits based on length of service in any such plan for which an employee of the Company may be eligible after the Effective Time, Parent shall ensure that service by such employee with the Company shall be deemed service with Parent; provided, however, that no such credit shall be given for purposes of any defined benefit pension plan of Parent or any of its subsidiaries.

SECTION 6.07. Directors' and Officers' Indemnification and Insurance. (a) The Articles of Incorporation and By-laws of the Surviving Corporation shall contain provisions no less favorable with respect to limitation of liability and indemnification than are set forth in Article XII of the Articles of Incorporation and Article 11 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 individuals who prior to or at the Effective Time were directors, officers or employees of the Company or its Subsidiaries.

(b) The Company and, following the purchase of any Shares by Purchaser or its affiliates pursuant to the Offer or the Stock Purchase Agreement, Parent shall, to the fullest extent permitted under applicable law and regardless of whether the Merger becomes effective, indemnify and hold harmless, and, after the Effective Time, Parent and the Surviving Corporation shall, to the fullest extent permitted under applicable law, indemnify and hold harmless, each present and former director, officer or employee of the Company and each Subsidiary (collectively, the "Indemnified Parties") against all costs and expenses (including attorneys' fees), judgments, fines, losses, claims, damages, liabilities and settlement amounts paid in connection with any claim, action, suit, proceeding or investigation (whether arising before or after the Effective Time), whether civil, criminal, administrative or investigative, arising out of or pertaining to any action or omission in their capacity as an officer, director or employee whether occurring before or after the Effective Time (including, without limitation, the Transactions), for a period of six years after the date hereof. Without limiting the generality of the foregoing, in the event of any such claim, action, suit, proceeding or investigation, (i) the Company, the Surviving Corporation or Parent, as the case may be, shall pay as incurred, each Indemnified Party's legal and other expenses (including costs of investigation and preparation), including the fees and expenses of counsel selected by the Indemnified Party, which counsel shall be reasonably satisfactory to the Company, the Surviving Corporation or Parent, promptly after statements therefor are

received and (ii) the Company, the Surviving Corporation and Parent shall cooperate in the defense of any such matter; provided, however, that none of the Company, the Surviving Corporation or Parent shall be liable for any settlement effected without its written consent (which consent shall not be unreasonably withheld); and provided further that none of the Company, the Surviving Corporation or Parent shall be obligated pursuant to this Section 6.07(b) to pay the fees and expenses of more than one counsel for all Indemnified Parties in any single action except to the extent that two or more of such Indemnified Parties shall have conflicting interests in the outcome of such action; and provided further that, in the event that any claim for indemnification is asserted or made within such six-year period, all rights to indemnification in respect of such claim shall continue until the disposition of such claim. The parties intend, to the extent not prohibited by applicable law, that the indemnification provided for in this Section 6.07 shall apply without limitation to negligent acts or omissions of any Indemnified Party. Any determination to be made as to whether any Indemnified Party has met any standard of conduct imposed by law shall be made by legal counsel reasonably acceptable to such Indemnified Party, Parent and the Surviving Corporation, retained at the Surviving Corporation's expense. The Company, the Surviving Corporation or Parent shall pay all expenses, including counsel fees and expenses, that any Indemnified Party may incur in enforcing the indemnity and other obligations provided for in this Section 6.07.

(c) The Surviving Corporation shall use its best efforts to maintain in effect for six years from the Effective Time, if available, the current directors' and officers' liability insurance policies maintained by the Company (provided that the Surviving Corporation may substitute therefor policies of at least the same coverage containing terms and conditions which are not materially less favorable) with respect to matters occurring prior to the Effective Time; provided however that in no event shall the Surviving Corporation be required to expend pursuant to this Section 6.07(c) more than an amount per year equal to 200% of current annual premiums paid by the Company for such insurance (which premiums the Company represents and warrants to be approximately \$139,000 in the aggregate); provided further that the Surviving Corporation shall obtain the maximum coverage obtainable for such 200% amount.

(d) In the event the Company, the Surviving Corporation or Parent or any of their respective 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 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 and assigns of the Company, the Surviving Corporation or Parent, as the case may be, shall assume the obligations set forth in this Section 6.07.

(e) This Section 6.07 is intended to benefit the Indemnified Parties and their respective heirs, executors and personal representatives and shall be binding on the successors and assigns of Parent, the Company and the Surviving Corporation. This Section 6.07 shall not limit or otherwise adversely affect any rights any Indemnified Party may have

under any agreement with the Company or any Subsidiary or the Company's or any Subsidiary's Articles of Incorporation or By-laws.

SECTION 6.08. Notification of Certain Matters. The Company shall give prompt notice to Parent, and Parent shall give prompt notice to the Company, of (i) the occurrence, or non-occurrence, of any event the occurrence, or non-occurrence, of which would be likely to cause any representation or warranty contained in this Agreement to be untrue or inaccurate and (ii) any failure of the Company, Parent or Purchaser, as the case may be, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder; provided, however, that the delivery of any notice pursuant to this Section 6.08 shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

SECTION 6.09. Further Action; Reasonable Best Efforts. Upon the terms and subject to the conditions hereof, each of the parties hereto shall (i) make promptly its respective filings, and thereafter make any other required submissions, under the HSR Act with respect to the Transactions and (ii) use its reasonable best efforts to take, or cause to be taken, all appropriate action, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the Transactions, including, without limitation, using its reasonable best efforts to obtain all licenses, permits (including, without limitation, Environmental Permits), consents, approvals, authorizations, qualifications and orders of governmental authorities and parties to contracts with the Company and the Subsidiaries as are necessary for the consummation of the Transactions and to fulfill the conditions to the Offer and the Merger. In case at any time after the Effective Time any further action is necessary or desirable to carry out the purposes of this Agreement, the proper officers and directors of each party to this Agreement shall use their reasonable best efforts to take all such action.

SECTION 6.10. Public Announcements. Parent and the Company shall consult with each other before issuing any press release or otherwise making any public statements with respect to this Agreement or any Transaction and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by law or any listing agreement with a national securities exchange (including the Nasdaq National Market) to which Parent or the Company is a party.

SECTION 6.11. Confidentiality Agreement. The Company hereby waives the provisions of the Confidentiality Agreement as and to the extent necessary to permit the consummation of each of the Transactions. Upon the acceptance for payment of Shares pursuant to the Offer and the purchase of Shares pursuant to the Stock Purchase Agreement or the Offer, the Confidentiality Agreement shall be deemed to have terminated without further action by the parties thereto.

ARTICLE VII

CONDITIONS TO THE MERGER

SECTION 7.01. Conditions to the Merger. The respective obligations of each party to effect the Merger shall be subject to the satisfaction at or prior to the Effective Time of the following conditions:

(a) Stockholder Approval. This Agreement and the transactions contemplated hereby shall have been approved and adopted by the affirmative vote of the stockholders of the Company to the extent required by Texas Law and the Articles of Incorporation of the Company;

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

(c) No Order. No United States or Canadian federal, state, provincial or local governmental or regulatory authority or other agency or commission or court of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any law, rule, regulation, executive order, decree, injunction or other order (whether temporary, preliminary or permanent) which is then in effect and has the effect of making the acquisition of Shares by Parent or Purchaser or any affiliate of either of them illegal or otherwise restricting, preventing or prohibiting consummation of the Merger; and

(d) Offer. Purchaser or its permitted assignee shall have purchased a minimum two-thirds of the outstanding Shares (on a fully diluted basis) pursuant to the Offer, the Stock Purchase Agreement or otherwise.

ARTICLE VIII

TERMINATION, AMENDMENT AND WAIVER

SECTION 8.01. Termination. This Agreement may be terminated and the Merger and the other Transactions may be abandoned at any time prior to the Effective Time, notwithstanding any requisite approval and adoption of this Agreement and the transactions contemplated hereby by the stockholders of the Company:

(a) By mutual written consent duly authorized by the Boards of Directors of Parent, Purchaser and the Company; or

(b) By either Parent, Purchaser or the Company if (i) the Effective Time shall not have occurred on or before May 15, 1998; provided, however, that the

right to terminate this Agreement under this Section 8.01(b) shall not be available (A) to any party whose failure to fulfill any obligation under this Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur on or before such date or (B) if Purchaser shall have accepted for payment Shares pursuant to the Offer or shall have purchased Shares of the Majority Stockholders pursuant to the Stock Purchase Agreement or (ii) any United States or Canadian federal, state, provincial or local court or governmental or regulatory authority of competent jurisdiction shall have issued an order, decree, ruling or taken any other action restraining, enjoining or otherwise prohibiting the Merger and such order, decree, ruling or other action shall have become final and nonappealable; or

(c) By Parent any time prior to the acceptance of Shares for payment pursuant to the Offer or the purchase of Shares pursuant to the Stock Purchase Agreement if due to an occurrence or circumstance that would result in a failure to satisfy any condition set forth in Annex A hereto, Purchaser shall have (i) failed to commence the Offer within 30 days following the date of this Agreement, (ii) terminated the Offer without having accepted any Shares for payment thereunder or (iii) failed to pay for Shares pursuant to the Offer on or prior to February 28, 1998 (unless such failure shall have been the result of the failure of the waiting period under the HSR Act to have expired or been terminated, in which case such date shall be May 15, 1998), unless such failure to pay for Shares shall have been caused by or resulted from the failure of Parent or Purchaser to perform in any respect any covenant or agreement of either of them contained in this Agreement or the Stock Purchase Agreement or the breach by Parent or Purchaser of any representation or warranty of either of them contained in this Agreement or the Stock Purchase Agreement; or

(d) By the Company, upon approval of the Board, if Purchaser shall have (i) failed to commence the Offer within 30 days following the date of this Agreement, (ii) unless Purchaser shall have otherwise purchased the Shares of the Majority Shareholders pursuant to the Stock Purchase Agreement, terminated the Offer without having accepted any Shares for payment thereunder or (iii) unless Purchaser shall have otherwise purchased the Shares of the Majority Shareholders pursuant to the Stock Purchase Agreement, failed to pay for Shares pursuant to the Offer on or prior to February 28, 1998 (unless such failure shall have been the result of the failure of the waiting period under the HSR Act to have expired or been terminated, in which case such date shall be May 15, 1998), unless such failure to pay for Shares shall have been caused by or resulted from the failure of the Company to perform in any respect any covenant or agreement of it contained in this Agreement or the breach by the Company of any representation or warranty of it contained in this Agreement or the failure of any of the Majority Stockholders to perform in any respect any covenant or agreement of any of them contained in the Stock Purchase Agreement or the breach by any of them of any representation or warranty contained in the Stock Purchase Agreement; or

(e) By the Company if the Stock Purchase Agreement is terminated pursuant to its terms or is otherwise amended in a manner adverse to the Company or its shareholders without the Company's prior written consent.

SECTION 8.02. Effect of Termination. In the event of the termination of this Agreement pursuant to Section 8.01, this Agreement shall forthwith become void, and there shall be no liability on the part of any party hereto, except (i) as set forth in Sections 6.04(b), 8.03 and 9.01 and (ii) nothing herein shall relieve any party from liability for any breach hereof.

SECTION 8.03. Fees and Expenses. Except as otherwise provided in this Agreement, all costs and expenses incurred in connection with this Agreement and the Transactions shall be paid by the party incurring such expenses, whether or not any Transaction is consummated.

SECTION 8.04. Amendment. Subject to Section 6.03, this Agreement may be amended by the parties hereto by action taken by or on behalf of their respective Boards of Directors at any time prior to the Effective Time; provided, however, that, after the approval and adoption of this Agreement and the Transactions by the stockholders of the Company, no amendment may be made which would reduce the amount or change the type of consideration into which each Share shall be converted upon consummation of the Merger. This Agreement may not be amended except by an instrument in writing signed by the parties hereto.

SECTION 8.05. Waiver. At any time prior to the Effective Time, any party hereto may (i) extend the time for the performance of any obligation or other act of any other party hereto, (ii) waive any inaccuracy in the representations and warranties contained herein or in any document delivered pursuant hereto and (iii) waive compliance with any agreement or condition contained herein. Any such extension or waiver shall be valid if set forth in an instrument in writing signed by the party or parties to be bound thereby.

ARTICLE IX

GENERAL PROVISIONS

SECTION 9.01. Non-Survival of Representations, Warranties and Agreements. The representations, warranties and agreements in this Agreement shall terminate at the Effective Time or upon the termination of this Agreement pursuant to Section 8.01, as the case may be, except that the agreements set forth in Article II, Section 6.07 and the last sentence of Section 6.09 shall survive the Effective Time indefinitely and those set forth in Sections 6.04(b) and 8.03 shall survive termination indefinitely.

SECTION 9.02. Notices. All notices, requests, claims, demands, consents 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 cable, telecopy, telegram or telex or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 9.02):

if to Parent or Purchaser:

The Thomson Corporation
Metro Center
One Station Plaza
Stamford, Connecticut 06902
Telecopier No: (203) 348-5718
Attention: General Counsel

with a copy to:

Shearman & Sterling
599 Lexington Avenue
New York, New York 10022
Telecopier No: (212) 848-7179
Attention: David W. Heleniak, Esq.

if to the Company:

Computer Language Research, Inc.
2395 Midway Road
Carrollton, Texas 75006
Telecopier No: (972) 250-8423
Attention: Stephen T. Winn
Chief Executive Officer

with a copy to:

Locke Purnell Rain Harrell
(A Professional Corporation)
2200 Ross Avenue, Suite 2200
Dallas, Texas 75201
Telecopier No: (214) 740-8800
Attention: Guy Kerr, Esq.

and

Skadden, Arps, Slate, Meagher & Flom LLP
 One Beacon Street
 Boston, Massachusetts 02108-3194
 Telecopier No: (617) 573-4822
 Attention: Louis A. Goodman, Esq.

SECTION 9.03. Certain Definitions. For purposes of this Agreement, the term:

(a) "affiliate" of a specified person means a person who directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with, such specified person;

(b) "beneficial owner" with respect to any Shares means a person who shall be deemed to be the beneficial owner of such Shares (i) which such person or any of its affiliates or associates (as such term is defined in Rule 12b-2 promulgated under the Exchange Act) beneficially owns, directly or indirectly, (ii) which such person or any of its affiliates or associates has, directly or indirectly, (A) the right to acquire (whether such right is exercisable immediately or subject only to the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of consideration rights, exchange rights, warrants or options, or otherwise, or (B) the right to vote pursuant to any agreement, arrangement or understanding or (iii) which are beneficially owned, directly or indirectly, by any other persons with whom such person or any of its affiliates or associates or person with whom such person or any of its affiliates or associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any Shares;

(c) "business day" means any day on which the principal offices of the SEC 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;

(d) "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly or as trustee or executor, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, as trustee or executor, by contract or credit arrangement or otherwise;

(e) "person" means an individual, corporation, partnership, limited partnership, limited liability company, syndicate, person (including, without limitation, a "person" as defined in Section 13(d)(3) of the Exchange Act), trust, association or entity or government, political subdivision, agency or instrumentality of a government; and

(f) "Intellectual Property" means any and all of the following used by the Company or any Subsidiary in connection with their respective businesses or operations: (i) inventions, ideas and conceptions of inventions, whether or not patentable, whether or not reduced to practice, and whether or not yet made the subject of a patent application or applications, (ii) all United States, international, and foreign patents, patent applications and statutory invention registrations, including, without limitation, reissues, divisions, continuations, continuations in part, extensions and reexaminations thereof, all rights therein provided by international treaties or conventions and all improvements thereto, (iii) trademarks, service marks, certification marks, collective marks, trade dress, logos, domain names, product configurations, trade names, business names, corporate names, and other source identifiers, whether or not registered, whether currently in use or not, including all common law rights, and registrations and applications for registration thereof, including, but not limited to, all marks registered in the United States Patent and Trademark Office or in any office or agency of any State or Territory thereof or any foreign country, and all rights therein provided by international treaties or conventions, all reissues, extensions and renewals of any of the foregoing, (iv) copyrightable works, copyrights, whether or not registered, and registrations and applications for registration thereof in the United States and any foreign country, and all rights therein provided by international treaties or conventions, (v) the Software, (vi) confidential and proprietary information, including trade secrets, (vii) copies and tangible embodiments of all the foregoing, in whatever form or medium, (viii) licenses or sublicenses to the Company or any Subsidiary, or by the Company or any Subsidiary to a third party, in connection with any of the foregoing (collectively, "Licensed Intellectual Property"), and (ix) all rights to sue or recover and retain damages and costs and attorneys' fees for past, present and future infringement or breach of any of the foregoing.

(g) "knowledge" or "best knowledge" with respect to the Company means the actual knowledge of the persons listed in Section 9.03(g) of the Disclosure Schedule.

(h) "Licensed Intellectual Property" shall have the meaning set forth in the definition of Intellectual Property.

(i) "Software" means all material computer software and subsequent versions thereof developed or currently being developed, by or on behalf of the Company or any Subsidiary, or manufactured, sold or marketed by the Company or any Subsidiary, including source code, object code, objects, comments, screens, user interfaces, report formats, templates, menus, buttons and icons, and all files, data, materials, manuals, design notes and other items and documentation related thereto or associated therewith, but excluding Third Party Software.

(j) "subsidiary" or "subsidiaries" of the Company, the Surviving Corporation, Parent or any other person means an affiliate controlled by such person, directly or indirectly, through one or more intermediaries.

(k) "Third Party Software" means all computer software contained in the Software developed by a third party that was not developed by or on behalf of the Company or any Subsidiary.

(l) "Year 2000 Compliant" or "Year 2000 Compliance" means that the Software provides uninterrupted millennium functionality in that the Software will record, store, process and present calendar dates falling on or after January 1, 2000, in the same manner and with the same functionality as the Software records, stores, processes, and presents calendar dates falling on or before December 31, 1999.

SECTION 9.04. Severability. If any term or other provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transactions is not affected in any manner materially adverse to any party. 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 in a mutually acceptable manner in order that the Transactions be consummated as originally contemplated to the fullest extent possible.

SECTION 9.05. Entire Agreement; Assignment. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes, except as set forth in Sections 6.04(b) and 6.11, 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 by operation of law or otherwise, except that Parent and Purchaser may assign all or any of their 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.

SECTION 9.06. Parties in Interest. 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, other than Article II and Section 6.07 (which are intended to be for the benefit of the persons covered thereby and their heirs, executors and personal representatives and may be enforced by such persons and their heirs, executors and personal representatives).

SECTION 9.07. Specific Performance. 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 equity.

SECTION 9.08. Governing Law. 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. All actions and proceedings arising out of or relating to this Agreement shall be heard and determined in any Delaware state court or federal court sitting in Delaware; provided that the foregoing provisions of this Section 9.08 shall not preclude the application of Texas law as to those matters which are by their subject matter to be governed by and construed in accordance with Texas law.

SECTION 9.09. Headings. The descriptive headings contained in this Agreement are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 9.10. Counterparts. This Agreement may be executed 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.

SECTION 9.11. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF ANY PARTY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT THEREOF.

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

THE THOMSON CORPORATION

By /s/ Michael S. Harris

Name: Michael S. Harris
Title: Assistant Secretary

SABRE ACQUISITION, INC.

By /s/ Michael S. Harris

Name: Michael S. Harris
Title: President

COMPUTER LANGUAGE RESEARCH, INC.

By /s/ Stephen T. Winn

Name: Stephen T. Winn
Title: President and CEO

Conditions to the Offer

Notwithstanding any other provision of the Offer, but subject to the terms of this Agreement, Purchaser shall not be required to accept for payment or pay for any Shares tendered pursuant to the Offer, and may terminate or amend the Offer and may postpone the acceptance for payment of and payment for Shares tendered, if (i) the Minimum Condition shall not have been satisfied, (ii) any applicable waiting period under the HSR Act shall not have expired or been terminated prior to the expiration of the Offer, or (iii) at any time on or after the date of this Agreement, and prior to the acceptance for payment of Shares, any of the following conditions shall exist:

(a) there shall have been instituted or be pending any action or proceeding before any United States or Canadian federal, state, provincial or local court or governmental, administrative or regulatory authority or agency of competent jurisdiction which is reasonably likely (i) to make illegal or otherwise directly or indirectly prohibit the making of the Offer, the acceptance for payment of, or payment for, any Shares by Parent, Purchaser or any other affiliate of Parent, the purchase of Shares pursuant to the Stock Purchase Agreement, or the consummation of the Merger, or to require the Company, Parent, Purchaser or any other affiliate of Parent to pay, as a result of the Transactions, damages that would be material to the Company and its Subsidiaries, taken as a whole; (ii) to prohibit or limit materially and adversely the ownership or operation by the Company, Parent or any of their subsidiaries of all or any material portion of the business or assets of the Company and its Subsidiaries, taken as a whole, or Parent and its subsidiaries, taken as a whole, or to compel the Company, Parent or any of their subsidiaries to dispose of or hold separate all or any material portion of the business or assets of the Company and its Subsidiaries, taken as a whole, or Parent and its subsidiaries, taken as a whole, in any case as a result of the Transactions; (iii) to impose or confirm limitations on the ability of Parent, Purchaser or any other affiliate of Parent to exercise effectively full rights of ownership of any Shares, including, without limitation, the right to vote any Shares acquired by Purchaser pursuant to the Offer, the Stock Purchase Agreement or otherwise on all matters properly presented to the Company's stockholders, including, without limitation, the approval and adoption of this Agreement and the Transactions; or (iv) to require divestiture by Parent, Purchaser or any other affiliate of Parent of any Shares;

(b) there shall have been issued any preliminary or permanent injunction or law, rule, regulation, order, decree or ruling by any United States or Canadian federal, state, provincial or local court or governmental or regulatory

authority of competent jurisdiction resulting, directly or indirectly, in any of the consequences referred to in clauses (i) through (iv) of paragraph (a) above;

(c) any representation or warranty of the Company in this Agreement or of any of the Majority Shareholders in the Stock Purchase Agreement which is qualified as to materiality shall not have been true and correct or any such representation or warranty that is not so qualified shall not have been true and correct in any material respect, in each case as of the date of this Agreement, except in the case of any representation or warranty that speaks as of a particular date, which shall have been true and correct or true and correct in all material respects, as applicable, as of such date;

(d) the Company shall have failed to perform in any material respect any obligation or to comply in any material respect with any agreement or covenant of the Company to be performed or complied with by it under this Agreement or any Majority Shareholder shall have failed to perform in any material respect any obligation or to comply in any material respect with any agreement or covenant of such Majority Shareholder to be performed by him, her or it under the Stock Purchase Agreement;

(e) this Agreement shall have been terminated in accordance with its terms;

(f) Purchaser and the Company shall have mutually agreed that Purchaser shall terminate the Offer or postpone the acceptance for payment of or payment for Shares thereunder; or

(g) there shall have occurred after the date of this Agreement any events or circumstances which, individually or in the aggregate, result in a material adverse change in the business, results of operations (on an annualized basis), financial condition or assets of the Company and the Subsidiaries taken as a whole, other than any change constituting or relating to any of the following: (i) the United States economy or securities markets in general, (ii) this Agreement or the transactions contemplated hereby or the announcement hereof, or (iii) the tax compliance or accounting software businesses generally and not specifically relating to the Company and the Subsidiaries; provided, that Purchaser shall give the Company advance written notice of any intention by Purchaser to assert the nonsatisfaction of the condition set forth in this paragraph (g), which notice shall describe in reasonable detail the basis for Purchaser's belief that such condition has not been satisfied; and provided, further, that if any such material adverse change is capable of being cured through the exercise by the Company of its reasonable best efforts and for so long as the Company continues to use such reasonable best efforts to cure such material adverse change, the Purchaser shall not terminate the Offer under this paragraph (g) or exercise any related right to terminate this Agreement;

which, in the reasonable judgment of Purchaser in any such case, and regardless of the circumstances (including any action or inaction by Parent or any of its affiliates other than a material breach of the Agreement by Parent or Purchaser) giving rise to any such condition, makes it inadvisable to proceed with such acceptance for payment or payment.

The foregoing conditions are for the sole benefit of Purchaser and Parent and may be asserted by Purchaser or Parent regardless of the circumstances giving rise to any such condition or, subject to the terms of this Agreement, may be waived by Purchaser or Parent in whole or in part at any time and from time to time in their sole discretion. The failure by Parent or Purchaser 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 that may be asserted at any time and from time to time.

STOCK PURCHASE AGREEMENT, dated as of January 12, 1998 (this "Agreement"), among THE THOMSON CORPORATION, a corporation incorporated under the laws of Ontario, Canada ("Parent"), SABRE ACQUISITION, INC., a Delaware corporation and a wholly owned subsidiary of Parent ("Purchaser"), and the stockholders whose names appear on the signature pages of this Agreement (each a "Stockholder" and collectively the "Stockholders").

WHEREAS, Parent and Purchaser have entered into an Agreement and Plan of Merger, dated as of the date hereof (the "Merger Agreement"; capitalized terms used but not otherwise defined in this Agreement have the meanings assigned to such terms in the Merger Agreement), with Computer Language Research, Inc., a Texas corporation (the "Company"), which provides, upon the terms and subject to the conditions set forth therein, for the merger of Purchaser with and into the Company (the "Merger");

WHEREAS, as of the date hereof, the Stockholders own (beneficially or of record), in the aggregate, 10,786,812 issued and outstanding shares of Common Stock, par value \$.01 per share, of the Company ("Company Common Stock"); and

WHEREAS, as a condition to the willingness of Parent and Purchaser to enter into the Merger Agreement, Parent and Purchaser have required that the Stockholders agree, and in order to induce Parent and Purchaser to enter into the Merger Agreement, the Stockholders have agreed as set forth below, to sell to Purchaser, and Purchaser has agreed to purchase, all the issued and outstanding shares of Company Common Stock now owned (beneficially or of record) and which may hereafter be acquired by the Stockholders (the "Shares").

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained herein, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

ARTICLE I

PURCHASE AND SALE

SECTION 1.01. Purchase and Sale. Upon the terms and subject to the conditions set forth in this Agreement, each Stockholder hereby agrees to sell to Purchaser, and Purchaser hereby agrees to purchase from each Stockholder, all of the Shares held by such Stockholder at a price per Share equal to \$22.50 (or, if higher, the highest price paid for any share of Company Common Stock pursuant to the Offer) (the "Purchase Price").

SECTION 1.02. Conditions to Closing; Closing. The obligation of the Stockholders and Purchaser to consummate the purchase and sale of the Shares hereunder is subject to the satisfaction of the following conditions: (a) any applicable waiting periods

(and any extension thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder (the "HSR Act") with respect to the purchase and sale of the Shares hereunder shall have expired or been terminated and (b) no preliminary or permanent injunction or law, rule, regulation, order, decree or ruling issued by any United States or Canadian federal, state, provincial or local court or governmental or regulatory authority of competent jurisdiction prohibiting the purchase and sale of the Shares hereunder shall be in effect. The obligation of Purchaser to consummate the purchase of the Shares hereunder is further subject to the satisfaction of the following conditions: (a) the representations and warranties of the Company in the Merger Agreement and of the Stockholders in this Agreement that are qualified as to materiality shall have been true and correct and such representations and warranties that are not so qualified shall have been true and correct in all material respects, in each case as of the date of this Agreement, except in the case of any representation and warranty that speaks as of a particular date, which shall be true and correct or true and correct in all material respects, as applicable, as of such date, (b) the Company shall have performed in all material respects its obligations, and complied in all material respects with its covenants and agreements, under the Merger Agreement, (c) the Stockholders shall have performed in all material respects their obligations, and complied in all material respects with their covenants and agreements, under this Agreement, (d) each of the Offer Conditions shall have been satisfied or waived by Purchaser, (e) either Purchaser shall have accepted shares of Company Common Stock for payment pursuant to the Offer or the Offer shall have expired or been terminated without the purchase of any shares of Company Common Stock pursuant thereto and (f) the Merger Agreement shall not have been terminated pursuant to paragraphs (a), (b) or (c) of Section 8.01 of the Merger Agreement. The obligation of the Stockholders to consummate the sale of the Shares hereunder is further subject to the satisfaction of the following condition: the Merger Agreement shall not have been terminated pursuant to Section 8.01 of the Merger Agreement. Upon the terms and subject to the conditions set forth herein, the closing of the purchase and sale of the Shares hereunder (the "Closing") shall take place at the offices of Locke Purnell Rain Harrell, 2200 Ross Avenue, Suite 2200, Dallas, Texas immediately following the termination or expiration of the Offer or at such other time and place as may be agreed in writing by Purchaser and the Stockholders.

SECTION 1.03. Payment for and Delivery of Certificates. At the Closing, (a) Purchaser shall pay the aggregate Purchase Price for the Shares by wire transfer in immediately available funds to an account or accounts designated by the Stockholders by written notice to Purchaser and (b) the Stockholders shall deliver to Purchaser a certificate or certificates evidencing the Shares, duly endorsed in blank, or with appropriate stock powers, duly executed in blank, in proper form for transfer, with the signature of the Stockholders thereon guaranteed, and with all applicable taxes paid or provided for. Notwithstanding the provisions of this Section 1.03 or the last sentence of Section 1.02, in the event Purchaser shall accept for payment and pay for shares of Company Common Stock tendered pursuant to the Offer, then Purchaser shall effect payment for the Shares in immediately available funds not later than the next business day after such acceptance occurs.

SECTION 1.04. Payment in the Event of Certain Purchases. If the Closing shall have occurred and Parent or any of its affiliates shall, within 12 months after the Closing, acquire any shares of Company Common Stock for a per share amount greater than the Purchase Price, then Purchaser shall promptly pay to the Stockholders an amount in cash equal to (i) the difference between the highest per share amount so paid and the Purchase Price multiplied by (ii) the number of Shares.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE STOCKHOLDERS

Each Stockholder, as to himself, herself or itself, as the case may be, hereby represents and warrants to Purchaser as follows:

SECTION 2.01. Due Organization, Authorization, Etc. Such Stockholder, if it is a limited partnership, (i) is a limited partnership duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) has all requisite partnership power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby and (iii) the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of such Stockholder. Such Stockholder, if it is a trust, (i) is duly formed as a trust under the laws of the jurisdiction of its formation and its trust agreement is valid and in full force and effect, (ii) has all requisite power and authority under its trust instruments to execute and deliver this Agreement and to consummate the transactions contemplated hereby and (iii) the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of such Stockholder. Such Stockholder, if it is an individual, has all legal capacity to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by or on behalf of such Stockholder and, assuming its due authorization, execution and delivery by Purchaser, constitutes a legal, valid and binding obligation of such Stockholder, enforceable against such Stockholder in accordance with its terms.

SECTION 2.02. No Conflicts; Required Filings and Consents. (a) The execution and delivery of this Agreement by such Stockholder do not, and the performance of this Agreement by such Stockholder will not, (i) conflict with or violate the organizational documents of such Stockholder (if any), (ii) subject to the matters referred to in Section 2.02(b), conflict with or violate any law, rule, regulation, order, judgment or decree applicable to such Stockholder or by which it or any of its, his or her properties 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 another party any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a lien or

encumbrance on any of the property or assets of such Stockholder, including, without limitation, the Shares, pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which such Stockholder is a party or by which such Stockholder or any of its, his or her properties is bound or affected, except for any such breaches, defaults or other occurrences that would not prevent or delay the performance in any material respect by such Stockholder of its obligations under this Agreement.

(b) 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 or regulatory authority, domestic or foreign, except (i) for applicable requirements, if any, of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (the "Exchange Act"), the Securities Act of 1933, as amended, state securities laws 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 prevent or delay the performance in any material respect by such Stockholder of its obligations under this Agreement.

SECTION 2.03. Title to Shares. Except as set forth in Schedule A hereto, such Stockholder is the record and beneficial owner of the Shares held by him, her or it, as the case may be (it being understood that the beneficiaries of Stockholders that are trusts and the partners of Stockholders that are partnerships may be deemed the beneficial owners of Shares held by such entities), free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal or other limitation on disposition or encumbrance of any kind ("Encumbrances"), other than (i) pursuant to this Agreement and (ii) Encumbrances that will be terminated prior to or concurrently with the Closing. Such Stockholder has full right, power and authority to sell, transfer and deliver such Shares pursuant to this Agreement. Upon delivery of such Shares and payment of the Purchase Price therefor as contemplated herein, Purchaser will receive good and valuable title to such Shares of such Stockholder, free and clear of all Encumbrances arising from the ownership of such Shares, or otherwise created, by such Stockholder.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Parent and Purchaser hereby represent and warrant to the Stockholders as follows:

SECTION 3.01. Due Organization, etc. Each of Parent and Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the

jurisdiction of its incorporation. Each of Parent and Purchaser has all requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of each of Parent and Purchaser. This Agreement has been duly executed and delivered by or on behalf of each of Parent and Purchaser and, assuming its due authorization, execution and delivery by the Stockholders, constitutes a legal, valid and binding obligation of each of Parent and Purchaser, enforceable against each of Parent and Purchaser in accordance with its terms.

SECTION 3.02. No Conflicts; Required Filings and Consents. (a) The execution and delivery of this Agreement by each of Parent and Purchaser do not, and the performance of this Agreement by each of Parent and Purchaser will not, (i) conflict with or violate the Certificate of Incorporation or By-Laws of Parent or Purchaser, (ii) conflict with or violate any law, rule, regulation, order, judgment or decree applicable to Parent or Purchaser or by which it or any of its properties 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 another party any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a lien or encumbrance on any of the property or assets 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 of its properties is bound or affected, except for any such breaches, defaults or other occurrences that would not prevent or delay the performance by Parent or Purchaser of its obligations under this Agreement.

(b) The execution and delivery of this Agreement by each of Parent and Purchaser do not, and the performance of this Agreement by each of Parent and Purchaser will not, require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority, domestic or foreign, 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 prevent or delay the performance by Parent or Purchaser of its obligations under this Agreement.

SECTION 3.03. Investment Intent. The purchase of the Shares from the Stockholders pursuant to this Agreement is for the account of Purchaser for the purpose of investment and not with a view to or for sale in connection with any distribution thereof within the meaning of the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

SECTION 3.04. Financing. Parent has, or will have available to it at the Closing, and will make available to Purchaser, sufficient funds to permit the Purchaser to acquire all of the Shares pursuant to this Agreement.

ARTICLE IV

TRANSFER AND VOTING OF SHARES;
NO SOLICITATION OF TRANSACTIONS AND
NON-COMPETITION; TERMINATION

SECTION 4.01. No Disposition or Encumbrance of Shares. Except as contemplated by Sections 1.01 and 4.04 hereof, each Stockholder hereby covenants and agrees that, so long as this Agreement shall remain in effect, he, she or it shall not, and shall not offer or agree to, sell, transfer, tender, assign, hypothecate or otherwise dispose of, or create or permit to exist any Encumbrance (other than any Encumbrance that will be terminated prior to or concurrently with the Closing) on the Shares now owned or that may hereafter be acquired by such Stockholder at any time.

SECTION 4.02. Voting of Shares; Further Assurances. (a) Each Stockholder, by this Agreement, with respect to those Shares that he, she or it owns of record, does hereby constitute and appoint Purchaser, or any nominee of Purchaser, with full power of substitution, so long as this Agreement shall remain in effect, as his, her or its true and lawful attorney and proxy, for and in his, her or its name, place and stead, to vote each of the Shares as his, her or its proxy, at every annual, special or adjourned meeting of the stockholders of the Company, including the right to sign his, her or its name (as stockholder) to any consent, certificate or other document relating to the Company that the law of the State of Texas may permit or require, (i) in favor of the approval and adoption of the Merger Agreement and approval of the Merger and the other transactions contemplated by the Merger Agreement, (ii) against any proposal for any recapitalization, merger, sale of assets, or other business combination between the Company and any person or entity (other than the Merger) or any other action or agreement 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 which could result in any of the conditions to the Merger Agreement not being fulfilled or which could adversely affect the ability of the Company to consummate the Merger and the other transactions contemplated by the Merger Agreement, and (iii) in favor of any other matter relating to consummation of the transactions contemplated by the Merger Agreement. THIS PROXY AND POWER OF ATTORNEY IS IRREVOCABLE AND COUPLED WITH AN INTEREST. Each Stockholder further agrees to cause the Shares owned by him, her or it beneficially or of record to be voted in accordance with the foregoing. Each Stockholder shall retain the right to vote the Shares in his, her or its discretion on all matters submitted to a vote of stockholders of the Company other than those referred to in this Section 4.02. Each Stockholder acknowledges receipt and review of a copy of the Merger Agreement. The proxy and power of attorney provided by this Section 4.02 shall terminate and be revoked upon any termination of this Agreement in accordance with its terms.

(b) If Purchaser shall purchase the Shares in accordance with the terms of this Agreement, then without additional consideration, each of the Stockholders shall execute and deliver further transfers, assignments, endorsements, consents and other instruments as Purchaser may reasonably request for the purpose of effectively carrying out the transactions contemplated by this Agreement and to consummate the Merger, including the transfer of any and all of the Shares to Purchaser and the release of any and all Encumbrances on the Shares.

(c) Each Stockholder shall perform such further acts and execute such further documents and instruments as may reasonably be required to vest in Purchaser the power to carry out and give effect to the provisions of this Agreement.

SECTION 4.03. No Solicitation of Transactions. Each Stockholder shall not, directly or indirectly, through any officer, director, agent or otherwise, so long as this Agreement shall remain in effect, solicit, initiate, encourage the submission of or accept any proposal or offer from any individual, corporation, partnership, limited partnership, limited liability company, syndicate, person (including, without limitation, a "person" as defined in Section 13(d)(3) of the Exchange Act), trust, association or entity or government, political subdivision, agency or instrumentality of a government (collectively other than Purchaser and any affiliate of Purchaser, a "Person") relating to (i) any acquisition or purchase of all or any of the Shares or (ii) any acquisition or purchase of all or (other than in the ordinary course of business) any portion of the assets of, or any equity interest in, the Company or any business combination with the Company or participate in any negotiations regarding, or furnish to any Person any information with respect to, or otherwise cooperate in any way with, or assist or participate in or facilitate or encourage, any effort or attempt by any Person to do or seek any of the foregoing. Each Stockholder immediately shall cease and cause to be terminated all existing discussions or negotiations of such Stockholder and its officers, directors, agents or other representatives with any Person conducted heretofore with respect to any of the foregoing. Each Stockholder shall notify Purchaser promptly if any such proposal or offer, or any inquiry or contact with any Person with respect thereto, is made and shall, in any such notice to Purchaser, indicate in reasonable detail the identity of the Person making such proposal, offer, inquiry or contact and the terms and conditions of such proposal, offer, inquiry or contact. Notwithstanding the foregoing, the actions of any Stockholder who is a director or officer of the Company, solely in his or her capacity as a director or officer, shall be governed by the Merger Agreement and not this Section 4.03.

SECTION 4.04. Agreement to Tender the Shares Pursuant to the Offer. In order to carry out the provisions of Section 1.01 of this Agreement most effectively, each Stockholder shall, upon the terms and subject to the conditions hereof, as promptly as practicable validly tender pursuant to the Offer and not withdraw all the Shares now owned or that may hereafter be acquired by such Stockholder. Delivery of the Shares pursuant to the Offer shall constitute delivery of Shares to Purchaser hereunder, and the acceptance of the Shares for payment and payment for the Shares pursuant to the Offer shall constitute the Closing hereunder. The representations, warranties and covenants of the parties contained in

this Agreement shall supersede any representations, warranties and covenants contained in the letter of transmittal or similar documentation furnished by Purchaser and employed by the Stockholders in order to tender the Shares pursuant to the Offer.

SECTION 4.05. Non-Competition. (a) For a period four years after the Closing (the "Restricted Period"), no Stockholder (other than Advance Capital Partners, L.P. and Advance Capital Offshore Partners, L.P. (collectively, "Advance Capital"), it being expressly agreed that the provisions of this Section 4.05 shall not apply to Advance Capital) shall engage (other than on behalf of the Surviving Corporation or the Company or their respective subsidiaries), directly or indirectly, in the Tax and Accounting Software Business (as defined below) anywhere in the world or, without the prior written consent of Parent, directly or indirectly, own an interest in, manage, operate, join, control, lend money or render financial or other assistance (other than customary professional courtesies afforded to members of the business community) to or participate in or be connected with, as an officer, employee, partner, stockholder, consultant, advisor or other similar capacity, any person (other than the Surviving Corporation or the Company or their respective subsidiaries) that engages in the Tax and Accounting Software Business; provided, however, that, for the purposes of this Section 4.05, ownership of securities having no more than five percent of the outstanding voting power of any competitor which are listed on any national securities exchange or traded actively in the national over-the-counter market shall not be deemed to be in violation of this Section 4.05 so long as the person owning such securities has no other connection or relationship with such competitor that would not be permitted hereby. For purposes hereof, "Tax and Accounting Software Business" means (x) the business of developing, designing, publishing, marketing and distributing (i) tax compliance software and services for tax and accounting professionals within corporations, banks, government agencies and accounting firms; (ii) accounting and practice management software and services marketed primarily to accounting firms; and (iii) other tax and accounting software products and services which are under development by the Company as of the Closing; and (y) the business of the Company's Rent Roll, Inc. subsidiary as of the Closing.

(b) As a separate and independent covenant, each Stockholder (other than Advance Capital) agrees with Purchaser that, during the Restricted Period (other than on behalf of the Surviving Corporation or the Company or their respective subsidiaries), such Stockholder will not in any way, directly or indirectly, for the purpose of conducting or engaging in the Tax and Accounting Software Business, call upon, solicit, advise or otherwise do, or attempt to do, business with any customers of the Surviving Corporation, the Company or any Subsidiary with whom the Surviving Corporation, the Company, any Subsidiary or such Stockholder had any dealings during the two year period prior to the first day of the Restricted Period, or take away or interfere or attempt to interfere with any customer, trade, business or patronage of the Surviving Corporation, the Company or any Subsidiary.

(c) As a separate and independent covenant, each Stockholder (other than Advance Capital) agrees with Purchaser that, during the Restricted Period, such Stockholder

will not, in any way, directly or indirectly, hire, attempt to hire, interfere with or attempt to interfere with any officers, employees, representatives, consultants or agents of the Surviving Corporation, the Company or any Subsidiary or any former officer, employee, representative, consultant or agent of the Surviving Corporation, the Company or any Subsidiary who resigned or was terminated within the prior six month period (other than an employee whose employment was terminated by the Surviving Corporation, the Company or any Subsidiary without Cause, or who resigned from his or her employment for Good Reason, as such terms are defined in the Retention Bonus Plan), or induce or attempt to induce any of them to leave the employ of the Surviving Corporation, the Company or any Subsidiary or violate the terms of their contracts, or any arrangements, with the Surviving Corporation, the Company or any Subsidiary.

(d) The Restricted Period with respect to any Stockholder (other than Advance Capital) shall be extended by the length of any period during which such Stockholder is in breach of the terms of this Section 4.05.

(e) Each such Stockholder (other than Advance Capital) acknowledges that the covenants of such Stockholder set forth in this Section 4.05 are an essential element of this Agreement and the Merger Agreement, and that, but for the agreement of such Stockholder to comply with these covenants, Parent and Purchaser would not have entered into the Merger Agreement or this Agreement. Each such Stockholder acknowledges that this Section 4.05 constitutes an independent covenant and shall not be affected by performance or nonperformance of any other provision of this Agreement or the Merger Agreement by Parent or Purchaser. Each Stockholder has independently consulted with his, her or its counsel and after such consultation agrees that the covenants set forth in this Section 4.05 are reasonable and proper.

SECTION 4.06. Performance by Purchaser. Parent shall cause Purchaser to perform its obligations and comply with its covenants and agreements under this Agreement and the Merger Agreement.

SECTION 4.07. Termination. This Agreement may be terminated (i) at any time by mutual written consent of all the parties hereto or (ii) by Parent or the Stockholders if any United States or Canadian federal, state, provincial or local court or governmental or regulatory authority of competent jurisdiction shall have issued an order, decree, ruling or taken any other action restraining, enjoining or otherwise prohibiting the Merger or the purchase and sale of the Shares hereunder and such order, decree, ruling or other action shall have become final and nonappealable or (iii) by Parent or the Stockholders if the Merger Agreement shall have been terminated in accordance with the provisions of Section 8.01 of the Merger Agreement. In the event of any such termination, there shall be no further liability on the part of any party hereto, except (a) as set forth in Section 5.01 and (b) nothing herein shall relieve any party from liability for any breach hereof.

SECTION 4.08. Survival. The representations and warranties of the parties hereto contained herein shall not survive the Closing except for the representations and warranties contained in Sections 2.03 and 3.03, which shall survive the Closing indefinitely. The covenants and agreements of the parties contained herein shall survive in accordance with their respective terms.

ARTICLE V

MISCELLANEOUS

SECTION 5.01. Expenses. Except as otherwise provided herein, all costs and expenses incurred in connection with the transactions contemplated by this Agreement shall be paid by the party incurring such costs and expenses; provided, that if the Closing occurs hereunder, Purchaser shall, promptly following any request from the Stockholders, reimburse the Stockholders for up to an aggregate of \$350,000 of their reasonable fees and expenses (including reasonable fees and expenses of counsel) incurred in connection with this Agreement or the Merger Agreement or the transactions contemplated hereby or thereby, including, without limitation, any employment arrangements contemplated thereby; and provided, further, that Purchaser shall pay any stock transfer taxes relating to the purchase and sale of the Shares pursuant to this Agreement (including, without limitation, pursuant to the Offer or the Merger) .

SECTION 5.02. Specific Performance. 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.

SECTION 5.03. Entire Agreement. This Agreement constitutes the entire agreement among Parent, Purchaser and the Stockholders with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, among Parent, Purchaser and the Stockholders with respect to the subject matter hereof.

SECTION 5.04. Assignment. This Agreement shall not be assigned by operation of law or otherwise, except that Purchaser may assign all or any of its rights and obligations hereunder to any affiliate of Parent, provided that no such assignment shall relieve Purchaser of its obligations hereunder if such assignee does not perform such obligations.

SECTION 5.05. Parties in Interest. This Agreement shall be binding upon, inure solely to the benefit of, and be enforceable by, the parties hereto and their respective successors and assigns, 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.

SECTION 5.06. Amendment; Waiver. This Agreement may not be amended except by an instrument in writing signed by the parties hereto. Any party hereto may (i) extend the time for the performance of any obligation or other act of the other party hereto, (ii) waive any inaccuracy in the representations and warranties of the other party contained herein and (iii) waive compliance with any agreement or condition of the other party contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party to be bound thereby.

SECTION 5.07. Severability. If any term or other provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of this Agreement is not affected in any manner materially adverse to any party. 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 in a mutually acceptable manner in order that the terms of this Agreement remain as originally contemplated to the fullest extent possible.

SECTION 5.08. Notices. 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 telecopy or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 5.08):

if to Parent or Purchaser:

The Thomson Corporation
Metro Center
One Station Plaza
Stamford, Connecticut 06902
Facsimile No. (203) 348-5718
Attention: General Counsel

with a copy to:

Shearman & Sterling
599 Lexington Avenue
New York, New York 10022
Facsimile No. (212) 848-7179
Attention: David W. Heleniak, Esq.

if to the Stockholders:

c/o Computer Language Research, Inc.
2395 Midway Road
Carrollton, Texas 75096
Facsimile No. (972) 250-8423
Attention: Stephen T. Winn
Chief Executive Officer

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
One Beacon Street
Boston, Massachusetts 02108-3194
Facsimile No. (617) 573-4822
Attention: Louis A. Goodman, Esq.

and

Locke Purnell Rain Harrell (A Professional Corporation)
2200 Ross Avenue
Suite 2200
Dallas, Texas 75201
Facsimile No. (214) 740-8800
Attention: Guy Kerr, Esq.

and

Kirkland & Ellis
153 E. 53rd Street
New York, NY 10022
Facsimile No. (212) 446-4900
Attention: Joshua Korff

SECTION 5.09. Governing Law. 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 entirely within that State. All actions and proceedings arising out of or relating to this Agreement shall be heard and determined in any Delaware state court or in any federal court sitting in Delaware.

SECTION 5.10. Headings. The descriptive headings contained in this Agreement are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 5.11. Counterparts. This Agreement may be executed 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.

SECTION 5.12. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF ANY PARTY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT THEREOF.

IN WITNESS WHEREOF, Parent and Purchaser have caused this Agreement to be executed by its officer thereunto duly authorized and each of the Stockholders have executed this Agreement or caused this Agreement to be executed by its general partner or other person thereunto duly authorized, as of the date first written above.

THE THOMSON CORPORATION

By /s/ Michael S. Harris

Name: Michael S. Harris
Title: Assistant Secretary

SABRE ACQUISITION, INC.

By /s/ Michael S. Harris

Name: Michael S. Harris
Title: President

FRANCIS W. WINN

By: /s/ Francis W. Winn

Francis W. Winn

NANCY K. WINN

By /s/ Nancy K. Winn

Nancy K. Winn

FRANCIS W. WINN AND NANCY K. WINN
AS JOINT TENANTS WITH A RIGHT OF
SURVIVORSHIP

By /s/ Francis W. Winn

Francis W. Winn

By: /s/ Nancy K. Winn

Nancy K. Winn

FRANCIS W. WINN AND NANCY K. WINN AS
TENANTS IN COMMON

By: /s/ Francis W. Winn

Francis W. Winn

By: /s/ Nancy K. Winn

Nancy K. Winn

STEPHEN T. WINN

By: /s/ Stephen T. Winn

Stephen T. Winn

MELINDA G. WINN

By: /s/ Melinda G. Winn

Melinda G. Winn

STEPHEN T. WINN FAMILY, LP A

By: Stephen T. Winn Management LLC

General Partner

By: /s/ Stephen T. Winn

Stephen T. Winn, Manager

WINN FAMILY, LTD.

By: /s/ Stephen T. Winn

Stephen T. Winn, General Partner

By: /s/ Carol Winn Dunaway

Carol Winn Dunaway, General Partner

By: /s/ David L. Winn

David L. Winn, General Partner

THE WINN FAMILY IRREVOCABLE TRUST

By: /s/ Stephen T. Winn

Stephen T. Winn, Trustee

By: /s/ Carol Winn Dunaway

Carol Winn Dunaway, Trustee

By: /s/ David L. Winn

David L. Winn, Trustee

THE FRANCIS W. WINN GRANDCHILDREN'S TRUST

By: /s/ Stephen T. Winn

Stephen T. Winn, Trustee

By: /s/ Carol Winn Dunaway

Carol Winn Dunaway, Trustee

By: /s/ David L. Winn

David L. Winn, Trustee

CAROL WINN DUNAWAY

By: /s/ Carol Winn Dunaway

Carol Winn Dunaway

JAMES R. DUNAWAY, JR.

By: /s/ James R. Dunaway, Jr.

James R. Dunaway, Jr.

TURTLE CREEK GROUP, LTD.

By: Turtle Creek Group Management L.C.

General Partner

By /s/ James R. Dunaway, Jr.

James R. Dunaway, Jr., Managing Member

THE CAROL WINN DUNAWAY FAMILY TRUST

By: /s/ Carol Winn Dunaway

Carol Winn Dunaway, Trustee

DAVID L. WINN

By: /s/ David L. Winn

David L. Winn

LESLIE ANN WINN

By: /s/ Leslie Ann Winn

Leslie Ann Winn

THE DAVID L. WINN FAMILY TRUST

By: /s/ David L. Winn

David L. Winn, Trustee

THE JONATHAN DAVID WINN TRUST

By: /s/ David L. Winn

David L. Winn, Trustee

THE RYAN FRANCIS WINN TRUST

By: /s/ David L. Winn

David L. Winn, Trustee

ADVANCE CAPITAL PARTNERS, L.P.

By: Advance Capital Associates, L.P.

General Partner

By: Advance Capital Management, LLC

General Partner

By: /s/ Jeffrey T. Leeds

Jeffrey T. Leeds, Member

ADVANCE CAPITAL OFFSHORE PARTNERS, L.P.

By: Advance Capital Offshore Associates, LDC

General Partner

By: Advance Capital Management, LLC

General Partner

By: /s/ Jeffrey T. Leeds

Jeffrey T. Leeds, Member

SCHEDULE A

Shares owned by Advance Capital Partners, L.P. and Advance Capital Offshore Partners, L.P. (400,000 total) are held of record by Advance Capital Partners, L.P.

RETENTION AGREEMENT

RETENTION AGREEMENT (this "Agreement"), made as of January __, 1998 by and between Computer Language Research, Inc., a Delaware corporation (the "Company"), and Brian Healy ("Executive"). This Agreement consists of the text hereof and Exhibit A attached hereto.

W I T N E S S E T H:

WHEREAS, Executive is currently a valued key executive of the Company; and

WHEREAS, the Company and The Thomson Corporation ("Thomson") are presently negotiating the purchase of the Company by a subsidiary of Thomson (the "Acquisition") and the Company recognizes that, as a result of the Acquisition, uncertainty and questions could rise among management and could result in the departure or distraction of management personnel to the detriment of the Company; and

WHEREAS, the Company considers it essential to its best interests to foster the continuous employment of key management personnel, such as Executive, by providing for the payment of severance and other benefits in the event of Executive's termination of employment following the Acquisition;

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, the parties hereto agree as follows:

1. Employment and Duties.

The Company hereby agrees to employ Executive and Executive hereby accepts such employment. During the Term, as defined in Section 2 below, Executive shall have such duties as may be assigned to Executive from time to time by the Chief Executive Officer of the Company or the designee thereof or the Board of Directors. Executive shall devote substantially all his business time, attention, skill and efforts during the Term to the faithful performance of his duties hereunder and shall not accept employment elsewhere during the Term.

2. Term.

The term of Executive's employment under this Agreement (the "Term") shall commence on the closing date of the Acquisition and shall continue in effect through December 31, 1998. The provisions of this Agreement shall continue in effect beyond the Term to the extent necessary to carry out the intentions of the parties hereto.

3. Compensation.

During the Term, Executive shall be entitled to the following compensation for his services to the Company:

(a) Base Salary. The Company shall pay Executive a base salary (the "Base Salary") at an annual rate of \$184,000, in accordance with the ordinary payroll practices of the Company.

(b) Retention Bonus. In addition to the Base Salary and the Special Bonus, Executive shall be entitled to participate in the Retention Bonus Plan (the "Retention Bonus Plan") that the Company shall adopt in connection with the Acquisition, a copy of which is attached hereto as Exhibit A.

(c) Special Bonus. Subject to Sections 4(a) and 5 below, the Company shall pay Executive a Special Bonus (the "Special Bonus") of \$110,000 in a lump sum amount within fifteen business days after the end of the Term.

(d) Retirement, Savings and Welfare Benefit Plans. Executive and/or Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under each retirement, savings and welfare benefit plan of the Company, as in effect immediately prior to the Acquisition (or such benefits that may be substituted therefor by the Company) applicable to other key executives, including, without limitation, all medical, dental, disability, group life, accidental death and travel accident insurance plans and programs.

(e) Expenses. Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by him in the performance of his duties for the Company which shall be paid to him in accordance with the policies and procedures of the Company as in effect at any time thereafter with respect to other key executives.

4. Termination of Employment.

(a) Termination for Cause; Resignation without Good Reason. The Company may terminate Executive's employment hereunder for Cause (as defined in the Retention Bonus Plan). If Executive's employment is terminated by the Company for Cause, or by Executive for reasons other than Good Reason (as defined in the Retention Bonus Plan) prior to the expiration of the Term, the Company shall be obligated to make payment of any Base Salary earned prior to the date of the termination of Executive's employment with the Company (the "Date of Termination") but not yet paid to Executive, any unreimbursed business expenses and any payment from any employee benefit plan described in Section 3 of this Agreement which shall be paid in accordance with such plan and the continuation of coverage under any insurance program as required under any such benefit plan or which may be required by law. In the event of Executive's termination for Cause or Resignation without Good Reason prior to the end of the Term, he will not be entitled to receive the Special Bonus. Eligibility for any retention bonus under the Retention Bonus Plan shall be determined according to the terms of the Retention Bonus Plan. Except as provided above, the Company shall not be obligated to make any additional payments of compensation or benefits specified in Section 3 of this Agreement for any periods after the Date of Termination.

(b) Resignation for Good Reason; Termination without Cause. Executive shall be entitled to the following compensation and benefits if Executive's employment is terminated by Executive for Good Reason or by the Company without Cause, in either case at any time prior to the expiration of the Term:

(i) Salary Continuation. In addition to the payment of all Base Salary earned but not paid, the Company shall continue to pay Executive his Base Salary in accordance with the terms of this Agreement through the end of the Term.

(ii) Special Bonus. Subject to Section 5 below, the Company shall pay Executive the Special Bonus in accordance with the terms of this Agreement.

(iii) Benefit Continuation. Executive shall continue to participate in all employee benefit plans referenced in Section 3(d) above through the end of the Term in accordance with the terms of this Agreement.

(iv) Lump Sum Payment under Retention Bonus Plan. Subject to Section 5 below, within fifteen business days following the Date of Termination, the Company shall make a lump sum payment to Executive equal to the amount that the Company would have owed Executive under the Retention Bonus Plan had Executive continued to be employed by the Company until the second anniversary of the Effective Date (as defined in the Retention Bonus Plan).

(v) Severance Payment. Subject to Section 5, after the expiration of the Term and in lieu of any other severance payment or benefit that Executive would otherwise be entitled to receive under any plan, program or arrangement of the Company or its affiliates except as provided in this Agreement, the Company shall continue to pay Executive an amount equal to his Base Salary in accordance with the terms of this Agreement beginning on January 1, 1999 and continuing through December 31, 1999.

(c) Termination of Employment At or After the End of the Term. In the event that Executive's employment is terminated either by Executive or by the Company for any reason either at or after the end of the Term, in addition to the compensation and benefits that Executive is entitled to receive under Section 3 above, Executive shall, subject to Section 5 below, be entitled to the following benefits:

(i) Lump Sum Payment under Retention Bonus Plan. Within fifteen business following the Date of Termination, the Company shall make a lump sum payment to Executive equal to the amount that the Company would have owed Executive under the Retention Bonus Plan had Executive continued to be employed by the Company until the second anniversary of the Effective Date (as defined in the Retention Bonus Plan) to the extent such amount is then unpaid.

(ii) Severance Payment. Beginning on the Date of Termination and continuing through December 31, 1999, the Company shall continue to pay Executive an amount equal to a pro rata portion of his Base Salary in accordance with the terms of this Agreement. The parties hereto agree that any payment under this Section 4(c)(ii) shall be in lieu of any other severance payment or benefit that Executive would otherwise be entitled to receive under any plan, program or arrangement of the Company or its affiliates except as provided in this Agreement.

(d) Death or Disability Before End of Term. If Executive dies or incurs a Permanent Disability (as defined in the Retention Bonus Plan) prior to the expiration of the Term, the Company shall be under no obligation to make additional payments of the compensation and benefits described in Section 3 of the Agreement to Executive or Executive's estate after the Date of Termination except for any Base Salary earned prior to the Date of Termination but not yet paid; provided, however, subject to Section 5 below in the event of a Permanent Disability, or in the event of Executive's death, the Company shall pay Executive or Executive's estate, as the case may be, the Special Bonus according to the terms of this Agreement. The Company shall also continue to provide any benefits to Executive and Executive's survivors as required by law. Eligibility for the retention bonus under the Retention Bonus Plan shall be determined according to the terms of the Retention Bonus Plan.

(e) Notice of Termination Required. No termination of employment by Executive or by the Company pursuant to this Section 4 shall be effective unless the terminating party shall have delivered a Notice of Termination. For purposes of this Agreement, a "Notice of Termination" shall mean a written notice which shall indicate the specific termination provision in this Agreement, or the Retention Bonus Plan, if applicable, relied upon and, in the case of a termination of Executive's employment by the Company for Cause or by Executive for Good Reason, shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated.

(f) Nature of Payments. Any amounts due under this Section 4 are in the nature of severance payments, liquidated damages, or both, and are not in the nature of a penalty.

5. Waiver and Release.

Upon a termination by the Company without Cause or the resignation of Executive for Good Reason, Executive hereby acknowledges and agrees that in order to be entitled to receive from the Company any payment under any of Sections 3(b), 3(c), 4(b)(ii), 4(b)(iv), 4(b)(v), 4(c)(i), or 4(c)(ii), Executive shall execute a waiver and release of claims pertaining to the employment of Executive by the Company substantially in the form attached as Appendix A to Exhibit A hereof.

6. Protection of the Company's Interests.

(a) Confidentiality. Executive hereby acknowledges and agrees that he possesses and will continue to possess information which has been created, discovered, developed by or otherwise become known to Executive (including information discovered or made available by subsidiaries, affiliates or joint ventures of the Company or in which property rights have been assigned or otherwise conveyed to the Company), which information has commercial value to the Company, including but not limited to trade secrets, innovations, processes, computer codes, data, know-how, improvements, discoveries, developments, techniques, marketing plans, strategies, costs, customer and client lists, or any information Executive has reason to know the Company would treat as confidential for any purpose, whether or not developed by Executive (hereinafter referred to as "Confidential Information"). Unless instructed in writing by the Company, Executive will not, at any time, disclose to others, or use, or allow anyone else to disclose or use, any Confidential Information (except as may be necessary in the performance of Executive's employment with the Company), unless, until and then only to the extent that such Confidential Information has become ascertainable or obtained from public or published sources or was available to Executive on a non-confidential basis prior to any such disclosure or use, provided that the

source of such material, to Executive's knowledge upon inquiry, is or was not bound by an obligation of confidentiality to the Company.

(b) Restrictive Covenants. Executive hereby acknowledges that because of his skills, his position with the Company and the Confidential Information to which Executive shall have access or be provided on account of such employment with the Company, competition by Executive with the Company could damage the Company in a manner which cannot adequately be compensated by damages or an action at law. In view of such circumstances, because of the Confidential Information obtained by, or disclosed to Executive, and as a material inducement to the Company to enter into this Agreement and other good and valuable consideration, Executive covenants and agrees to the following (for purposes of this Agreement, the term "directly or indirectly" shall be construed in its broadest sense and shall include the activities of the members of Executive's immediate family or any partnership in which Executive is a partner):

(i) Noncompetition. During Executive's employment with the Company and for a period of eighteen months thereafter (the "Restricted Period"), Executive shall not, directly or indirectly, in the Tax and Accounting Software Business (as defined below) anywhere in the world or, without the prior written consent of the Company, directly or indirectly, own an interest in, manage, operate, join, control, lend money or render financial or other assistance (other than customary professional courtesies afforded to members of the business community) to or participate in or be connected with, as an officer, employee, partner, stockholder, consultant, advisor or other similar capacity, any person that engages in the Tax and Accounting Software Business (other than the Company or its affiliates); provided, however, that, for the purposes of this Section 6(b)(i), ownership of securities having no more than one percent of the outstanding voting power of any competitor which are listed on any national securities exchange or traded actively in the national over-the-counter market shall not be deemed to be in violation of this Section 6(b)(i) so long as the person owning such securities has no other connection or relationship with such competitor that would not be permitted hereby. For purposes hereof, "Tax and Accounting Software Business" means the business of developing, designing, publishing, marketing and distributing (i) tax compliance and tax planning software and services for tax and accounting professionals within corporations, banks, government agencies and accounting firms; (ii) accounting and practice management software and services marketed primarily to accounting firms; and (iii) other tax and accounting software products and services which are developed, or are under development, by the Company during the period from the Effective Time through termination of employment of Executive.

(ii) Nonsolicitation of Customers. Executive hereby agrees that, during the Restricted Period (other than on behalf of the Company or its affiliates), Executive will

not in any way, directly or indirectly, for the purpose of conducting or engaging in the Tax and Accounting Software Business, call upon, solicit, advise or otherwise do, or attempt to do, business with any customers of the Company or any affiliate of the Company with whom the Company or any such affiliate had any dealings during the two year period prior to the first day of the Restricted Period, or take away or interfere or attempt to interfere with any customer, trade, business or patronage of the Company or any affiliate.

(iii) Nonsolicitation. Executive hereby agrees that, during the Restricted Period, Executive will not in any way, directly or indirectly, hire, attempt to hire, interfere with or attempt to interfere with any officers, employees, representatives, consultants or agents of the Company or any affiliate, or any former officer, employee, representative, consultant or agent of the Company or any affiliate who resigned or was terminated within the prior six-month period (other than an employee whose employment was terminated by the Company or an affiliate without Cause or who resigned from his or her employment with the Company for Good Reason as such terms are defined in the Retention Bonus Plan), or induce or attempt to induce any of them to leave the employ of the Company or any affiliate or violate the terms of their contracts, or any arrangements, with the Company or any affiliate.

(iv) Assignment of Developments. All Developments that were or are at any time made, conceived or suggested by Executive, whether acting alone or in conjunction with others, during Executive's employment with the Company shall be the sole and absolute property of the Company, free of any reserved or other rights of any kind on the part of Executive. During Executive's employment and, if such Developments were made, conceived or suggested by Executive during his employment with the Company, thereafter, Executive shall promptly make full disclosure of any such Developments to the Company and, at the Company's cost and expense, do all acts and things (including, among others, the execution and delivery under oath of patent and copyright applications and instruments of assignment) deemed by the Company to be necessary or desirable at any time in order to effect the full assignment to the Company of Executive's right and title, if any, to such Developments. For purposes of this Agreement, the term "Developments" shall mean all data, discoveries, findings, reports, designs, inventions, improvements, methods, practices, techniques, developments, programs, concepts, and ideas, whether or not patentable, relating to the present or planned activities (with respect to the Tax and Accounting Software Business) of which Executive is as of the date of this Agreement aware or of which Executive during his employment becomes aware, or the products and services of the Company or any of its affiliates (with respect to the Tax and Accounting Software Business).

(v) Reasonable Limitations. Given the important nature of the position Executive holds with the Company, the nature of the Company's business and the sensitive nature of the Confidential Information and duties Executive has with the Company, the parties acknowledge that the limitations, including but not limited to, the scope of activities prohibited, the geographic area covered and the time limitation, are reasonable.

(vi) Remedies. In the event of an actual or threatened breach by Executive of the provisions of this Section 6, the Company shall be entitled to a temporary restraining order and an injunction restraining Executive from such breach. Nothing herein, however, shall be construed as prohibiting the Company from pursuing any other remedies available to it for such actual or threatened breach, including, without limitation, the recovery of damages and reasonable attorneys' and paralegals' fees and costs from Executive. If Executive violates any of the covenants in this Section 6, the term and the covenant violated shall be automatically extended for the period of time of the violation, either from the date on which Executive ceases such violation or from the date of the entry by a court of competent jurisdiction of an order or judgment enforcing such covenants, whichever period is later.

7. No Obligation to Mitigate.

Following termination of Executive's employment, Executive shall be under no obligation to seek other employment or otherwise to mitigate damages resulting from his termination of employment. In addition, there shall be no offset against amounts due to Executive under any provision of this Agreement, on account of any remuneration to which Executive becomes entitled from any person for whom Executive subsequently provides services.

8. Successors; Binding Agreement.

This Agreement shall inure to and be binding upon the successors and assigns of the Company. This Agreement shall inure to the benefit of and be enforceable by Executive and Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees but shall not be assignable by Executive.

9. Notices.

Any notice hereunder by either party to the other shall be given in writing by personal delivery, telex, telecopy or certified mail, return receipt requested, to the address first set forth below in the case of the Company, and to the address set forth on the signature page

hereof in the case of Executive (or, in either case, to such other address as may from time to time be designated by notice by any party hereto for such purpose):

Computer Language Research, Inc.
2395 Midway Road
Carrollton, Texas 75006
Attention: General Counsel
Telecopier No.: (972)250-8423

with a copy to:

The Thomson Corporation
1 Station Place
Stamford, Connecticut 06902
Attention: General Counsel
Telecopier No.: (203) 348-5718

and with an additional copy to:

Shearman & Sterling
599 Lexington Avenue
New York, New York 10022
Telecopier No. (212) 848-7179
Attention: David W. Heleniak, Esq.

Notice shall be deemed given, if by personal delivery, on the date of such delivery or, if by telex or telecopy, on the business day following receipt of answer back or telecopy confirmation or, if by certified mail, on the date shown on the applicable return receipt.

10. Amendment and Waiver.

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 Executive and the Company. 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.

11. Merger of Prior Agreements and Negotiations.

(a) This Agreement sets forth all of the promises, agreements, conditions and understandings between the parties hereto respecting the subject matter hereof and supersedes all prior negotiations, conversations, discussions, correspondence, memoranda and agreements between the parties concerning such subject matter.

(b) Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between Executive and the Company, the employment of Executive by the Company is "at will" and that, subject to the provisions of Section 3 above, if Executive's employment is terminated by either Executive or the Company at any time prior to the beginning of the Term, Executive shall have no further rights under this Agreement. From and after the commencement of the Term, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

12. Partial Invalidity.

If the final determination of a court of competent jurisdiction or arbitrator declares, after the expiration of the time within which judicial review (if permitted) of such determination may be perfected, that any term or provision hereof is invalid or unenforceable, (a) the remaining term and provisions hereof shall be unimpaired and (b) 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.

13. Governing Law; Legal Actions.

This Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware without regard to the laws of any other state or jurisdiction. Each of the Company and Executive hereby waives all right to trial by jury in any action or proceeding arising out of or relating to this Agreement. Each party will be liable for any legal fees incurred by such party pursuant to any dispute or controversy arising hereunder.

14. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto, having entered into this Agreement as of January , 1998.

COMPUTER LANGUAGE
RESEARCH, INC.

By: _____
Title:

EXECUTIVE

Name: Brian Healy
Title:
Address:

RETENTION BONUS PLAN

This Retention Bonus Plan (the "Plan") is primarily designed to provide certain eligible employees of Computer Language Research, Inc. (the "Company") with the opportunity to participate in a special bonus retention program, provided they remain in the employ of the Company through the completion of a designated transition period following the Acquisition. The Plan shall become effective as of the Effective Time and shall continue in effect until terminated by the Company's Board of Directors (the "Board") in accordance herewith. Capitalized terms that are not otherwise defined herein shall have the meaning set forth in the Agreement and Plan of Merger among The Thomson Corporation ("Parent"), a wholly-owned subsidiary of the Parent and the Company.

I. ELIGIBILITY

You shall be eligible to receive your designated retention bonus under the Plan if each of the following requirements is satisfied;

- o the Board has selected you for participation in the Plan and the Company has communicated such participation to Parent in writing prior to the Effective Time;
- o you remain actively employed by the Company or the Parent or a subsidiary of the Parent or the Company until the earlier to occur of (i) the completion of the Bonus Earn-Out Period designated below or (ii) the occurrence of any of the following events: (A) the involuntary termination of your employment by the Company or the Parent for any reason other than for Cause, (B) your resignation for Good Reason or (C) your death or Permanent Disability;
- o if any such agreement is attached hereto, the execution by you, and your continued compliance with, such agreement attached hereto as Appendix C; and
- o if you are terminated by the Company without Cause or resign from your employment for Good Reason, the execution by you of a waiver and release of claims pertaining to your employment with the Company, substantially in the form attached hereto as Appendix A.

The amount of your retention bonus was determined by the Board at the time of your selection for participation in the Plan and is indicated on the retention bonus award letter

attached hereto as Appendix B. Your retention bonus will become payable in two installments during the Bonus Earn-Out Period, and you must remain in eligible employee status to receive each such installment.

No individuals other than those identified to Parent by the Company in writing prior to the Effective Time as participants in the Plan shall be eligible to participate in this Plan.

You will not be eligible for any retention bonus under this Plan if any of the following circumstances occur:

- o You voluntarily terminate employment with the Company or the Parent other than for Good Reason.
- o You are terminated by the Company or the Parent for Cause.

For purposes of the Plan, the following definitions shall be in effect:

- o "Acquisition" shall mean the acquisition of the Company by the Parent or a subsidiary of the Parent.
- o "Bonus-Earn Out Period" shall mean the period beginning at the Effective Time (the "Effective Date") and ending (i) as to 50% of the retention bonus, on the first anniversary of the Effective Date, and (ii) as to the remaining 50% of the retention bonus, on the second anniversary of the Effective Date.
- o "Cause" shall mean the termination of your employment by the Company or the Parent by reason of (i) your willful, negligent or repeated failure to perform the material duties of your position (following reasonable notice and an opportunity to cure in the event of negligent or repeated failure to perform only); (ii) any willful misconduct or gross negligence on your part which is injurious to the Company or the Parent; (iii) your conviction or plea of no contest to either (A) a felony or (B) a misdemeanor involving dishonesty or moral turpitude; or (iv) your commission of any act of fraud against, or the misappropriation of property belonging to, the Company or the Parent; or (v) your making a materially false statement to the auditors or legal counsel of the Company or the Parent or your willful falsification of any corporate document or form.
- o "Good Reason" shall mean one or more of the following changes to the terms and conditions of your employment with the Company or the Parent

after the effective date of the Acquisition: (i) any material reduction in your rate of base salary (compared to your base rate of salary for the 1997 calendar year), (ii) a material reduction in your level of authority or the duties or responsibilities of your position; or (iii) a relocation of your principal place of employment by more than fifty (50) miles from your current principal place of employment, provided such reduction or relocation is effected without your written consent.

- o "Permanent Disability" shall mean your physical or mental incapacity to perform your employment duties for a total of sixteen consecutive weeks or for an aggregate of more than six months in any fourteen-month period (as determined by a physician who shall be selected by the Company and the decision of whom shall be final and conclusive).

II. TERMS OF THE PLAN

The amount of the retention bonus that will be payable to you pursuant to the Plan shall be set forth in the award letter attached hereto as Appendix B.

Your retention bonus will be payable in two installments over the Bonus Earn-Out Period. You must remain employed by the Company or the Parent on each installment date during the Bonus Earn-Out Period in order to receive the installment payable on that date except as provided under Part I hereof. The payout date for each installment during the Bonus Earn-Out Period and the percentage of your retention bonus which is to become due and payable on that date, provided you remain actively employed by the Company or the Parent, are as follows:

| Payment Date ----- | Percentage of Retention Bonus Payable ----- |
|--|--|
| Effective Date | 0% |
| First Anniversary of the Effective Date | 50% |
| Second Anniversary of the Effective Date | 50% |

However, if you become eligible for your retention bonus under the Plan by reason of (i) the termination of your employment with the Company or the Parent other than for Cause, (ii) your resignation for Good Reason or (iii) your death or Permanent Disability, then you will receive the full amount of your retention bonus in a lump-sum payment as soon as administratively feasible following your termination date.

Retention bonuses are not intended to constitute eligible earnings or compensation for purposes of any other employee plans, programs or arrangements now or hereafter offered by the Company or the Parent.

Payment of your retention bonus will be subject to the collection by the Company or the Parent of all applicable federal, state and local income and employment withholding taxes.

III. OTHER IMPORTANT INFORMATION

Plan Administration. Within the scope of the terms of the Plan and in accordance therewith, as the administrator of the Plan, the Board has full discretionary authority to administer and interpret the Plan, including the discretionary authority to determine eligibility for participation and benefits under the Plan and the amount of benefits (if any) payable per participant. All such determinations by the Board shall be final, binding and conclusive upon all persons.

Benefits. All bonuses will be paid from the general assets of the Company. The Company will not establish any trust or escrow to fund the benefits which may become due and payable under the Plan. The benefits provided under the Plan are not assignable or transferable. However, should a participant die prior to receipt of all or any portion of the retention bonus to which he or she becomes entitled under the Plan, then that unpaid amount shall be paid to the executor or administrator of that participant's estate.

Successor Liability. The terms and provisions of this Plan shall be binding upon any successor entity to the Company, and such successor entity shall accordingly be liable for the payment of all benefits which become due and payable under the Plan with respect to the eligible employees of the Company.

Plan Terms. The Plan supersedes any and all prior retention arrangements, programs or plans previously offered by the Company to employees eligible to participate in this Plan.

Taxes. The Company or the Parent will withhold taxes and all other applicable payroll deductions from any payment made pursuant to the Plan. Except to the extent otherwise agreed by the Company in writing, to the extent any retention bonus paid to any eligible employee under the Plan constitutes an "excess parachute payment" within meaning of Section 280G(b) of the Internal Revenue Code of 1986, as amended, that employee shall be solely responsible for any and all excise taxes attributable to such payment, and those excise taxes shall accordingly be withheld from the retention bonus payable to such individual.

No Right to Employment. No provision of the Plan is intended to provide you or any other employee with any right to continue in the employ of the Company or the Parent or otherwise affect the right of the Company or the Parent, which right is hereby expressly reserved by each such party, to terminate the employment of any individual at any time for any reason, with or without cause.

Applicable Law. This Plan shall be governed by the laws of the State of Delaware, without giving effect to the conflicts of laws principles thereof.

[FORM OF RELEASE FOR EXECUTIVES WITH RETENTION BONUS
AGREEMENTS]

[Date]

[Employee Name]
[Address]

Dear [Employee]:

This letter contains an offer by Computer Language Research, Inc. ("the Company"), a Texas corporation, of terms for the termination of your employment ("Offer"). To accept the Company's Offer, you must affix your signature at the end of this letter and return it to [name] in person or by mail postmarked no later than [date 21 days after delivery of Offer]. If you do not accept the Company's Offer, you will not receive the benefits described herein.

1. Effective as of [date], your employment with the Company is terminated ("Termination Date"). Therefore, as of such date, you will cease to be an active employee for purposes of any welfare, benefit or other plan maintained by the Company and you will no longer be entitled to receive any salary or wages from the Company.

2. As soon as practicable after your acceptance of the Offer, the Company will pay you a Special Bonus of [] in a lump sum amount.

3. You shall continue to participate in all employee benefit plans referenced in Section 3(d) of the Retention Agreement dated [] between you and the Company (the "Retention Agreement") through the end of the Term (as defined in the Retention Agreement).

4. As soon as practicable after your acceptance of the Offer, the Company shall make a lump sum payment to you equal to the amount that the Company would have owed to you under the Retention Bonus Plan ("Retention Bonus Plan") had you continued to be employed by the Company until the second anniversary of the Effective Date (as defined in the Retention Bonus Plan).

5. After the expiration of the Term (as defined in the Retention Agreement), the Company shall continue to pay you an amount equal to your Base Salary (as defined in the Retention Agreement), according to the normal payroll practices of the Company, beginning on January 1, 1999 and continuing through December 31, 1999.

6. You are not entitled to receive benefits beyond the Termination Date, except (i) as specifically provided in this Agreement, (ii) in accordance with the terms of any employee benefit plan maintained by the Company in which you participate, or (iii) COBRA. You will be provided at a future date with information regarding your rights under COBRA to continue certain health benefits at your own expense.

7. In recognition of the Offer outlined above, you hereby agree to release and discharge the Company and their present, former and future partners, affiliates, direct and indirect parents, subsidiaries, successors, directors, officers, employees, agents, attorneys, heirs and assigns (the "Released Parties"), from any and all claims, actions and causes of action that you may have or in the future may possess with respect to the Released Parties, including, but not limited to, claims, actions and causes of action arising out of your employment relationship with the Company or the termination of such employment, and including, but not limited to, any claims arising under Title VII of the Civil Rights Act of 1964, the Rehabilitation Act of 1973, the Americans With Disabilities Act of 1990, the Civil Rights Act of 1866, the Civil Rights Act of 1991, the Employee Retirement Income Security Act of 1974, as amended, the Family and Medical Leave Act of 1993, and any other federal, state or local law whether such claim arises under statute or common law and whether or not you are presently aware of the existence of such claim, damage, action and cause of action, suit or demand. You also forever release, discharge and waive any right you may have to recover in any proceeding brought by any federal, state or local agency against the Released Parties to enforce any laws. You agree that the value received as described in this letter agreement shall be in full satisfaction of any and all claims, actions or causes of action for payment or other benefits of any kind that you may have against the Released Parties. Notwithstanding the foregoing, this letter agreement does not apply to your rights, if any, to payment of benefits pursuant to any employee benefit plan.

8. In further recognition of the consideration recited above, you hereby release and discharge the Released Parties from any and all claims, actions and causes of action that you may have against the Released Parties arising under the federal Age Discrimination in Employment Act of 1967, as amended, and the applicable rules and regulations promulgated thereunder. By signing this agreement, you represent that (i) you have been given the opportunity to consult with the attorney(s) of your choice prior to signing this letter agreement and to have such attorney(s) explain the provisions of this letter agreement to you, (ii) that you are aware that this offer will remain open for your acceptance for not less than twenty-one days, (iii) that for a period of seven days following your acceptance hereof you have the option to revoke such acceptance in accordance with the terms set forth below and (iv) that you have knowingly and voluntarily accepted the terms of the offer as described herein.

9. You shall not commence or join any legal action, which term includes, but is not limited to, any demand for arbitration proceedings and any complaint to any federal,

state or local agency, to assert any claim against a Released Party. If you commence or join any legal action against a Released Party, you will indemnify such Released Party for its reasonable costs and attorneys fees incurred in defending such action as well as any monetary judgment obtained by you against any Released Party in such action.

10. You hereby represent and warrant to the Company that you have returned all computer hardware or software, files, papers, memoranda, correspondence, customer lists, financial data, credit cards, keys and security access cards, and all items of any nature which are the property of the Company.

11. You acknowledge and agree that you continue to be bound by the restrictive covenants included in Section 6 of the Retention Agreement between you and the Company dated [] and that you have and shall continue to abide by the terms thereof.

12. During the Restricted Period (as defined in the Retention Agreement), you shall make all reasonable and diligent efforts to cooperate with the Company in connection with all pending, threatened or future claims, actions, arbitrations, litigations, investigations, or injuries by any state, federal, foreign or private entity, directly or indirectly arising from or relating to any transaction, event or activity you were involved in, participated in, or had knowledge of, while at the Company which is asserted against any of the Released Parties. Such cooperation shall include all reasonable assistance that the Company determines is necessary, including, but not limited to, meeting or consulting with the Company and its counsel and their designees, reviewing documents, analyzing facts and appearing or testifying as a witness or interviewee or otherwise. The Company will pay you reasonable compensation for your time spent in providing such services and will reimburse you for all expenses incurred, including reasonable legal fees.

13. In connection with such cooperation, except as otherwise required by law, judicial order, subpoena or other lawful process, you will not cooperate or communicate in any way with any other party or witness or their counsel or designees without the express prior written consent of the Company. Requests for such written consent should be directed to the Company Attention: [_____]. You will advise the Company, Attention: [_____], as soon as practicable but in any event within three business days if you are contacted by any person, firm, corporation, association or other entity in connection with the business of the Company or any claim against any of the Released Parties. Upon receiving such a request, the Company will respond as soon as practicable but in any event within five business days by either granting or denying such consent or by stating that it is not in a position to take such action due to the temporary unavailability of certain individuals at the Company.

14. This letter shall be governed and construed in accordance with the laws of the State of New York without reference to principles of conflict of laws.

15. If any term or provision of this letter agreement shall be determined to be invalid or unenforceable to any extent or in any application, then the remainder of this letter agreement shall not be affected thereby and shall be valid and enforceable.

16. No failure or delay on the part of the Company in the exercise of any power, right or privilege hereunder shall operate as a waiver, nor shall any single or partial exercise of any such power, right or privilege operate as a waiver. The waiver by the Company of any breach or requirement of any provision of this letter shall not operate as a waiver of any subsequent breach or requirement.

17. The rights under this letter shall inure to the benefit of the successors and assigns of the Company.

18. If accepted by you, this letter agreement may not be amended or modified except by a writing executed by you and the Company that specifically refers to this letter agreement and, expressly states that it is intended to amend one or more terms of this letter agreement or to supersede this letter agreement as a whole.

This Offer will remain open for your acceptance until the close of business on [date 21 days after delivery of Offer] after which it will lapse.

[FORM OF RELEASE FOR EMPLOYEES WITHOUT RETENTION BONUS
AGREEMENTS]

[Date]

[Employee Name]
[Address]

Dear [Employee]:

This letter contains an offer by Computer Language Research, Inc., (the "Company"), a Texas corporation, of terms for the termination of your employment ("Offer"). To accept the Company's Offer, you must affix your signature at the end of this letter and return it to [name] in person or by mail postmarked no later than [date 21 days after delivery of Offer]. If you do not accept the Company's Offer, you will not receive the benefits described herein, your participation in the Company's Retention Bonus Plan (the "Retention Bonus Plan") shall immediately terminate and will not be entitled to any additional benefits under the Retention Bonus Plan.

1. Effective as of [date], your employment with the Company is terminated ("Termination Date"). Therefore, as of such date, you will cease to be an active employee for purposes of any welfare, benefit or other plan maintained by the Company and you will no longer be entitled to receive any salary or wages from the Company.

2. As soon as practicable after your acceptance of the Offer, the Company shall make a lump sum payment to you equal to the amount that the Company would have owed to you under the Retention Bonus Plan had you continued to be employed by the Company until the second anniversary of the Effective Date (as defined in the Retention Bonus Plan).

3. You are not entitled to receive benefits beyond the Termination Date, except (i) as specifically provided in this Agreement, (ii) in accordance with the terms of any employee benefit plan maintained by the Company in which you participate, or (iii) COBRA. You will be provided at a future date with information regarding your rights under COBRA to continue certain health benefits at your own expense.

4. In recognition of the Offer outlined above, you hereby agree to release and discharge the Company and their present, former and future partners, affiliates, direct and indirect parents, subsidiaries, successors, directors, officers, employees, agents, attorneys, heirs and assigns (the "Released Parties"), from any and all claims, actions and causes of action

that you may have or in the future may possess with respect to the Released Parties, including, but not limited to, claims, actions and causes of action arising out of your employment relationship with the Company or the termination of such employment, and including, but not limited to, any claims arising under Title VII of the Civil Rights Act of 1964, the Rehabilitation Act of 1973, the Americans With Disabilities Act of 1990, the Civil Rights Act of 1866, the Civil Rights Act of 1991, the Employee Retirement Income Security Act of 1974, as amended, the Family and Medical Leave Act of 1993, and any other federal, state or local law whether such claim arises under statute or common law and whether or not you are presently aware of the existence of such claim, damage, action and cause of action, suit or demand. You also forever release, discharge and waive any right you may have to recover in any proceeding brought by any federal, state or local agency against the Released Parties to enforce any laws. You agree that the value received as described in this letter agreement shall be in full satisfaction of any and all claims, actions or causes of action for payment or other benefits of any kind that you may have against the Released Parties. Notwithstanding the foregoing, this letter agreement does not apply to your rights, if any, to payment of benefits pursuant to any employee benefit plan.

5. In further recognition of the consideration recited above, you hereby release and discharge the Released Parties from any and all claims, actions and causes of action that you may have against the Released Parties arising under the federal Age Discrimination in Employment Act of 1967, as amended, and the applicable rules and regulations promulgated thereunder. By signing this agreement, you represent that (i) you have been given the opportunity to consult with the attorney(s) of your choice prior to signing this letter agreement and to have such attorney(s) explain the provisions of this letter agreement to you, (ii) that you are aware that this offer will remain open for your acceptance for not less than twenty-one days, (iii) that for a period of seven days following your acceptance hereof you have the option to revoke such acceptance in accordance with the terms set forth below and (iv) that you have knowingly and voluntarily accepted the terms of the offer as described herein.

6. You shall not commence or join any legal action, which term includes, but is not limited to, any demand for arbitration proceedings and any complaint to any federal, state or local agency, to assert any claim against a Released Party. If you commence or join any legal action against a Released Party, you will indemnify such Released Party for its reasonable costs and attorneys fees incurred in defending such action as well as any monetary judgment obtained by you against any Released Party in such action.

7. You hereby represent and warrant to the Company that you have returned all computer hardware or software, files, papers, memoranda, correspondence, customer lists, financial data, credit cards, keys and security access cards, and all items of any nature which are the property of the Company.

8. You acknowledge and agree that you continue to be bound by the terms of any agreement that is attached as Appendix C to the Retention Bonus Plan and that you have and shall continue to abide by the terms thereof.

9. Beginning on the Termination Date and continuing for eighteen months thereafter, you shall make all reasonable and diligent efforts to cooperate with the Company in connection with all pending, threatened or future claims, actions, arbitrations, litigations, investigations, or injuries by any state, federal, foreign or private entity, directly or indirectly arising from or relating to any transaction, event or activity you were involved in, participated in, or had knowledge of, while at the Company which is asserted against any of the Released Parties. Such cooperation shall include all reasonable assistance that the Company determines is necessary, including, but not limited to, meeting or consulting with the Company and its counsel and their designees, reviewing documents, analyzing facts and appearing or testifying as a witness or interviewee or otherwise. The Company will pay you reasonable compensation for your time spent in providing such services and will reimburse you for all expenses incurred, including reasonable legal fees.

10. In connection with such cooperation, except as otherwise required by law, judicial order, subpoena or other lawful process, you will not cooperate or communicate in any way with any other party or witness or their counsel or designees without the express prior written consent of the Company. Requests for such written consent should be directed to the Company Attention: [_____]. You will advise the Company, Attention: [_____], as soon as practicable but in any event within three business days if you are contacted by any person, firm, corporation, association or other entity in connection with the business of the Company or any claim against any of the Released Parties. Upon receiving such a request, the Company will respond as soon as practicable but in any event within five business days by either granting or denying such consent or by stating that it is not in a position to take such action due to the temporary unavailability of certain individuals at the Company.

11. This letter shall be governed and construed in accordance with the laws of the State of New York without reference to principles of conflict of laws.

12. If any term or provision of this letter agreement shall be determined to be invalid or unenforceable to any extent or in any application, then the remainder of this letter agreement shall not be affected thereby and shall be valid and enforceable.

13. No failure or delay on the part of the Company in the exercise of any power, right or privilege hereunder shall operate as a waiver, nor shall any single or partial exercise of any such power, right or privilege operate as a waiver. The waiver by the Company of any breach or requirement of any provision of this letter shall not operate as a waiver of any subsequent breach or requirement.

[MODEL RETENTION BONUS AWARD LETTER
FOR EMPLOYEES WITHOUT
NONCOMPETE/NONSOLICITATION AGREEMENTS]

[Company Letterhead]

[Date]

[Employee]
[Address]

Dear [Employee]:

In recognition of your efforts and the contributions you have made and the future contributions we hope you will continue to make as an employee of Computer Language Research, Inc. (the "Company"), we are offering you the opportunity to earn a special Retention Bonus (the "Retention Bonus") in the amount indicated below. The Retention Bonus will be fully subject to the terms of the Retention Bonus Plan, to which this award letter is attached as Appendix B.

Please note that this letter is not intended as a guarantee of continuing employment or as an employment contract governing any term or condition (other than with respect to eligibility for the Retention Bonus) of your at-will employment with the Company, but as an incentive to you to continue to work for the Company and in appreciation of your service. If you have questions about this letter, please feel free to call [name] at [telephone number].

Computer Language Research, Inc.

By: _____

Title: _____

Amount of Retention Bonus Award: \$ _____

[MODEL RETENTION BONUS AWARD LETTER
FOR EMPLOYEES WITH
NONCOMPETE/NONSOLICITATION AGREEMENTS]

[Firm Letterhead]

[Date]

[Employee]
[Address]

Dear [Employee]:

In recognition of your efforts and the contributions you have made and the future contributions we hope you will continue to make as an employee of Computer Language Research, Inc. (the "Company") and as consideration for your execution of the agreement attached as Appendix C to the Retention Bonus Plan (the "Restrictive Covenant Agreement"), we are offering you the opportunity to earn a special Retention Bonus (the "Retention Bonus") in the amount indicated below. The Retention Bonus will be fully subject to the terms of the Retention Bonus Plan, to which this award letter is attached as Appendix B. The obligation of the Company to pay to you the Retention Bonus is fully conditioned upon your execution of the Restrictive Covenant Agreement and compliance therewith.

Please note that this letter is not intended as a guarantee of continuing employment or as an employment contract governing any term or condition (other than with respect to eligibility for the Retention Bonus) of your at-will employment with the Company, but as an incentive to you to continue to work for the Company and in appreciation of your service. If you have questions about this letter, please feel free to call [name] at [telephone number].

Computer Language Research, Inc.

By: _____

Title: _____

Amount of Retention Bonus Award: \$ _____

[Date]

[Name of Executive]

[Address]

Dear [Name of Executive]:

In consideration of the grant of a retention bonus (the "Bonus") under the Retention Bonus Plan (the "Plan") proposed to be made pursuant to the Plan to which this agreement (the "Agreement") is attached as Appendix C and other good and valuable consideration provided to you by Computer Language Research, Inc. (the "Company"), you hereby covenant and agree to the following:

1. Confidentiality. You possess and will continue to possess information which has been created, discovered, developed by or otherwise become known to you (including information discovered or made available by subsidiaries, affiliates or joint ventures of the Company or in which property rights have been assigned or otherwise conveyed to the Company), which information has commercial value to the Company, including but not limited to trade secrets, innovations, processes, computer codes, data, know-how, improvements, discoveries, developments, techniques, marketing plans, strategies, costs, customer and client lists, or any information you have reason to know the Company would treat as confidential for any purpose, whether or not developed by you (hereinafter referred to as "Confidential Information"). Unless instructed in writing by the Company, you will not, at any time, disclose to others, or use, or allow anyone else to disclose or use, any Confidential Information (except as may be necessary in the performance of your employment with the Company), unless, until and then only to the extent that such Confidential Information has become ascertainable or obtained from public or published sources or was available to you on a non-confidential basis prior to any such disclosure or use, provided that the source of such material, to your knowledge upon inquiry, is or was not bound by an obligation of confidentiality to the Company.

2. Restrictive Covenants. You acknowledge that because of your skills, your position with the Company and the Confidential Information to which you shall have access or be provided on account of such employment with the Company, competition by you with the Company could damage the Company in a manner which cannot adequately be compensated by damages or an action at law. In view of such circumstances, because of the Confidential Information obtained by, or disclosed to you, and as a material inducement to the Company to grant the Bonus and other good and valuable consideration, you covenant and agree to the following (for purposes of this Agreement, the term "directly or indirectly" shall be construed in its broadest sense and shall include the activities of the members of your immediate family or any partnership in which you are a partner):

(a) Noncompetition. During your employment with the Company and for a period of eighteen months thereafter (the "Restricted Period"), you shall not (as principal, agent, employee, consultant or otherwise), engage (other than on behalf of the Company or its affiliates) directly or indirectly, in the Tax and Accounting Software Business (as defined below) anywhere in the world or, without the prior written consent of the Company, directly or indirectly, own an interest in, manage, operate, join, control, lend money or render financial or other assistance (other than customary professional courtesies afforded to members of the business community) to or participate in or be connected with, as an officer, employee, partner, stockholder, consultant, advisor or other similar capacity, any person that engages in the Tax and Accounting Software Business (other than the Company or its affiliates); provided, however, that, for the purposes of this paragraph 2(a), ownership of securities having no more than one percent of the outstanding voting power of any competitor which are listed on any national securities exchange or traded actively in the national over-the-counter market shall not be deemed to be in violation of this paragraph 2(a) so long as the person owning such securities has no other connection or relationship with such competitor that would not be permitted hereby. For purposes hereof, "Tax and Accounting Software Business" means the business of developing, designing, publishing, marketing and distributing (i) tax compliance and tax planning software and services for tax and accounting professionals within corporations, banks, government agencies and accounting firms; (ii) accounting and practice management software and services marketed primarily to accounting firms; and (iii) other tax and accounting software products and services which are developed, or are under development, by the Company during the period from the Effective Time through your termination of employment.

(b) Nonsolicitation of Customers. You hereby agree that, during the Restricted Period (other than on behalf of the Company or its affiliates), you will not in any way, directly or indirectly, for the purpose of conducting or engaging in the Tax and Accounting Software Business, call upon, solicit, advise or otherwise do, or attempt to do, business with any customers of the Company or any affiliate of the Company with whom the Company or any such affiliate had any dealings during the two year period prior to the first day of the Restricted Period, or take away or interfere or attempt to interfere with any customer, trade, business or patronage of the Company or any affiliate.

(c) Nonsolicitation. You hereby agree that, during the Restricted Period, you will not in any way, directly or indirectly, hire, attempt to hire, interfere with or attempt to interfere with any officers, employees, representatives, consultants or agents of the Company or any affiliate, or any former officer, employee, representative, consultant or agent of the Company or any affiliate who resigned or was terminated within the prior six-month period (other than an employee whose employment was terminated by the Company or an affiliate without Cause or who resigned from his or her employment with the Company for Good Reason as such terms are defined in the Retention Bonus Plan), or induce or attempt to induce

any of them to leave the employ of the Company or any affiliate or violate the terms of their contracts, or any arrangements, with the Company or any affiliate.

(d) Assignment of Developments. All Developments that were or are at any time made, conceived or suggested by you, whether acting alone or in conjunction with others, during your employment with the Company shall be the sole and absolute property of the Company, free of any reserved or other rights of any kind on your part. During your employment and, if such Developments were made, conceived or suggested by you during your employment with the Company, thereafter, you shall promptly make full disclosure of any such Developments to the Company and, at the Company's cost and expense, do all acts and things (including, among others, the execution and delivery under oath of patent and copyright applications and instruments of assignment) deemed by the Company to be necessary or desirable at any time in order to effect the full assignment to the Company of your right and title, if any, to such Developments. For purposes of this Agreement, the term "Developments" shall mean all data, discoveries, findings, reports, designs, inventions, improvements, methods, practices, techniques, developments, programs, concepts, and ideas, whether or not patentable, relating to the present or planned activities (with respect to the Tax and Accounting Software Business) of which you are as of the date of this Agreement aware or of which you at any time during your employment become aware, or the products and services of the Company or any of its affiliates (with respect to the Tax and Accounting Software Business).

(e) Reasonable Limitations. Given the important nature of the position you hold with the Company, the nature of the Company's business and the sensitive nature of the Confidential Information and duties you have with the Company, the parties acknowledge that the limitations, including but not limited to, the scope of activities prohibited, the geographic area covered and the time limitation, are reasonable.

(f) Remedies. In the event of an actual or threatened breach by you of the provisions of paragraphs 1 and 2 of this Agreement, the Company shall be entitled to a temporary restraining order and an injunction restraining you from such breach. Nothing herein, however, shall be construed as prohibiting the Company from pursuing any other remedies available to it for such actual or threatened breach, including, without limitation, the recovery of damages and reasonable attorneys' and paralegals' fees and costs from you. If you violate any of the covenants in paragraphs 1 and 2 of this Agreement, the term and the covenant violated shall be automatically extended for the period of time of the violation, either from the date on which you cease such violation or from the date of the entry by a court of competent jurisdiction of an order or judgment enforcing such covenants, whichever period is later.

(g) Condition Precedent. You hereby acknowledge and agree that the covenants set forth herein are an essential element of your entitlement to the Retention Bonus set forth as Appendix B to the Retention Bonus Plan to which this Agreement is attached as

Appendix C, and that, your agreement to comply and your actual compliance with these covenants shall constitute the fair and equitable consideration by you for the Retention Bonus.

3. Waiver of Breach and Severability. The waiver by the Company of a breach of any provision of this Agreement by you shall not operate or be construed as a waiver of any subsequent breach by you. In the event any provision of this Agreement is found to be invalid or unenforceable, it may be severed from the Agreement and the remaining provision of the Agreement shall continue to be binding and effective; provided, however, that, if possible, it is the intention of each of the parties that such provision be construed and interpreted as narrowly as necessary in order to make such provision valid and enforceable.

4. Entire Agreement. This instrument contains the entire agreement of the parties and supersedes any prior understandings and agreements between them respecting the subject matter of this Agreement. It may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

5. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

6. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware without regard to the laws of any other state or jurisdiction. Each of you and the Company hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim arising out of or relating to this Agreement.

COMPUTER LANGUAGE RESEARCH, INC.

By: _____
Name:
Title:

ACKNOWLEDGED AND AGREED
AS OF THE DATE FIRST ABOVE WRITTEN

[Name of Employee]

RETENTION AGREEMENT

RETENTION AGREEMENT (this "Agreement"), made as of January __, 1998 by and between Computer Language Research, Inc., a Delaware corporation (the "Company"), and Francis Winn ("Executive").

W I T N E S S E T H:

WHEREAS, Executive is currently a valued key executive of the Company; and

WHEREAS, the Company and The Thomson Corporation ("Thomson") are presently negotiating the purchase of the Company by a subsidiary of Thomson (the "Acquisition") and the Company recognizes that, as a result of the Acquisition, uncertainty and questions could rise among management and could result in the departure or distraction of management personnel to the detriment of the Company; and

WHEREAS, the Company considers it essential to its best interests to foster the continuous employment of key management personnel, such as Executive, by providing for the payment of severance and other benefits in the event of Executive's termination of employment following the Acquisition;

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, the parties hereto agree as follows:

1. Employment and Duties.

The Company hereby agrees to employ Executive and Executive hereby accepts such employment. During the Term, as defined in Section 2 below, Executive shall have such duties as may be assigned to Executive from time to time by the Chief Executive Officer of the Company or the designee thereof or the Board of Directors. Executive shall devote his business time, attention, skill and efforts, in accordance with past practice, during the Term to the faithful performance of his duties hereunder and shall not accept employment elsewhere during the Term.

2. Term.

The term of Executive's employment under this Agreement (the "Term") shall commence on the closing date of the Acquisition and shall continue in effect through December

31, 1998. The provisions of this Agreement shall continue in effect beyond the Term to the extent necessary to carry out the intentions of the parties hereto.

3. Compensation.

During the Term, Executive shall be entitled to the following compensation for his services to the Company:

(a) Base Salary. The Company shall pay Executive a base salary (the "Base Salary") at an annual rate of \$250,000, in accordance with the ordinary payroll practices of the Company.

(b) Retirement, Savings and Welfare Benefit Plans. Executive and/or Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under each retirement, savings and welfare benefit plan of the Company, as in effect immediately prior to the Acquisition (or such benefits that may be substituted therefor by the Company) applicable to other key executives, including, without limitation, all medical, dental, disability, group life, accidental death and travel accident insurance plans and programs.

(c) Expenses. Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by him in the performance of his duties for the Company which shall be paid to him in accordance with the policies and procedures of the Company as in effect at any time thereafter with respect to other key executives.

4. Termination of Employment.

(a) Termination for Cause; Resignation without Good Reason. The Company may terminate Executive's employment hereunder for Cause (as defined below). If Executive's employment is terminated by the Company for Cause, or by Executive for reasons other than Good Reason (as defined below) prior to the expiration of the Term, the Company shall be obligated to make payment of any Base Salary earned prior to the date of the termination of Executive's employment with the Company (the "Date of Termination") but not yet paid to Executive, any unreimbursed business expenses and any payment from any employee benefit plan described in Section 3 of this Agreement which shall be paid in accordance with such plan and the continuation of coverage under any insurance program as required under any such benefit plan or which may be required by law. Except as provided above, the Company shall not be obligated to make any additional payments of compensation or benefits specified in Section 3 of this Agreement for any periods after the Date of Termination.

"Cause" shall mean the termination of Executive's employment by the Company or Thomson by reason of (i) his willful, negligent or repeated failure to perform the material duties of his position (following reasonable notice and an opportunity to cure in the event of negligent or repeated failure to perform only); (ii) any willful misconduct or gross negligence on Executive's part which is injurious to the Company or Thomson; (iii) Executive's conviction or plea of no contest to either (A) a felony or (B) a misdemeanor involving dishonesty or moral turpitude; or (iv) Executive's commission of any act of fraud against, or the misappropriation of property belonging to, the Company or Thomson; or (v) Executive's making a materially false statement to the auditors or legal counsel of the Company or Thomson or Executive's willful falsification of any corporate document or form.

"Good Reason" shall mean one or more of the following changes to the terms and conditions of Executive's employment with the Company or any affiliate after the effective date of the Acquisition: (i) any material reduction in Executive's Base Salary (compared to Executive's base rate of salary for the 1997 calendar year), (ii) a material reduction in Executive's level of authority or the duties or responsibilities of Executive's position; or (iii) a relocation of Executive's principal place of employment by more than fifty (50) miles from Executive's current principal place of employment, provided such reduction or relocation is effected without Executive's written consent.

(b) Resignation for Good Reason; Termination without Cause.

Executive shall be entitled to the following compensation and benefits if Executive's employment is terminated by Executive for Good Reason or by the Company without Cause, in either case at any time prior to the expiration of the Term:

(i) Salary Continuation. In addition to the payment of all Base Salary earned but not paid, the Company shall continue to pay Executive his Base Salary in accordance with the terms of this Agreement through the end of the Term.

(ii) Benefit Continuation. Executive shall continue to participate in all employee benefit plans referenced in Section 3(b) above through the end of the Term in accordance with the terms of this Agreement.

(iii) Severance Payment. Subject to Section 5, after the expiration of the Term and in lieu of any other severance payment or benefit that Executive would otherwise be entitled to receive under any plan, program or arrangement of the Company or its affiliates except as provided in this Agreement, the Company shall continue to pay Executive an amount equal to his Base Salary in accordance with the terms of this Agreement beginning on January 1, 1999 and continuing through December 31, 1999 (the "Severance Payment").

(c) Termination of Employment At or After the End of the Term. In the event that Executive's employment is terminated either by Executive or by the Company for any reason either at or after the end of the Term, in addition to the compensation and benefits that Executive is entitled to receive under Section 3 above, Executive shall, subject to Section 5 below, be entitled to severance payments as follows. Beginning on the Date of Termination and continuing through December 31, 1999, the Company shall continue to pay Executive an amount equal to a pro rata portion of his Base Salary in accordance with the terms of this Agreement. The parties hereto agree that any payment under this Section 4(c) shall be in lieu of any other severance payment or benefit that Executive would otherwise be entitled to receive under any plan, program or arrangement of the Company or its affiliates except as provided in this Agreement.

(d) Death or Disability Before End of Term. If Executive dies or incurs a Permanent Disability (as defined below) prior to the expiration of the Term, the Company shall be under no obligation to make additional payments of the compensation and benefits described in Section 3 of the Agreement to Executive or Executive's estate after the Date of Termination; provided, however, that the Company shall pay Executive or his estate, as the case may be, (i) any Base Salary earned prior to the Date of Termination but not yet paid as of such date, (ii) Executive's Base Salary during the remainder of the Term and (iii) the Severance Payment according to the terms set forth in Section 4(b)(iii) above. The Company shall also continue to provide any benefits to Executive and Executive's survivors as required by law. "Permanent Disability" shall mean Executive's physical or mental incapacity to perform his employment duties for a total of sixteen consecutive weeks or for an aggregate of more than six months in any fourteen-month period (as determined by a physician who shall be selected by the Company and the decision of whom shall be final and conclusive.

(e) Notice of Termination Required. No termination of employment by Executive or by the Company pursuant to this Section 4 shall be effective unless the terminating party shall have delivered a Notice of Termination. For purposes of this Agreement, a "Notice of Termination" shall mean a written notice which shall indicate the specific termination provision in this Agreement relied upon and, in the case of a termination of Executive's employment by the Company for Cause or by Executive for Good Reason, shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated.

(f) Nature of Payments. Any amounts due under this Section 4 are in the nature of severance payments, liquidated damages, or both, and are not in the nature of a penalty.

5. Waiver and Release.

Upon a termination by the Company without Cause or the resignation of Executive for Good Reason, Executive hereby acknowledges and agrees that in order to be entitled to receive from the Company any payment under any of Sections 4(b)(iii) or 4(c), Executive shall execute a waiver and release of claims pertaining to the employment of Executive by the Company substantially in the form attached as Exhibit A hereof.

6. Protection of the Company's Interests.

(a) Confidentiality. Executive hereby acknowledges and agrees that he possesses and will continue to possess information which has been created, discovered, developed by or otherwise become known to Executive (including information discovered or made available by subsidiaries, affiliates or joint ventures of the Company or in which property rights have been assigned or otherwise conveyed to the Company), which information has commercial value to the Company, including but not limited to trade secrets, innovations, processes, computer codes, data, know-how, improvements, discoveries, developments, techniques, marketing plans, strategies, costs, customer and client lists, or any information Executive has reason to know the Company would treat as confidential for any purpose, whether or not developed by Executive (hereinafter referred to as "Confidential Information"). Unless instructed in writing by the Company, Executive will not, at any time, disclose to others, or use, or allow anyone else to disclose or use, any Confidential Information (except as may be necessary in the performance of Executive's employment with the Company), unless, until and then only to the extent that such Confidential Information has become ascertainable or obtained from public or published sources or was available to Executive on a non-confidential basis prior to any such disclosure or use, provided that the source of such material, to Executive's knowledge upon inquiry, is or was not bound by an obligation of confidentiality to the Company.

(b) Restrictive Covenants. Executive hereby acknowledges that because of his skills, his position with the Company and the Confidential Information to which Executive shall have access or be provided on account of such employment with the Company, competition by Executive with the Company could damage the Company in a manner which cannot adequately be compensated by damages or an action at law. In view of such circumstances, because of the Confidential Information obtained by, or disclosed to Executive, and as a material inducement to the Company to enter into this Agreement and other good and valuable consideration, Executive covenants and agrees to the following (for purposes of this Agreement, the term "directly or indirectly" shall be construed in its broadest sense and shall include the activities of the members of Executive's immediate family or any partnership in which Executive is a partner):

(i) Noncompetition. During Executive's employment with the Company and for a period of eighteen months thereafter (the "Restricted Period"), Executive shall

not, directly or indirectly, in the Tax and Accounting Software Business (as defined below) anywhere in the world or, without the prior written consent of the Company, directly or indirectly, own an interest in, manage, operate, join, control, lend money or render financial or other assistance (other than customary professional courtesies afforded to members of the business community) to or participate in or be connected with, as an officer, employee, partner, stockholder, consultant, advisor or other similar capacity, any person that engages in the Tax and Accounting Software Business (other than the Company or its affiliates); provided, however, that, for the purposes of this Section 6(b)(i), ownership of securities having no more than one percent of the outstanding voting power of any competitor which are listed on any national securities exchange or traded actively in the national over-the-counter market shall not be deemed to be in violation of this Section 6(b)(i) so long as the person owning such securities has no other connection or relationship with such competitor that would not be permitted hereby. For purposes hereof, "Tax and Accounting Software Business" means the business of developing, designing, publishing, marketing and distributing (i) tax compliance and tax planning software and services for tax and accounting professionals within corporations, banks, government agencies and accounting firms; (ii) accounting and practice management software and services marketed primarily to accounting firms; and (iii) other tax and accounting software products and services which are developed, or are under development, by the Company during the period from the Effective Time through termination of employment of Executive.

(ii) Nonsolicitation of Customers. Executive hereby agrees that, during the Restricted Period (other than on behalf of the Company or its affiliates), Executive will not in any way, directly or indirectly, for the purpose of conducting or engaging in the Tax and Accounting Software Business, call upon, solicit, advise or otherwise do, or attempt to do, business with any customers of the Company or any affiliate of the Company with whom the Company or any such affiliate had any dealings during the two year period prior to the first day of the Restricted Period, or take away or interfere or attempt to interfere with any customer, trade, business or patronage of the Company or any affiliate.

(iii) Nonsolicitation. Executive hereby agrees that, during the Restricted Period, Executive will not in any way, directly or indirectly, hire, attempt to hire, interfere with or attempt to interfere with any officers, employees, representatives, consultants or agents of the Company or any affiliate, or any former officer, employee, representative, consultant or agent of the Company or any affiliate who resigned or was terminated within the prior six-month period (other than an employee whose employment was terminated by the Company or an affiliate without Cause or who resigned from his or her employment with the Company for Good Reason as such terms are defined in the Retention Bonus Plan), or induce or attempt to induce any of them to

leave the employ of the Company or any affiliate or violate the terms of their contracts, or any arrangements, with the Company or any affiliate.

(iv) Assignment of Developments. All Developments that were or are at any time made, conceived or suggested by Executive, whether acting alone or in conjunction with others, during Executive's employment with the Company shall be the sole and absolute property of the Company, free of any reserved or other rights of any kind on the part of Executive. During Executive's employment and, if such Developments were made, conceived or suggested by Executive during his employment with the Company, thereafter, Executive shall promptly make full disclosure of any such Developments to the Company and, at the Company's cost and expense, do all acts and things (including, among others, the execution and delivery under oath of patent and copyright applications and instruments of assignment) deemed by the Company to be necessary or desirable at any time in order to effect the full assignment to the Company of Executive's right and title, if any, to such Developments. For purposes of this Agreement, the term "Developments" shall mean all data, discoveries, findings, reports, designs, inventions, improvements, methods, practices, techniques, developments, programs, concepts, and ideas, whether or not patentable, relating to the present or planned activities (with respect to the Tax and Accounting Software Business) of which Executive is as of the date of this Agreement aware or of which Executive during his employment becomes aware, or the products and services of the Company or any of its affiliates (with respect to the Tax and Accounting Software Business).

(v) Reasonable Limitations. Given the important nature of the position Executive holds with the Company, the nature of the Company's business and the sensitive nature of the Confidential Information and duties Executive has with the Company, the parties acknowledge that the limitations, including but not limited to, the scope of activities prohibited, the geographic area covered and the time limitation, are reasonable.

(vi) Remedies. In the event of an actual or threatened breach by Executive of the provisions of this Section 6, the Company shall be entitled to a temporary restraining order and an injunction restraining Executive from such breach. Nothing herein, however, shall be construed as prohibiting the Company from pursuing any other remedies available to it for such actual or threatened breach, including, without limitation, the recovery of damages and reasonable attorneys' and paralegals' fees and costs from Executive. If Executive violates any of the covenants in this Section 6, the term and the covenant violated shall be automatically extended for the period of time of the violation, either from the date on which Executive ceases such violation or from the date of the entry by a court of competent jurisdiction of an order or judgment enforcing such covenants, whichever period is later.

7. No Obligation to Mitigate.

Following termination of Executive's employment, Executive shall be under no obligation to seek other employment or otherwise to mitigate damages resulting from his termination of employment. In addition, there shall be no offset against amounts due to Executive under any provision of this Agreement, on account of any remuneration to which Executive becomes entitled from any person for whom Executive subsequently provides services.

8. Successors; Binding Agreement.

This Agreement shall inure to and be binding upon the successors and assigns of the Company. This Agreement shall inure to the benefit of and be enforceable by Executive and Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees but shall not be assignable by Executive.

9. Notices.

Any notice hereunder by either party to the other shall be given in writing by personal delivery, telex, telecopy or certified mail, return receipt requested, to the address first set forth below in the case of the Company, and to the address set forth on the signature page hereof in the case of Executive (or, in either case, to such other address as may from time to time be designated by notice by any party hereto for such purpose):

Computer Language Research, Inc.
2395 Midway Road
Carrollton, Texas 75006
Attention: General Counsel
Telecopier No.: (972) 250-8423

with a copy to:

The Thomson Corporation
1 Station Place
Stamford, Connecticut 06902
Attention: General Counsel
Telecopier No.: (203) 348-5718

and with an additional copy to:

Shearman & Sterling
599 Lexington Avenue
New York, New York 10022
Telecopier No. (212) 848-7179
Attention: David W. Heleniak, Esq.

Notice shall be deemed given, if by personal delivery, on the date of such delivery or, if by telex or telecopy, on the business day following receipt of answer back or telecopy confirmation or, if by certified mail, on the date shown on the applicable return receipt.

10. Amendment and Waiver.

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 Executive and the Company. 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.

11. Merger of Prior Agreements and Negotiations.

(a) This Agreement sets forth all of the promises, agreements, conditions and understandings between the parties hereto respecting the subject matter hereof and supersedes all prior negotiations, conversations, discussions, correspondence, memoranda and agreements between the parties concerning such subject matter.

(b) Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between Executive and the Company, the employment of Executive by the Company is "at will" and that, subject to the provisions of Section 3 above, if Executive's employment is terminated by either Executive or the Company at any time prior to the beginning of the Term, Executive shall have no further rights under this Agreement. From and after the commencement of the Term, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

12. Partial Invalidity.

If the final determination of a court of competent jurisdiction or arbitrator declares, after the expiration of the time within which judicial review (if permitted) of such determination may be perfected, that any term or provision hereof is invalid or unenforceable,

(a) the remaining term and provisions hereof shall be unimpaired and (b) 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.

13. Governing Law; Legal Actions.

This Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware without regard to the laws of any other state or jurisdiction. Each of the Company and Executive hereby waives all right to trial by jury in any action or proceeding arising out of or relating to this Agreement. Each party will be liable for any legal fees incurred by such party pursuant to any dispute or controversy arising hereunder.

14. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto, having entered into this Agreement as of January , 1998.

COMPUTER LANGUAGE
RESEARCH, INC.

By: _____
Title:

EXECUTIVE

Name: Francis Winn
Title:
Address:

RETENTION BONUS PLAN

This Retention Bonus Plan (the "Plan") is primarily designed to provide certain eligible employees of Computer Language Research, Inc. (the "Company") with the opportunity to participate in a special bonus retention program, provided they remain in the employ of the Company through the completion of a designated transition period following the Acquisition. The Plan shall become effective as of the Effective Time and shall continue in effect until terminated by the Company's Board of Directors (the "Board") in accordance herewith. Capitalized terms that are not otherwise defined herein shall have the meaning set forth in the Agreement and Plan of Merger among The Thomson Corporation ("Parent"), a wholly-owned subsidiary of the Parent and the Company.

I. ELIGIBILITY

You shall be eligible to receive your designated retention bonus under the Plan if each of the following requirements is satisfied;

- o the Board has selected you for participation in the Plan and the Company has communicated such participation to Parent in writing prior to the Effective Time;
- o you remain actively employed by the Company or the Parent or a subsidiary of the Parent or the Company until the earlier to occur of (i) the completion of the Bonus Earn-Out Period designated below or (ii) the occurrence of any of the following events: (A) the involuntary termination of your employment by the Company or the Parent for any reason other than for Cause, (B) your resignation for Good Reason or (C) your death or Permanent Disability;
- o if any such agreement is attached hereto, the execution by you, and your continued compliance with, such agreement attached hereto as Appendix C; and
- o if you are terminated by the Company without Cause or resign from your employment for Good Reason, the execution by you of a waiver and release of claims pertaining to your employment with the Company, substantially in the form attached hereto as Appendix A.

The amount of your retention bonus was determined by the Board at the time of your selection for participation in the Plan and is indicated on the retention bonus award letter

attached hereto as Appendix B. Your retention bonus will become payable in two installments during the Bonus Earn-Out Period, and you must remain in eligible employee status to receive each such installment.

No individuals other than those identified to Parent by the Company in writing prior to the Effective Time as participants in the Plan shall be eligible to participate in this Plan.

You will not be eligible for any retention bonus under this Plan if any of the following circumstances occur:

- o You voluntarily terminate employment with the Company or the Parent other than for Good Reason.
- o You are terminated by the Company or the Parent for Cause.

For purposes of the Plan, the following definitions shall be in effect:

- o "Acquisition" shall mean the acquisition of the Company by the Parent or a subsidiary of the Parent.
- o "Bonus-Earn Out Period" shall mean the period beginning at the Effective Time (the "Effective Date") and ending (i) as to 50% of the retention bonus, on the first anniversary of the Effective Date, and (ii) as to the remaining 50% of the retention bonus, on the second anniversary of the Effective Date.
- o "Cause" shall mean the termination of your employment by the Company or the Parent by reason of (i) your willful, negligent or repeated failure to perform the material duties of your position (following reasonable notice and an opportunity to cure in the event of negligent or repeated failure to perform only); (ii) any willful misconduct or gross negligence on your part which is injurious to the Company or the Parent; (iii) your conviction or plea of no contest to either (A) a felony or (B) a misdemeanor involving dishonesty or moral turpitude; or (iv) your commission of any act of fraud against, or the misappropriation of property belonging to, the Company or the Parent; or (v) your making a materially false statement to the auditors or legal counsel of the Company or the Parent or your willful falsification of any corporate document or form.
- o "Good Reason" shall mean one or more of the following changes to the terms and conditions of your employment with the Company or the Parent

after the effective date of the Acquisition: (i) any material reduction in your rate of base salary (compared to your base rate of salary for the 1997 calendar year), (ii) a material reduction in your level of authority or the duties or responsibilities of your position; or (iii) a relocation of your principal place of employment by more than fifty (50) miles from your current principal place of employment, provided such reduction or relocation is effected without your written consent.

- o "Permanent Disability" shall mean your physical or mental incapacity to perform your employment duties for a total of sixteen consecutive weeks or for an aggregate of more than six months in any fourteen-month period (as determined by a physician who shall be selected by the Company and the decision of whom shall be final and conclusive).

II. TERMS OF THE PLAN

The amount of the retention bonus that will be payable to you pursuant to the Plan shall be set forth in the award letter attached hereto as Appendix B.

Your retention bonus will be payable in two installments over the Bonus Earn-Out Period. You must remain employed by the Company or the Parent on each installment date during the Bonus Earn-Out Period in order to receive the installment payable on that date except as provided under Part I hereof. The payout date for each installment during the Bonus Earn-Out Period and the percentage of your retention bonus which is to become due and payable on that date, provided you remain actively employed by the Company or the Parent, are as follows:

| Payment Date ----- | Percentage of Retention Bonus Payable ----- |
|--|--|
| Effective Date | 0% |
| First Anniversary of the Effective Date | 50% |
| Second Anniversary of the Effective Date | 50% |

However, if you become eligible for your retention bonus under the Plan by reason of (i) the termination of your employment with the Company or the Parent other than for Cause, (ii) your resignation for Good Reason or (iii) your death or Permanent Disability, then you will receive the full amount of your retention bonus in a lump-sum payment as soon as administratively feasible following your termination date.

Retention bonuses are not intended to constitute eligible earnings or compensation for purposes of any other employee plans, programs or arrangements now or hereafter offered by the Company or the Parent.

Payment of your retention bonus will be subject to the collection by the Company or the Parent of all applicable federal, state and local income and employment withholding taxes.

III. OTHER IMPORTANT INFORMATION

Plan Administration. Within the scope of the terms of the Plan and in accordance therewith, as the administrator of the Plan, the Board has full discretionary authority to administer and interpret the Plan, including the discretionary authority to determine eligibility for participation and benefits under the Plan and the amount of benefits (if any) payable per participant. All such determinations by the Board shall be final, binding and conclusive upon all persons.

Benefits. All bonuses will be paid from the general assets of the Company. The Company will not establish any trust or escrow to fund the benefits which may become due and payable under the Plan. The benefits provided under the Plan are not assignable or transferable. However, should a participant die prior to receipt of all or any portion of the retention bonus to which he or she becomes entitled under the Plan, then that unpaid amount shall be paid to the executor or administrator of that participant's estate.

Successor Liability. The terms and provisions of this Plan shall be binding upon any successor entity to the Company, and such successor entity shall accordingly be liable for the payment of all benefits which become due and payable under the Plan with respect to the eligible employees of the Company.

Plan Terms. The Plan supersedes any and all prior retention arrangements, programs or plans previously offered by the Company to employees eligible to participate in this Plan.

Taxes. The Company or the Parent will withhold taxes and all other applicable payroll deductions from any payment made pursuant to the Plan. Except to the extent otherwise agreed by the Company in writing, to the extent any retention bonus paid to any eligible employee under the Plan constitutes an "excess parachute payment" within meaning of Section 280G(b) of the Internal Revenue Code of 1986, as amended, that employee shall be solely responsible for any and all excise taxes attributable to such payment, and those excise taxes shall accordingly be withheld from the retention bonus payable to such individual.

No Right to Employment. No provision of the Plan is intended to provide you or any other employee with any right to continue in the employ of the Company or the Parent or otherwise affect the right of the Company or the Parent, which right is hereby expressly reserved by each such party, to terminate the employment of any individual at any time for any reason, with or without cause.

Applicable Law. This Plan shall be governed by the laws of the State of Delaware, without giving effect to the conflicts of laws principles thereof.

[FORM OF RELEASE FOR EXECUTIVES WITH RETENTION BONUS
AGREEMENTS]

[Date]

[Employee Name]
[Address]

Dear [Employee]:

This letter contains an offer by Computer Language Research, Inc. ("the Company"), a Texas corporation, of terms for the termination of your employment ("Offer"). To accept the Company's Offer, you must affix your signature at the end of this letter and return it to [name] in person or by mail postmarked no later than [date 21 days after delivery of Offer]. If you do not accept the Company's Offer, you will not receive the benefits described herein.

1. Effective as of [date], your employment with the Company is terminated ("Termination Date"). Therefore, as of such date, you will cease to be an active employee for purposes of any welfare, benefit or other plan maintained by the Company and you will no longer be entitled to receive any salary or wages from the Company.

2. As soon as practicable after your acceptance of the Offer, the Company will pay you a Special Bonus of [] in a lump sum amount.

3. You shall continue to participate in all employee benefit plans referenced in Section 3(d) of the Retention Agreement dated [] between you and the Company (the "Retention Agreement") through the end of the Term (as defined in the Retention Agreement).

4. As soon as practicable after your acceptance of the Offer, the Company shall make a lump sum payment to you equal to the amount that the Company would have owed to you under the Retention Bonus Plan ("Retention Bonus Plan") had you continued to be employed by the Company until the second anniversary of the Effective Date (as defined in the Retention Bonus Plan).

5. After the expiration of the Term (as defined in the Retention Agreement), the Company shall continue to pay you an amount equal to your Base Salary (as defined in the Retention Agreement), according to the normal payroll practices of the Company, beginning on January 1, 1999 and continuing through December 31, 1999.

6. You are not entitled to receive benefits beyond the Termination Date, except (i) as specifically provided in this Agreement, (ii) in accordance with the terms of any employee benefit plan maintained by the Company in which you participate, or (iii) COBRA. You will be provided at a future date with information regarding your rights under COBRA to continue certain health benefits at your own expense.

7. In recognition of the Offer outlined above, you hereby agree to release and discharge the Company and their present, former and future partners, affiliates, direct and indirect parents, subsidiaries, successors, directors, officers, employees, agents, attorneys, heirs and assigns (the "Released Parties"), from any and all claims, actions and causes of action that you may have or in the future may possess with respect to the Released Parties, including, but not limited to, claims, actions and causes of action arising out of your employment relationship with the Company or the termination of such employment, and including, but not limited to, any claims arising under Title VII of the Civil Rights Act of 1964, the Rehabilitation Act of 1973, the Americans With Disabilities Act of 1990, the Civil Rights Act of 1866, the Civil Rights Act of 1991, the Employee Retirement Income Security Act of 1974, as amended, the Family and Medical Leave Act of 1993, and any other federal, state or local law whether such claim arises under statute or common law and whether or not you are presently aware of the existence of such claim, damage, action and cause of action, suit or demand. You also forever release, discharge and waive any right you may have to recover in any proceeding brought by any federal, state or local agency against the Released Parties to enforce any laws. You agree that the value received as described in this letter agreement shall be in full satisfaction of any and all claims, actions or causes of action for payment or other benefits of any kind that you may have against the Released Parties. Notwithstanding the foregoing, this letter agreement does not apply to your rights, if any, to payment of benefits pursuant to any employee benefit plan.

8. In further recognition of the consideration recited above, you hereby release and discharge the Released Parties from any and all claims, actions and causes of action that you may have against the Released Parties arising under the federal Age Discrimination in Employment Act of 1967, as amended, and the applicable rules and regulations promulgated thereunder. By signing this agreement, you represent that (i) you have been given the opportunity to consult with the attorney(s) of your choice prior to signing this letter agreement and to have such attorney(s) explain the provisions of this letter agreement to you, (ii) that you are aware that this offer will remain open for your acceptance for not less than twenty-one days, (iii) that for a period of seven days following your acceptance hereof you have the option to revoke such acceptance in accordance with the terms set forth below and (iv) that you have knowingly and voluntarily accepted the terms of the offer as described herein.

9. You shall not commence or join any legal action, which term includes, but is not limited to, any demand for arbitration proceedings and any complaint to any federal,

state or local agency, to assert any claim against a Released Party. If you commence or join any legal action against a Released Party, you will indemnify such Released Party for its reasonable costs and attorneys fees incurred in defending such action as well as any monetary judgment obtained by you against any Released Party in such action.

10. You hereby represent and warrant to the Company that you have returned all computer hardware or software, files, papers, memoranda, correspondence, customer lists, financial data, credit cards, keys and security access cards, and all items of any nature which are the property of the Company.

11. You acknowledge and agree that you continue to be bound by the restrictive covenants included in Section 6 of the Retention Agreement between you and the Company dated [] and that you have and shall continue to abide by the terms thereof.

12. During the Restricted Period (as defined in the Retention Agreement), you shall make all reasonable and diligent efforts to cooperate with the Company in connection with all pending, threatened or future claims, actions, arbitrations, litigations, investigations, or injuries by any state, federal, foreign or private entity, directly or indirectly arising from or relating to any transaction, event or activity you were involved in, participated in, or had knowledge of, while at the Company which is asserted against any of the Released Parties. Such cooperation shall include all reasonable assistance that the Company determines is necessary, including, but not limited to, meeting or consulting with the Company and its counsel and their designees, reviewing documents, analyzing facts and appearing or testifying as a witness or interviewee or otherwise. The Company will pay you reasonable compensation for your time spent in providing such services and will reimburse you for all expenses incurred, including reasonable legal fees.

13. In connection with such cooperation, except as otherwise required by law, judicial order, subpoena or other lawful process, you will not cooperate or communicate in any way with any other party or witness or their counsel or designees without the express prior written consent of the Company. Requests for such written consent should be directed to the Company Attention: [_____]. You will advise the Company, Attention: [_____], as soon as practicable but in any event within three business days if you are contacted by any person, firm, corporation, association or other entity in connection with the business of the Company or any claim against any of the Released Parties. Upon receiving such a request, the Company will respond as soon as practicable but in any event within five business days by either granting or denying such consent or by stating that it is not in a position to take such action due to the temporary unavailability of certain individuals at the Company.

14. This letter shall be governed and construed in accordance with the laws of the State of New York without reference to principles of conflict of laws.

15. If any term or provision of this letter agreement shall be determined to be invalid or unenforceable to any extent or in any application, then the remainder of this letter agreement shall not be affected thereby and shall be valid and enforceable.

16. No failure or delay on the part of the Company in the exercise of any power, right or privilege hereunder shall operate as a waiver, nor shall any single or partial exercise of any such power, right or privilege operate as a waiver. The waiver by the Company of any breach or requirement of any provision of this letter shall not operate as a waiver of any subsequent breach or requirement.

17. The rights under this letter shall inure to the benefit of the successors and assigns of the Company.

18. If accepted by you, this letter agreement may not be amended or modified except by a writing executed by you and the Company that specifically refers to this letter agreement and, expressly states that it is intended to amend one or more terms of this letter agreement or to supersede this letter agreement as a whole.

This Offer will remain open for your acceptance until the close of business on [date 21 days after delivery of Offer] after which it will lapse.

[FORM OF RELEASE FOR EMPLOYEES WITHOUT RETENTION BONUS
AGREEMENTS]

[Date]

[Employee Name]
[Address]

Dear [Employee]:

This letter contains an offer by Computer Language Research, Inc., (the "Company"), a Texas corporation, of terms for the termination of your employment ("Offer"). To accept the Company's Offer, you must affix your signature at the end of this letter and return it to [name] in person or by mail postmarked no later than [date 21 days after delivery of Offer]. If you do not accept the Company's Offer, you will not receive the benefits described herein, your participation in the Company's Retention Bonus Plan (the "Retention Bonus Plan") shall immediately terminate and will not be entitled to any additional benefits under the Retention Bonus Plan.

1. Effective as of [date], your employment with the Company is terminated ("Termination Date"). Therefore, as of such date, you will cease to be an active employee for purposes of any welfare, benefit or other plan maintained by the Company and you will no longer be entitled to receive any salary or wages from the Company.

2. As soon as practicable after your acceptance of the Offer, the Company shall make a lump sum payment to you equal to the amount that the Company would have owed to you under the Retention Bonus Plan had you continued to be employed by the Company until the second anniversary of the Effective Date (as defined in the Retention Bonus Plan).

3. You are not entitled to receive benefits beyond the Termination Date, except (i) as specifically provided in this Agreement, (ii) in accordance with the terms of any employee benefit plan maintained by the Company in which you participate, or (iii) COBRA. You will be provided at a future date with information regarding your rights under COBRA to continue certain health benefits at your own expense.

4. In recognition of the Offer outlined above, you hereby agree to release and discharge the Company and their present, former and future partners, affiliates, direct and indirect parents, subsidiaries, successors, directors, officers, employees, agents, attorneys, heirs and assigns (the "Released Parties"), from any and all claims, actions and causes of action

that you may have or in the future may possess with respect to the Released Parties, including, but not limited to, claims, actions and causes of action arising out of your employment relationship with the Company or the termination of such employment, and including, but not limited to, any claims arising under Title VII of the Civil Rights Act of 1964, the Rehabilitation Act of 1973, the Americans With Disabilities Act of 1990, the Civil Rights Act of 1866, the Civil Rights Act of 1991, the Employee Retirement Income Security Act of 1974, as amended, the Family and Medical Leave Act of 1993, and any other federal, state or local law whether such claim arises under statute or common law and whether or not you are presently aware of the existence of such claim, damage, action and cause of action, suit or demand. You also forever release, discharge and waive any right you may have to recover in any proceeding brought by any federal, state or local agency against the Released Parties to enforce any laws. You agree that the value received as described in this letter agreement shall be in full satisfaction of any and all claims, actions or causes of action for payment or other benefits of any kind that you may have against the Released Parties. Notwithstanding the foregoing, this letter agreement does not apply to your rights, if any, to payment of benefits pursuant to any employee benefit plan.

5. In further recognition of the consideration recited above, you hereby release and discharge the Released Parties from any and all claims, actions and causes of action that you may have against the Released Parties arising under the federal Age Discrimination in Employment Act of 1967, as amended, and the applicable rules and regulations promulgated thereunder. By signing this agreement, you represent that (i) you have been given the opportunity to consult with the attorney(s) of your choice prior to signing this letter agreement and to have such attorney(s) explain the provisions of this letter agreement to you, (ii) that you are aware that this offer will remain open for your acceptance for not less than twenty-one days, (iii) that for a period of seven days following your acceptance hereof you have the option to revoke such acceptance in accordance with the terms set forth below and (iv) that you have knowingly and voluntarily accepted the terms of the offer as described herein.

6. You shall not commence or join any legal action, which term includes, but is not limited to, any demand for arbitration proceedings and any complaint to any federal, state or local agency, to assert any claim against a Released Party. If you commence or join any legal action against a Released Party, you will indemnify such Released Party for its reasonable costs and attorneys fees incurred in defending such action as well as any monetary judgment obtained by you against any Released Party in such action.

7. You hereby represent and warrant to the Company that you have returned all computer hardware or software, files, papers, memoranda, correspondence, customer lists, financial data, credit cards, keys and security access cards, and all items of any nature which are the property of the Company.

8. You acknowledge and agree that you continue to be bound by the terms of any agreement that is attached as Appendix C to the Retention Bonus Plan and that you have and shall continue to abide by the terms thereof.

9. Beginning on the Termination Date and continuing for eighteen months thereafter, you shall make all reasonable and diligent efforts to cooperate with the Company in connection with all pending, threatened or future claims, actions, arbitrations, litigations, investigations, or injuries by any state, federal, foreign or private entity, directly or indirectly arising from or relating to any transaction, event or activity you were involved in, participated in, or had knowledge of, while at the Company which is asserted against any of the Released Parties. Such cooperation shall include all reasonable assistance that the Company determines is necessary, including, but not limited to, meeting or consulting with the Company and its counsel and their designees, reviewing documents, analyzing facts and appearing or testifying as a witness or interviewee or otherwise. The Company will pay you reasonable compensation for your time spent in providing such services and will reimburse you for all expenses incurred, including reasonable legal fees.

10. In connection with such cooperation, except as otherwise required by law, judicial order, subpoena or other lawful process, you will not cooperate or communicate in any way with any other party or witness or their counsel or designees without the express prior written consent of the Company. Requests for such written consent should be directed to the Company Attention: [_____]. You will advise the Company, Attention: [_____], as soon as practicable but in any event within three business days if you are contacted by any person, firm, corporation, association or other entity in connection with the business of the Company or any claim against any of the Released Parties. Upon receiving such a request, the Company will respond as soon as practicable but in any event within five business days by either granting or denying such consent or by stating that it is not in a position to take such action due to the temporary unavailability of certain individuals at the Company.

11. This letter shall be governed and construed in accordance with the laws of the State of New York without reference to principles of conflict of laws.

12. If any term or provision of this letter agreement shall be determined to be invalid or unenforceable to any extent or in any application, then the remainder of this letter agreement shall not be affected thereby and shall be valid and enforceable.

13. No failure or delay on the part of the Company in the exercise of any power, right or privilege hereunder shall operate as a waiver, nor shall any single or partial exercise of any such power, right or privilege operate as a waiver. The waiver by the Company of any breach or requirement of any provision of this letter shall not operate as a waiver of any subsequent breach or requirement.

[MODEL RETENTION BONUS AWARD LETTER
FOR EMPLOYEES WITHOUT
NONCOMPETE/NONSOLICITATION AGREEMENTS]

[Company Letterhead]

[Date]

[Employee]
[Address]

Dear [Employee]:

In recognition of your efforts and the contributions you have made and the future contributions we hope you will continue to make as an employee of Computer Language Research, Inc. (the "Company"), we are offering you the opportunity to earn a special Retention Bonus (the "Retention Bonus") in the amount indicated below. The Retention Bonus will be fully subject to the terms of the Retention Bonus Plan, to which this award letter is attached as Appendix B.

Please note that this letter is not intended as a guarantee of continuing employment or as an employment contract governing any term or condition (other than with respect to eligibility for the Retention Bonus) of your at-will employment with the Company, but as an incentive to you to continue to work for the Company and in appreciation of your service. If you have questions about this letter, please feel free to call [name] at [telephone number].

Computer Language Research, Inc.

By: _____

Title: _____

Amount of Retention Bonus Award: \$ _____

[MODEL RETENTION BONUS AWARD LETTER
FOR EMPLOYEES WITH
NONCOMPETE/NONSOLICITATION AGREEMENTS]

[Firm Letterhead]

[Date]

[Employee]
[Address]

Dear [Employee]:

In recognition of your efforts and the contributions you have made and the future contributions we hope you will continue to make as an employee of Computer Language Research, Inc. (the "Company") and as consideration for your execution of the agreement attached as Appendix C to the Retention Bonus Plan (the "Restrictive Covenant Agreement"), we are offering you the opportunity to earn a special Retention Bonus (the "Retention Bonus") in the amount indicated below. The Retention Bonus will be fully subject to the terms of the Retention Bonus Plan, to which this award letter is attached as Appendix B. The obligation of the Company to pay to you the Retention Bonus is fully conditioned upon your execution of the Restrictive Covenant Agreement and compliance therewith.

Please note that this letter is not intended as a guarantee of continuing employment or as an employment contract governing any term or condition (other than with respect to eligibility for the Retention Bonus) of your at-will employment with the Company, but as an incentive to you to continue to work for the Company and in appreciation of your service. If you have questions about this letter, please feel free to call [name] at [telephone number].

Computer Language Research, Inc.

By: _____

Title: _____

Amount of Retention Bonus Award: \$ _____

[Date]

[Name of Executive]

[Address]

Dear [Name of Executive]:

In consideration of the grant of a retention bonus (the "Bonus") under the Retention Bonus Plan (the "Plan") proposed to be made pursuant to the Plan to which this agreement (the "Agreement") is attached as Appendix C and other good and valuable consideration provided to you by Computer Language Research, Inc. (the "Company"), you hereby covenant and agree to the following:

1. Confidentiality. You possess and will continue to possess information which has been created, discovered, developed by or otherwise become known to you (including information discovered or made available by subsidiaries, affiliates or joint ventures of the Company or in which property rights have been assigned or otherwise conveyed to the Company), which information has commercial value to the Company, including but not limited to trade secrets, innovations, processes, computer codes, data, know-how, improvements, discoveries, developments, techniques, marketing plans, strategies, costs, customer and client lists, or any information you have reason to know the Company would treat as confidential for any purpose, whether or not developed by you (hereinafter referred to as "Confidential Information"). Unless instructed in writing by the Company, you will not, at any time, disclose to others, or use, or allow anyone else to disclose or use, any Confidential Information (except as may be necessary in the performance of your employment with the Company), unless, until and then only to the extent that such Confidential Information has become ascertainable or obtained from public or published sources or was available to you on a non-confidential basis prior to any such disclosure or use, provided that the source of such material, to your knowledge upon inquiry, is or was not bound by an obligation of confidentiality to the Company.

2. Restrictive Covenants. You acknowledge that because of your skills, your position with the Company and the Confidential Information to which you shall have access or be provided on account of such employment with the Company, competition by you with the Company could damage the Company in a manner which cannot adequately be compensated by damages or an action at law. In view of such circumstances, because of the Confidential Information obtained by, or disclosed to you, and as a material inducement to the Company to grant the Bonus and other good and valuable consideration, you covenant and agree to the following (for purposes of this Agreement, the term "directly or indirectly" shall be construed in its broadest sense and shall include the activities of the members of your immediate family or any partnership in which you are a partner):

(a) Noncompetition. During your employment with the Company and for a period of eighteen months thereafter (the "Restricted Period"), you shall not (as principal, agent, employee, consultant or otherwise), engage (other than on behalf of the Company or its affiliates) directly or indirectly, in the Tax and Accounting Software Business (as defined below) anywhere in the world or, without the prior written consent of the Company, directly or indirectly, own an interest in, manage, operate, join, control, lend money or render financial or other assistance (other than customary professional courtesies afforded to members of the business community) to or participate in or be connected with, as an officer, employee, partner, stockholder, consultant, advisor or other similar capacity, any person that engages in the Tax and Accounting Software Business (other than the Company or its affiliates); provided, however, that, for the purposes of this paragraph 2(a), ownership of securities having no more than one percent of the outstanding voting power of any competitor which are listed on any national securities exchange or traded actively in the national over-the-counter market shall not be deemed to be in violation of this paragraph 2(a) so long as the person owning such securities has no other connection or relationship with such competitor that would not be permitted hereby. For purposes hereof, "Tax and Accounting Software Business" means the business of developing, designing, publishing, marketing and distributing (i) tax compliance and tax planning software and services for tax and accounting professionals within corporations, banks, government agencies and accounting firms; (ii) accounting and practice management software and services marketed primarily to accounting firms; and (iii) other tax and accounting software products and services which are developed, or are under development, by the Company during the period from the Effective Time through your termination of employment.

(b) Nonsolicitation of Customers. You hereby agree that, during the Restricted Period (other than on behalf of the Company or its affiliates), you will not in any way, directly or indirectly, for the purpose of conducting or engaging in the Tax and Accounting Software Business, call upon, solicit, advise or otherwise do, or attempt to do, business with any customers of the Company or any affiliate of the Company with whom the Company or any such affiliate had any dealings during the two year period prior to the first day of the Restricted Period, or take away or interfere or attempt to interfere with any customer, trade, business or patronage of the Company or any affiliate.

(c) Nonsolicitation. You hereby agree that, during the Restricted Period, you will not in any way, directly or indirectly, hire, attempt to hire, interfere with or attempt to interfere with any officers, employees, representatives, consultants or agents of the Company or any affiliate, or any former officer, employee, representative, consultant or agent of the Company or any affiliate who resigned or was terminated within the prior six-month period (other than an employee whose employment was terminated by the Company or an affiliate without Cause or who resigned from his or her employment with the Company for Good Reason as such terms are defined in the Retention Bonus Plan), or induce or attempt to induce

any of them to leave the employ of the Company or any affiliate or violate the terms of their contracts, or any arrangements, with the Company or any affiliate.

(d) Assignment of Developments. All Developments that were or are at any time made, conceived or suggested by you, whether acting alone or in conjunction with others, during your employment with the Company shall be the sole and absolute property of the Company, free of any reserved or other rights of any kind on your part. During your employment and, if such Developments were made, conceived or suggested by you during your employment with the Company, thereafter, you shall promptly make full disclosure of any such Developments to the Company and, at the Company's cost and expense, do all acts and things (including, among others, the execution and delivery under oath of patent and copyright applications and instruments of assignment) deemed by the Company to be necessary or desirable at any time in order to effect the full assignment to the Company of your right and title, if any, to such Developments. For purposes of this Agreement, the term "Developments" shall mean all data, discoveries, findings, reports, designs, inventions, improvements, methods, practices, techniques, developments, programs, concepts, and ideas, whether or not patentable, relating to the present or planned activities (with respect to the Tax and Accounting Software Business) of which you are as of the date of this Agreement aware or of which you at any time during your employment become aware, or the products and services of the Company or any of its affiliates (with respect to the Tax and Accounting Software Business).

(e) Reasonable Limitations. Given the important nature of the position you hold with the Company, the nature of the Company's business and the sensitive nature of the Confidential Information and duties you have with the Company, the parties acknowledge that the limitations, including but not limited to, the scope of activities prohibited, the geographic area covered and the time limitation, are reasonable.

(f) Remedies. In the event of an actual or threatened breach by you of the provisions of paragraphs 1 and 2 of this Agreement, the Company shall be entitled to a temporary restraining order and an injunction restraining you from such breach. Nothing herein, however, shall be construed as prohibiting the Company from pursuing any other remedies available to it for such actual or threatened breach, including, without limitation, the recovery of damages and reasonable attorneys' and paralegals' fees and costs from you. If you violate any of the covenants in paragraphs 1 and 2 of this Agreement, the term and the covenant violated shall be automatically extended for the period of time of the violation, either from the date on which you cease such violation or from the date of the entry by a court of competent jurisdiction of an order or judgment enforcing such covenants, whichever period is later.

(g) Condition Precedent. You hereby acknowledge and agree that the covenants set forth herein are an essential element of your entitlement to the Retention Bonus set forth as Appendix B to the Retention Bonus Plan to which this Agreement is attached as

Appendix C, and that, your agreement to comply and your actual compliance with these covenants shall constitute the fair and equitable consideration by you for the Retention Bonus.

3. Waiver of Breach and Severability. The waiver by the Company of a breach of any provision of this Agreement by you shall not operate or be construed as a waiver of any subsequent breach by you. In the event any provision of this Agreement is found to be invalid or unenforceable, it may be severed from the Agreement and the remaining provision of the Agreement shall continue to be binding and effective; provided, however, that, if possible, it is the intention of each of the parties that such provision be construed and interpreted as narrowly as necessary in order to make such provision valid and enforceable.

4. Entire Agreement. This instrument contains the entire agreement of the parties and supersedes any prior understandings and agreements between them respecting the subject matter of this Agreement. It may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

5. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

6. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware without regard to the laws of any other state or jurisdiction. Each of you and the Company hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim arising out of or relating to this Agreement.

COMPUTER LANGUAGE RESEARCH, INC.

By: _____
Name:
Title:

ACKNOWLEDGED AND AGREED
AS OF THE DATE FIRST ABOVE WRITTEN

[Name of Employee]

RETENTION AGREEMENT

RETENTION AGREEMENT (this "Agreement"), made as of January __, 1998 by and between Computer Language Research, Inc., a Delaware corporation (the "Company"), and Douglas Gross ("Executive"). This Agreement consists of the text hereof and Exhibit A attached hereto.

W I T N E S S E T H:

WHEREAS, Executive is currently a valued key executive of the Company; and

WHEREAS, the Company and The Thomson Corporation ("Thomson") are presently negotiating the purchase of the Company by a subsidiary of Thomson (the "Acquisition") and the Company recognizes that, as a result of the Acquisition, uncertainty and questions could rise among management and could result in the departure or distraction of management personnel to the detriment of the Company; and

WHEREAS, the Company considers it essential to its best interests to foster the continuous employment of key management personnel, such as Executive, by providing for the payment of severance and other benefits in the event of Executive's termination of employment following the Acquisition;

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, the parties hereto agree as follows:

1. Employment and Duties.

The Company hereby agrees to employ Executive and Executive hereby accepts such employment. During the Term, as defined in Section 2 below, Executive shall have such duties as may be assigned to Executive from time to time by the Chief Executive Officer of the Company or the designee thereof or the Board of Directors. Executive shall devote substantially all his business time, attention, skill and efforts during the Term to the faithful performance of his duties hereunder and shall not accept employment elsewhere during the Term.

2. Term.

The term of Executive's employment under this Agreement (the "Term") shall commence on the closing date of the Acquisition and shall continue in effect through December 31, 1998. The provisions of this Agreement shall continue in effect beyond the Term to the extent necessary to carry out the intentions of the parties hereto.

3. Compensation.

During the Term, Executive shall be entitled to the following compensation for his services to the Company:

(a) Base Salary. The Company shall pay Executive a base salary (the "Base Salary") at an annual rate of \$150,000, in accordance with the ordinary payroll practices of the Company.

(b) Retention Bonus. In addition to the Base Salary and the Special Bonus, Executive shall be entitled to participate in the Retention Bonus Plan (the "Retention Bonus Plan") that the Company shall adopt in connection with the Acquisition, a copy of which is attached hereto as Exhibit A.

(c) Special Bonus. Subject to Sections 4(a) and 5 below, the Company shall pay Executive a Special Bonus (the "Special Bonus") of \$60,000 in a lump sum amount within fifteen business days after the end of the Term.

(d) Retirement, Savings and Welfare Benefit Plans. Executive and/or Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under each retirement, savings and welfare benefit plan of the Company, as in effect immediately prior to the Acquisition (or such benefits that may be substituted therefor by the Company) applicable to other key executives, including, without limitation, all medical, dental, disability, group life, accidental death and travel accident insurance plans and programs.

(e) Expenses. Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by him in the performance of his duties for the Company which shall be paid to him in accordance with the policies and procedures of the Company as in effect at any time thereafter with respect to other key executives.

4. Termination of Employment.

(a) Termination for Cause; Resignation without Good Reason. The Company may terminate Executive's employment hereunder for Cause (as defined in the Retention Bonus Plan). If Executive's employment is terminated by the Company for Cause, or by Executive for reasons other than Good Reason (as defined in the Retention Bonus Plan) prior to the expiration of the Term, the Company shall be obligated to make payment of any Base Salary earned prior to the date of the termination of Executive's employment with the Company (the "Date of Termination") but not yet paid to Executive, any unreimbursed business expenses and any payment from any employee benefit plan described in Section 3 of this Agreement which shall be paid in accordance with such plan and the continuation of coverage under any insurance program as required under any such benefit plan or which may be required by law. In the event of Executive's termination for Cause or Resignation without Good Reason prior to the end of the Term, he will not be entitled to receive the Special Bonus. Eligibility for any retention bonus under the Retention Bonus Plan shall be determined according to the terms of the Retention Bonus Plan. Except as provided above, the Company shall not be obligated to make any additional payments of compensation or benefits specified in Section 3 of this Agreement for any periods after the Date of Termination.

(b) Resignation for Good Reason; Termination without Cause. Executive shall be entitled to the following compensation and benefits if Executive's employment is terminated by Executive for Good Reason or by the Company without Cause, in either case at any time prior to the expiration of the Term:

(i) Salary Continuation. In addition to the payment of all Base Salary earned but not paid, the Company shall continue to pay Executive his Base Salary in accordance with the terms of this Agreement through the end of the Term.

(ii) Special Bonus. Subject to Section 5 below, the Company shall pay Executive the Special Bonus in accordance with the terms of this Agreement.

(iii) Benefit Continuation. Executive shall continue to participate in all employee benefit plans referenced in Section 3(d) above through the end of the Term in accordance with the terms of this Agreement.

(iv) Lump Sum Payment under Retention Bonus Plan. Subject to Section 5 below, within fifteen business days following the Date of Termination, the Company shall make a lump sum payment to Executive equal to the amount that the Company would have owed Executive under the Retention Bonus Plan had Executive continued to be employed by the Company until the second anniversary of the Effective Date (as defined in the Retention Bonus Plan).

(v) Severance Payment. Subject to Section 5, after the expiration of the Term and in lieu of any other severance payment or benefit that Executive would otherwise be entitled to receive under any plan, program or arrangement of the Company or its affiliates except as provided in this Agreement, the Company shall continue to pay Executive an amount equal to his Base Salary in accordance with the terms of this Agreement beginning on January 1, 1999 and continuing through December 31, 1999.

(c) Termination of Employment At or After the End of the Term. In the event that Executive's employment is terminated either by Executive or by the Company for any reason either at or after the end of the Term, in addition to the compensation and benefits that Executive is entitled to receive under Section 3 above, Executive shall, subject to Section 5 below, be entitled to the following benefits:

(i) Lump Sum Payment under Retention Bonus Plan. Within fifteen business following the Date of Termination, the Company shall make a lump sum payment to Executive equal to the amount that the Company would have owed Executive under the Retention Bonus Plan had Executive continued to be employed by the Company until the second anniversary of the Effective Date (as defined in the Retention Bonus Plan) to the extent such amount is then unpaid.

(ii) Severance Payment. Beginning on the Date of Termination and continuing through December 31, 1999, the Company shall continue to pay Executive an amount equal to a pro rata portion of his Base Salary in accordance with the terms of this Agreement. The parties hereto agree that any payment under this Section 4(c)(ii) shall be in lieu of any other severance payment or benefit that Executive would otherwise be entitled to receive under any plan, program or arrangement of the Company or its affiliates except as provided in this Agreement.

(d) Death or Disability Before End of Term. If Executive dies or incurs a Permanent Disability (as defined in the Retention Bonus Plan) prior to the expiration of the Term, the Company shall be under no obligation to make additional payments of the compensation and benefits described in Section 3 of the Agreement to Executive or Executive's estate after the Date of Termination except for any Base Salary earned prior to the Date of Termination but not yet paid; provided, however, subject to Section 5 below in the event of a Permanent Disability, or in the event of Executive's death, the Company shall pay Executive, or Executive's estate, as the case may be, the Special Bonus according to the terms of this Agreement. The Company shall also continue to provide any benefits to Executive and Executive's survivors as required by law. Eligibility for the retention bonus under the Retention Bonus Plan shall be determined according to the terms of the Retention Bonus Plan.

(e) Notice of Termination Required. No termination of employment by Executive or by the Company pursuant to this Section 4 shall be effective unless the terminating party shall have delivered a Notice of Termination. For purposes of this Agreement, a "Notice of Termination" shall mean a written notice which shall indicate the specific termination provision in this Agreement, or the Retention Bonus Plan, if applicable, relied upon and, in the case of a termination of Executive's employment by the Company for Cause or by Executive for Good Reason, shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated.

(f) Nature of Payments. Any amounts due under this Section 4 are in the nature of severance payments, liquidated damages, or both, and are not in the nature of a penalty.

5. Waiver and Release.

Upon a termination by the Company without Cause or the resignation of Executive for Good Reason, Executive hereby acknowledges and agrees that in order to be entitled to receive from the Company any payment under any of Sections 3(b), 3(c), 4(b)(ii), 4(b)(iv), 4(b)(v), 4(c)(i), or 4(c)(ii), Executive shall execute a waiver and release of claims pertaining to the employment of Executive by the Company substantially in the form attached as Appendix A to Exhibit A hereof.

6. Protection of the Company's Interests.

(a) Confidentiality. Executive hereby acknowledges and agrees that he possesses and will continue to possess information which has been created, discovered, developed by or otherwise become known to Executive (including information discovered or made available by subsidiaries, affiliates or joint ventures of the Company or in which property rights have been assigned or otherwise conveyed to the Company), which information has commercial value to the Company, including but not limited to trade secrets, innovations, processes, computer codes, data, know-how, improvements, discoveries, developments, techniques, marketing plans, strategies, costs, customer and client lists, or any information Executive has reason to know the Company would treat as confidential for any purpose, whether or not developed by Executive (hereinafter referred to as "Confidential Information"). Unless instructed in writing by the Company, Executive will not, at any time, disclose to others, or use, or allow anyone else to disclose or use, any Confidential Information (except as may be necessary in the performance of Executive's employment with the Company), unless, until and then only to the extent that such Confidential Information has become ascertainable or obtained from public or published sources or was available to Executive on a non-confidential basis prior to any such disclosure or use, provided that the

source of such material, to Executive's knowledge upon inquiry, is or was not bound by an obligation of confidentiality to the Company.

(b) Restrictive Covenants. Executive hereby acknowledges that because of his skills, his position with the Company and the Confidential Information to which Executive shall have access or be provided on account of such employment with the Company, competition by Executive with the Company could damage the Company in a manner which cannot adequately be compensated by damages or an action at law. In view of such circumstances, because of the Confidential Information obtained by, or disclosed to Executive, and as a material inducement to the Company to enter into this Agreement and other good and valuable consideration, Executive covenants and agrees to the following (for purposes of this Agreement, the term "directly or indirectly" shall be construed in its broadest sense and shall include the activities of the members of Executive's immediate family or any partnership in which Executive is a partner):

(i) Noncompetition. During Executive's employment with the Company and for a period of eighteen months thereafter (the "Restricted Period"), Executive shall not, directly or indirectly, in the Tax and Accounting Software Business (as defined below) anywhere in the world or, without the prior written consent of the Company, directly or indirectly, own an interest in, manage, operate, join, control, lend money or render financial or other assistance (other than customary professional courtesies afforded to members of the business community) to or participate in or be connected with, as an officer, employee, partner, stockholder, consultant, advisor or other similar capacity, any person that engages in the Tax and Accounting Software Business (other than the Company or its affiliates); provided, however, that, for the purposes of this Section 6(b)(i), ownership of securities having no more than one percent of the outstanding voting power of any competitor which are listed on any national securities exchange or traded actively in the national over-the-counter market shall not be deemed to be in violation of this Section 6(b)(i) so long as the person owning such securities has no other connection or relationship with such competitor that would not be permitted hereby. For purposes hereof, "Tax and Accounting Software Business" means the business of developing, designing, publishing, marketing and distributing (i) tax compliance and tax planning software and services for tax and accounting professionals within corporations, banks, government agencies and accounting firms; (ii) accounting and practice management software and services marketed primarily to accounting firms; and (iii) other tax and accounting software products and services which are developed, or are under development, by the Company during the period from the Effective Time through termination of employment of Executive.

(ii) Nonsolicitation of Customers. Executive hereby agrees that, during the Restricted Period (other than on behalf of the Company or its affiliates), Executive will

not in any way, directly or indirectly, for the purpose of conducting or engaging in the Tax and Accounting Software Business, call upon, solicit, advise or otherwise do, or attempt to do, business with any customers of the Company or any affiliate of the Company with whom the Company or any such affiliate had any dealings during the two year period prior to the first day of the Restricted Period, or take away or interfere or attempt to interfere with any customer, trade, business or patronage of the Company or any affiliate.

(iii) Nonsolicitation. Executive hereby agrees that, during the Restricted Period, Executive will not in any way, directly or indirectly, hire, attempt to hire, interfere with or attempt to interfere with any officers, employees, representatives, consultants or agents of the Company or any affiliate, or any former officer, employee, representative, consultant or agent of the Company or any affiliate who resigned or was terminated within the prior six-month period (other than an employee whose employment was terminated by the Company or an affiliate without Cause or who resigned from his or her employment with the Company for Good Reason as such terms are defined in the Retention Bonus Plan), or induce or attempt to induce any of them to leave the employ of the Company or any affiliate or violate the terms of their contracts, or any arrangements, with the Company or any affiliate.

(iv) Assignment of Developments. All Developments that were or are at any time made, conceived or suggested by Executive, whether acting alone or in conjunction with others, during or as a result of Executive's employment with the Company shall be the sole and absolute property of the Company, free of any reserved or other rights of any kind on the part of Executive. During Executive's employment and, if such Developments were made, conceived or suggested by Executive during or as a result of his employment with the Company, thereafter, Executive shall promptly make full disclosure of any such Developments to the Company and, at the Company's cost and expense, do all acts and things (including, among others, the execution and delivery under oath of patent and copyright applications and instruments of assignment) deemed by the Company to be necessary or desirable at any time in order to effect the full assignment to the Company of Executive's right and title, if any, to such Developments. For purposes of this Agreement, the term "Developments" shall mean all data, discoveries, findings, reports, designs, inventions, improvements, methods, practices, techniques, developments, programs, concepts, and ideas, whether or not patentable, relating to the present or planned activities (with respect to the Tax and Accounting Software Business) of which Executive is as of the date of this Agreement aware or of which Executive during his employment becomes aware, or the products and services of the Company or any of its affiliates (with respect to the Tax and Accounting Software Business).

(v) Reasonable Limitations. Given the important nature of the position Executive holds with the Company, the nature of the Company's business and the sensitive nature of the Confidential Information and duties Executive has with the Company, the parties acknowledge that the limitations, including but not limited to, the scope of activities prohibited, the geographic area covered and the time limitation, are reasonable.

(vi) Remedies. In the event of an actual or threatened breach by Executive of the provisions of this Section 6, the Company shall be entitled to a temporary restraining order and an injunction restraining Executive from such breach. Nothing herein, however, shall be construed as prohibiting the Company from pursuing any other remedies available to it for such actual or threatened breach, including, without limitation, the recovery of damages and reasonable attorneys' and paralegals' fees and costs from Executive. If Executive violates any of the covenants in this Section 6, the term and the covenant violated shall be automatically extended for the period of time of the violation, either from the date on which Executive ceases such violation or from the date of the entry by a court of competent jurisdiction of an order or judgment enforcing such covenants, whichever period is later.

7. No Obligation to Mitigate.

Following termination of Executive's employment, Executive shall be under no obligation to seek other employment or otherwise to mitigate damages resulting from his termination of employment. In addition, there shall be no offset against amounts due to Executive under any provision of this Agreement, on account of any remuneration to which Executive becomes entitled from any person for whom Executive subsequently provides services.

8. Successors; Binding Agreement.

This Agreement shall inure to and be binding upon the successors and assigns of the Company. This Agreement shall inure to the benefit of and be enforceable by Executive and Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees but shall not be assignable by Executive.

9. Notices.

Any notice hereunder by either party to the other shall be given in writing by personal delivery, telex, telecopy or certified mail, return receipt requested, to the address first set forth below in the case of the Company, and to the address set forth on the signature page

hereof in the case of Executive (or, in either case, to such other address as may from time to time be designated by notice by any party hereto for such purpose):

Computer Language Research, Inc.
2395 Midway Road
Carrollton, Texas 75006
Attention: General Counsel
Telecopier No.: (972) 250-8423

with a copy to:

The Thomson Corporation
1 Station Place
Stamford, Connecticut 06902
Attention: General Counsel
Telecopier No.: (203) 348-5718

and with an additional copy to:

Shearman & Sterling
599 Lexington Avenue
New York, New York 10022
Telecopier No. (212) 848-7179
Attention: David W. Heleniak, Esq.

Notice shall be deemed given, if by personal delivery, on the date of such delivery or, if by telex or telecopy, on the business day following receipt of answer back or telecopy confirmation or, if by certified mail, on the date shown on the applicable return receipt.

10. Amendment and Waiver.

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 Executive and the Company. 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.

11. Merger of Prior Agreements and Negotiations.

(a) This Agreement sets forth all of the promises, agreements, conditions and understandings between the parties hereto respecting the subject matter hereof and supersedes all prior negotiations, conversations, discussions, correspondence, memoranda and agreements between the parties concerning such subject matter.

(b) Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between Executive and the Company, the employment of Executive by the Company is "at will" and that, subject to the provisions of Section 3 above, if Executive's employment is terminated by either Executive or the Company at any time prior to the beginning of the Term, Executive shall have no further rights under this Agreement. From and after the commencement of the Term, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

12. Partial Invalidity.

If the final determination of a court of competent jurisdiction or arbitrator declares, after the expiration of the time within which judicial review (if permitted) of such determination may be perfected, that any term or provision hereof is invalid or unenforceable, (a) the remaining term and provisions hereof shall be unimpaired and (b) 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.

13. Governing Law; Legal Actions.

This Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware without regard to the laws of any other state or jurisdiction. Each of the Company and Executive hereby waives all right to trial by jury in any action or proceeding arising out of or relating to this Agreement. Each party will be liable for any legal fees incurred by such party pursuant to any dispute or controversy arising hereunder.

14. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto, having entered into this Agreement as of January , 1998.

COMPUTER LANGUAGE
RESEARCH, INC.

By: _____
Title:

EXECUTIVE

Name: Douglas Gross
Title:
Address:

RETENTION BONUS PLAN

This Retention Bonus Plan (the "Plan") is primarily designed to provide certain eligible employees of Computer Language Research, Inc. (the "Company") with the opportunity to participate in a special bonus retention program, provided they remain in the employ of the Company through the completion of a designated transition period following the Acquisition. The Plan shall become effective as of the Effective Time and shall continue in effect until terminated by the Company's Board of Directors (the "Board") in accordance herewith. Capitalized terms that are not otherwise defined herein shall have the meaning set forth in the Agreement and Plan of Merger among The Thomson Corporation ("Parent"), a wholly-owned subsidiary of the Parent and the Company.

I. ELIGIBILITY

You shall be eligible to receive your designated retention bonus under the Plan if each of the following requirements is satisfied;

- o the Board has selected you for participation in the Plan and the Company has communicated such participation to Parent in writing prior to the Effective Time;
- o you remain actively employed by the Company or the Parent or a subsidiary of the Parent or the Company until the earlier to occur of (i) the completion of the Bonus Earn-Out Period designated below or (ii) the occurrence of any of the following events: (A) the involuntary termination of your employment by the Company or the Parent for any reason other than for Cause, (B) your resignation for Good Reason or (C) your death or Permanent Disability;
- o if any such agreement is attached hereto, the execution by you, and your continued compliance with, such agreement attached hereto as Appendix C; and
- o if you are terminated by the Company without Cause or resign from your employment for Good Reason, the execution by you of a waiver and release of claims pertaining to your employment with the Company, substantially in the form attached hereto as Appendix A.

The amount of your retention bonus was determined by the Board at the time of your selection for participation in the Plan and is indicated on the retention bonus award letter

attached hereto as Appendix B. Your retention bonus will become payable in two installments during the Bonus Earn-Out Period, and you must remain in eligible employee status to receive each such installment.

No individuals other than those identified to Parent by the Company in writing prior to the Effective Time as participants in the Plan shall be eligible to participate in this Plan.

You will not be eligible for any retention bonus under this Plan if any of the following circumstances occur:

- o You voluntarily terminate employment with the Company or the Parent other than for Good Reason.
- o You are terminated by the Company or the Parent for Cause.

For purposes of the Plan, the following definitions shall be in effect:

- o "Acquisition" shall mean the acquisition of the Company by the Parent or a subsidiary of the Parent.
- o "Bonus-Earn Out Period" shall mean the period beginning at the Effective Time (the "Effective Date") and ending (i) as to 50% of the retention bonus, on the first anniversary of the Effective Date, and (ii) as to the remaining 50% of the retention bonus, on the second anniversary of the Effective Date.
- o "Cause" shall mean the termination of your employment by the Company or the Parent by reason of (i) your willful, negligent or repeated failure to perform the material duties of your position (following reasonable notice and an opportunity to cure in the event of negligent or repeated failure to perform only); (ii) any willful misconduct or gross negligence on your part which is injurious to the Company or the Parent; (iii) your conviction or plea of no contest to either (A) a felony or (B) a misdemeanor involving dishonesty or moral turpitude; or (iv) your commission of any act of fraud against, or the misappropriation of property belonging to, the Company or the Parent; or (v) your making a materially false statement to the auditors or legal counsel of the Company or the Parent or your willful falsification of any corporate document or form.
- o "Good Reason" shall mean one or more of the following changes to the terms and conditions of your employment with the Company or the Parent

after the effective date of the Acquisition: (i) any material reduction in your rate of base salary (compared to your base rate of salary for the 1997 calendar year), (ii) a material reduction in your level of authority or the duties or responsibilities of your position; or (iii) a relocation of your principal place of employment by more than fifty (50) miles from your current principal place of employment, provided such reduction or relocation is effected without your written consent.

- o "Permanent Disability" shall mean your physical or mental incapacity to perform your employment duties for a total of sixteen consecutive weeks or for an aggregate of more than six months in any fourteen-month period (as determined by a physician who shall be selected by the Company and the decision of whom shall be final and conclusive).

II. TERMS OF THE PLAN

The amount of the retention bonus that will be payable to you pursuant to the Plan shall be set forth in the award letter attached hereto as Appendix B.

Your retention bonus will be payable in two installments over the Bonus Earn-Out Period. You must remain employed by the Company or the Parent on each installment date during the Bonus Earn-Out Period in order to receive the installment payable on that date except as provided under Part I hereof. The payout date for each installment during the Bonus Earn-Out Period and the percentage of your retention bonus which is to become due and payable on that date, provided you remain actively employed by the Company or the Parent, are as follows:

| Payment Date ----- | Percentage of Retention Bonus Payable ----- |
|--|--|
| Effective Date | 0% |
| First Anniversary of the Effective Date | 50% |
| Second Anniversary of the Effective Date | 50% |

However, if you become eligible for your retention bonus under the Plan by reason of (i) the termination of your employment with the Company or the Parent other than for Cause, (ii) your resignation for Good Reason or (iii) your death or Permanent Disability, then you will receive the full amount of your retention bonus in a lump-sum payment as soon as administratively feasible following your termination date.

Retention bonuses are not intended to constitute eligible earnings or compensation for purposes of any other employee plans, programs or arrangements now or hereafter offered by the Company or the Parent.

Payment of your retention bonus will be subject to the collection by the Company or the Parent of all applicable federal, state and local income and employment withholding taxes.

III. OTHER IMPORTANT INFORMATION

Plan Administration. Within the scope of the terms of the Plan and in accordance therewith, as the administrator of the Plan, the Board has full discretionary authority to administer and interpret the Plan, including the discretionary authority to determine eligibility for participation and benefits under the Plan and the amount of benefits (if any) payable per participant. All such determinations by the Board shall be final, binding and conclusive upon all persons.

Benefits. All bonuses will be paid from the general assets of the Company. The Company will not establish any trust or escrow to fund the benefits which may become due and payable under the Plan. The benefits provided under the Plan are not assignable or transferable. However, should a participant die prior to receipt of all or any portion of the retention bonus to which he or she becomes entitled under the Plan, then that unpaid amount shall be paid to the executor or administrator of that participant's estate.

Successor Liability. The terms and provisions of this Plan shall be binding upon any successor entity to the Company, and such successor entity shall accordingly be liable for the payment of all benefits which become due and payable under the Plan with respect to the eligible employees of the Company.

Plan Terms. The Plan supersedes any and all prior retention arrangements, programs or plans previously offered by the Company to employees eligible to participate in this Plan.

Taxes. The Company or the Parent will withhold taxes and all other applicable payroll deductions from any payment made pursuant to the Plan. Except to the extent otherwise agreed by the Company in writing, to the extent any retention bonus paid to any eligible employee under the Plan constitutes an "excess parachute payment" within meaning of Section 280G(b) of the Internal Revenue Code of 1986, as amended, that employee shall be solely responsible for any and all excise taxes attributable to such payment, and those excise taxes shall accordingly be withheld from the retention bonus payable to such individual.

No Right to Employment. No provision of the Plan is intended to provide you or any other employee with any right to continue in the employ of the Company or the Parent or otherwise affect the right of the Company or the Parent, which right is hereby expressly reserved by each such party, to terminate the employment of any individual at any time for any reason, with or without cause.

Applicable Law. This Plan shall be governed by the laws of the State of Delaware, without giving effect to the conflicts of laws principles thereof.

[FORM OF RELEASE FOR EXECUTIVES WITH RETENTION BONUS
AGREEMENTS]

[Date]

[Employee Name]
[Address]

Dear [Employee]:

This letter contains an offer by Computer Language Research, Inc. ("the Company"), a Texas corporation, of terms for the termination of your employment ("Offer"). To accept the Company's Offer, you must affix your signature at the end of this letter and return it to [name] in person or by mail postmarked no later than [date 21 days after delivery of Offer]. If you do not accept the Company's Offer, you will not receive the benefits described herein.

1. Effective as of [date], your employment with the Company is terminated ("Termination Date"). Therefore, as of such date, you will cease to be an active employee for purposes of any welfare, benefit or other plan maintained by the Company and you will no longer be entitled to receive any salary or wages from the Company.

2. As soon as practicable after your acceptance of the Offer, the Company will pay you a Special Bonus of [] in a lump sum amount.

3. You shall continue to participate in all employee benefit plans referenced in Section 3(d) of the Retention Agreement dated [] between you and the Company (the "Retention Agreement") through the end of the Term (as defined in the Retention Agreement).

4. As soon as practicable after your acceptance of the Offer, the Company shall make a lump sum payment to you equal to the amount that the Company would have owed to you under the Retention Bonus Plan ("Retention Bonus Plan") had you continued to be employed by the Company until the second anniversary of the Effective Date (as defined in the Retention Bonus Plan).

5. After the expiration of the Term (as defined in the Retention Agreement), the Company shall continue to pay you an amount equal to your Base Salary (as defined in the Retention Agreement), according to the normal payroll practices of the Company, beginning on January 1, 1999 and continuing through December 31, 1999.

6. You are not entitled to receive benefits beyond the Termination Date, except (i) as specifically provided in this Agreement, (ii) in accordance with the terms of any employee benefit plan maintained by the Company in which you participate, or (iii) COBRA. You will be provided at a future date with information regarding your rights under COBRA to continue certain health benefits at your own expense.

7. In recognition of the Offer outlined above, you hereby agree to release and discharge the Company and their present, former and future partners, affiliates, direct and indirect parents, subsidiaries, successors, directors, officers, employees, agents, attorneys, heirs and assigns (the "Released Parties"), from any and all claims, actions and causes of action that you may have or in the future may possess with respect to the Released Parties, including, but not limited to, claims, actions and causes of action arising out of your employment relationship with the Company or the termination of such employment, and including, but not limited to, any claims arising under Title VII of the Civil Rights Act of 1964, the Rehabilitation Act of 1973, the Americans With Disabilities Act of 1990, the Civil Rights Act of 1866, the Civil Rights Act of 1991, the Employee Retirement Income Security Act of 1974, as amended, the Family and Medical Leave Act of 1993, and any other federal, state or local law whether such claim arises under statute or common law and whether or not you are presently aware of the existence of such claim, damage, action and cause of action, suit or demand. You also forever release, discharge and waive any right you may have to recover in any proceeding brought by any federal, state or local agency against the Released Parties to enforce any laws. You agree that the value received as described in this letter agreement shall be in full satisfaction of any and all claims, actions or causes of action for payment or other benefits of any kind that you may have against the Released Parties. Notwithstanding the foregoing, this letter agreement does not apply to your rights, if any, to payment of benefits pursuant to any employee benefit plan.

8. In further recognition of the consideration recited above, you hereby release and discharge the Released Parties from any and all claims, actions and causes of action that you may have against the Released Parties arising under the federal Age Discrimination in Employment Act of 1967, as amended, and the applicable rules and regulations promulgated thereunder. By signing this agreement, you represent that (i) you have been given the opportunity to consult with the attorney(s) of your choice prior to signing this letter agreement and to have such attorney(s) explain the provisions of this letter agreement to you, (ii) that you are aware that this offer will remain open for your acceptance for not less than twenty-one days, (iii) that for a period of seven days following your acceptance hereof you have the option to revoke such acceptance in accordance with the terms set forth below and (iv) that you have knowingly and voluntarily accepted the terms of the offer as described herein.

9. You shall not commence or join any legal action, which term includes, but is not limited to, any demand for arbitration proceedings and any complaint to any federal,

state or local agency, to assert any claim against a Released Party. If you commence or join any legal action against a Released Party, you will indemnify such Released Party for its reasonable costs and attorneys fees incurred in defending such action as well as any monetary judgment obtained by you against any Released Party in such action.

10. You hereby represent and warrant to the Company that you have returned all computer hardware or software, files, papers, memoranda, correspondence, customer lists, financial data, credit cards, keys and security access cards, and all items of any nature which are the property of the Company.

11. You acknowledge and agree that you continue to be bound by the restrictive covenants included in Section 6 of the Retention Agreement between you and the Company dated [] and that you have and shall continue to abide by the terms thereof.

12. During the Restricted Period (as defined in the Retention Agreement), you shall make all reasonable and diligent efforts to cooperate with the Company in connection with all pending, threatened or future claims, actions, arbitrations, litigations, investigations, or injuries by any state, federal, foreign or private entity, directly or indirectly arising from or relating to any transaction, event or activity you were involved in, participated in, or had knowledge of, while at the Company which is asserted against any of the Released Parties. Such cooperation shall include all reasonable assistance that the Company determines is necessary, including, but not limited to, meeting or consulting with the Company and its counsel and their designees, reviewing documents, analyzing facts and appearing or testifying as a witness or interviewee or otherwise. The Company will pay you reasonable compensation for your time spent in providing such services and will reimburse you for all expenses incurred, including reasonable legal fees.

13. In connection with such cooperation, except as otherwise required by law, judicial order, subpoena or other lawful process, you will not cooperate or communicate in any way with any other party or witness or their counsel or designees without the express prior written consent of the Company. Requests for such written consent should be directed to the Company Attention: [_____]. You will advise the Company, Attention: [_____], as soon as practicable but in any event within three business days if you are contacted by any person, firm, corporation, association or other entity in connection with the business of the Company or any claim against any of the Released Parties. Upon receiving such a request, the Company will respond as soon as practicable but in any event within five business days by either granting or denying such consent or by stating that it is not in a position to take such action due to the temporary unavailability of certain individuals at the Company.

14. This letter shall be governed and construed in accordance with the laws of the State of New York without reference to principles of conflict of laws.

15. If any term or provision of this letter agreement shall be determined to be invalid or unenforceable to any extent or in any application, then the remainder of this letter agreement shall not be affected thereby and shall be valid and enforceable.

16. No failure or delay on the part of the Company in the exercise of any power, right or privilege hereunder shall operate as a waiver, nor shall any single or partial exercise of any such power, right or privilege operate as a waiver. The waiver by the Company of any breach or requirement of any provision of this letter shall not operate as a waiver of any subsequent breach or requirement.

17. The rights under this letter shall inure to the benefit of the successors and assigns of the Company.

18. If accepted by you, this letter agreement may not be amended or modified except by a writing executed by you and the Company that specifically refers to this letter agreement and, expressly states that it is intended to amend one or more terms of this letter agreement or to supersede this letter agreement as a whole.

This Offer will remain open for your acceptance until the close of business on [date 21 days after delivery of Offer] after which it will lapse.

[FORM OF RELEASE FOR EMPLOYEES WITHOUT RETENTION BONUS
AGREEMENTS]

[Date]

[Employee Name]
[Address]

Dear [Employee]:

This letter contains an offer by Computer Language Research, Inc., (the "Company"), a Texas corporation, of terms for the termination of your employment ("Offer"). To accept the Company's Offer, you must affix your signature at the end of this letter and return it to [name] in person or by mail postmarked no later than [date 21 days after delivery of Offer]. If you do not accept the Company's Offer, you will not receive the benefits described herein, your participation in the Company's Retention Bonus Plan (the "Retention Bonus Plan") shall immediately terminate and will not be entitled to any additional benefits under the Retention Bonus Plan.

1. Effective as of [date], your employment with the Company is terminated ("Termination Date"). Therefore, as of such date, you will cease to be an active employee for purposes of any welfare, benefit or other plan maintained by the Company and you will no longer be entitled to receive any salary or wages from the Company.

2. As soon as practicable after your acceptance of the Offer, the Company shall make a lump sum payment to you equal to the amount that the Company would have owed to you under the Retention Bonus Plan had you continued to be employed by the Company until the second anniversary of the Effective Date (as defined in the Retention Bonus Plan).

3. You are not entitled to receive benefits beyond the Termination Date, except (i) as specifically provided in this Agreement, (ii) in accordance with the terms of any employee benefit plan maintained by the Company in which you participate, or (iii) COBRA. You will be provided at a future date with information regarding your rights under COBRA to continue certain health benefits at your own expense.

4. In recognition of the Offer outlined above, you hereby agree to release and discharge the Company and their present, former and future partners, affiliates, direct and indirect parents, subsidiaries, successors, directors, officers, employees, agents, attorneys, heirs and assigns (the "Released Parties"), from any and all claims, actions and causes of action

that you may have or in the future may possess with respect to the Released Parties, including, but not limited to, claims, actions and causes of action arising out of your employment relationship with the Company or the termination of such employment, and including, but not limited to, any claims arising under Title VII of the Civil Rights Act of 1964, the Rehabilitation Act of 1973, the Americans With Disabilities Act of 1990, the Civil Rights Act of 1866, the Civil Rights Act of 1991, the Employee Retirement Income Security Act of 1974, as amended, the Family and Medical Leave Act of 1993, and any other federal, state or local law whether such claim arises under statute or common law and whether or not you are presently aware of the existence of such claim, damage, action and cause of action, suit or demand. You also forever release, discharge and waive any right you may have to recover in any proceeding brought by any federal, state or local agency against the Released Parties to enforce any laws. You agree that the value received as described in this letter agreement shall be in full satisfaction of any and all claims, actions or causes of action for payment or other benefits of any kind that you may have against the Released Parties. Notwithstanding the foregoing, this letter agreement does not apply to your rights, if any, to payment of benefits pursuant to any employee benefit plan.

5. In further recognition of the consideration recited above, you hereby release and discharge the Released Parties from any and all claims, actions and causes of action that you may have against the Released Parties arising under the federal Age Discrimination in Employment Act of 1967, as amended, and the applicable rules and regulations promulgated thereunder. By signing this agreement, you represent that (i) you have been given the opportunity to consult with the attorney(s) of your choice prior to signing this letter agreement and to have such attorney(s) explain the provisions of this letter agreement to you, (ii) that you are aware that this offer will remain open for your acceptance for not less than twenty-one days, (iii) that for a period of seven days following your acceptance hereof you have the option to revoke such acceptance in accordance with the terms set forth below and (iv) that you have knowingly and voluntarily accepted the terms of the offer as described herein.

6. You shall not commence or join any legal action, which term includes, but is not limited to, any demand for arbitration proceedings and any complaint to any federal, state or local agency, to assert any claim against a Released Party. If you commence or join any legal action against a Released Party, you will indemnify such Released Party for its reasonable costs and attorneys fees incurred in defending such action as well as any monetary judgment obtained by you against any Released Party in such action.

7. You hereby represent and warrant to the Company that you have returned all computer hardware or software, files, papers, memoranda, correspondence, customer lists, financial data, credit cards, keys and security access cards, and all items of any nature which are the property of the Company.

8. You acknowledge and agree that you continue to be bound by the terms of any agreement that is attached as Appendix C to the Retention Bonus Plan and that you have and shall continue to abide by the terms thereof.

9. Beginning on the Termination Date and continuing for eighteen months thereafter, you shall make all reasonable and diligent efforts to cooperate with the Company in connection with all pending, threatened or future claims, actions, arbitrations, litigations, investigations, or injuries by any state, federal, foreign or private entity, directly or indirectly arising from or relating to any transaction, event or activity you were involved in, participated in, or had knowledge of, while at the Company which is asserted against any of the Released Parties. Such cooperation shall include all reasonable assistance that the Company determines is necessary, including, but not limited to, meeting or consulting with the Company and its counsel and their designees, reviewing documents, analyzing facts and appearing or testifying as a witness or interviewee or otherwise. The Company will pay you reasonable compensation for your time spent in providing such services and will reimburse you for all expenses incurred, including reasonable legal fees.

10. In connection with such cooperation, except as otherwise required by law, judicial order, subpoena or other lawful process, you will not cooperate or communicate in any way with any other party or witness or their counsel or designees without the express prior written consent of the Company. Requests for such written consent should be directed to the Company Attention: [_____]. You will advise the Company, Attention: [_____], as soon as practicable but in any event within three business days if you are contacted by any person, firm, corporation, association or other entity in connection with the business of the Company or any claim against any of the Released Parties. Upon receiving such a request, the Company will respond as soon as practicable but in any event within five business days by either granting or denying such consent or by stating that it is not in a position to take such action due to the temporary unavailability of certain individuals at the Company.

11. This letter shall be governed and construed in accordance with the laws of the State of New York without reference to principles of conflict of laws.

12. If any term or provision of this letter agreement shall be determined to be invalid or unenforceable to any extent or in any application, then the remainder of this letter agreement shall not be affected thereby and shall be valid and enforceable.

13. No failure or delay on the part of the Company in the exercise of any power, right or privilege hereunder shall operate as a waiver, nor shall any single or partial exercise of any such power, right or privilege operate as a waiver. The waiver by the Company of any breach or requirement of any provision of this letter shall not operate as a waiver of any subsequent breach or requirement.

[MODEL RETENTION BONUS AWARD LETTER
FOR EMPLOYEES WITHOUT
NONCOMPETE/NONSOLICITATION AGREEMENTS]

[Company Letterhead]

[Date]

[Employee]
[Address]

Dear [Employee]:

In recognition of your efforts and the contributions you have made and the future contributions we hope you will continue to make as an employee of Computer Language Research, Inc. (the "Company"), we are offering you the opportunity to earn a special Retention Bonus (the "Retention Bonus") in the amount indicated below. The Retention Bonus will be fully subject to the terms of the Retention Bonus Plan, to which this award letter is attached as Appendix B.

Please note that this letter is not intended as a guarantee of continuing employment or as an employment contract governing any term or condition (other than with respect to eligibility for the Retention Bonus) of your at-will employment with the Company, but as an incentive to you to continue to work for the Company and in appreciation of your service. If you have questions about this letter, please feel free to call [name] at [telephone number].

Computer Language Research, Inc.

By: _____

Title: _____

Amount of Retention Bonus Award: \$ _____

[MODEL RETENTION BONUS AWARD LETTER
FOR EMPLOYEES WITH
NONCOMPETE/NONSOLICITATION AGREEMENTS]

[Firm Letterhead]

[Date]

[Employee]
[Address]

Dear [Employee]:

In recognition of your efforts and the contributions you have made and the future contributions we hope you will continue to make as an employee of Computer Language Research, Inc. (the "Company") and as consideration for your execution of the agreement attached as Appendix C to the Retention Bonus Plan (the "Restrictive Covenant Agreement"), we are offering you the opportunity to earn a special Retention Bonus (the "Retention Bonus") in the amount indicated below. The Retention Bonus will be fully subject to the terms of the Retention Bonus Plan, to which this award letter is attached as Appendix B. The obligation of the Company to pay to you the Retention Bonus is fully conditioned upon your execution of the Restrictive Covenant Agreement and compliance therewith.

Please note that this letter is not intended as a guarantee of continuing employment or as an employment contract governing any term or condition (other than with respect to eligibility for the Retention Bonus) of your at-will employment with the Company, but as an incentive to you to continue to work for the Company and in appreciation of your service. If you have questions about this letter, please feel free to call [name] at [telephone number].

Computer Language Research, Inc.

By: _____

Title: _____

Amount of Retention Bonus Award: \$ _____

[Date]

[Name of Executive]

[Address]

Dear [Name of Executive]:

In consideration of the grant of a retention bonus (the "Bonus") under the Retention Bonus Plan (the "Plan") proposed to be made pursuant to the Plan to which this agreement (the "Agreement") is attached as Appendix C and other good and valuable consideration provided to you by Computer Language Research, Inc. (the "Company"), you hereby covenant and agree to the following:

1. Confidentiality. You possess and will continue to possess information which has been created, discovered, developed by or otherwise become known to you (including information discovered or made available by subsidiaries, affiliates or joint ventures of the Company or in which property rights have been assigned or otherwise conveyed to the Company), which information has commercial value to the Company, including but not limited to trade secrets, innovations, processes, computer codes, data, know-how, improvements, discoveries, developments, techniques, marketing plans, strategies, costs, customer and client lists, or any information you have reason to know the Company would treat as confidential for any purpose, whether or not developed by you (hereinafter referred to as "Confidential Information"). Unless instructed in writing by the Company, you will not, at any time, disclose to others, or use, or allow anyone else to disclose or use, any Confidential Information (except as may be necessary in the performance of your employment with the Company), unless, until and then only to the extent that such Confidential Information has become ascertainable or obtained from public or published sources or was available to you on a non-confidential basis prior to any such disclosure or use, provided that the source of such material, to your knowledge upon inquiry, is or was not bound by an obligation of confidentiality to the Company.

2. Restrictive Covenants. You acknowledge that because of your skills, your position with the Company and the Confidential Information to which you shall have access or be provided on account of such employment with the Company, competition by you with the Company could damage the Company in a manner which cannot adequately be compensated by damages or an action at law. In view of such circumstances, because of the Confidential Information obtained by, or disclosed to you, and as a material inducement to the Company to grant the Bonus and other good and valuable consideration, you covenant and agree to the following (for purposes of this Agreement, the term "directly or indirectly" shall be construed in its broadest sense and shall include the activities of the members of your immediate family or any partnership in which you are a partner):

(a) Noncompetition. During your employment with the Company and for a period of eighteen months thereafter (the "Restricted Period"), you shall not (as principal, agent, employee, consultant or otherwise), engage (other than on behalf of the Company or its affiliates) directly or indirectly, in the Tax and Accounting Software Business (as defined below) anywhere in the world or, without the prior written consent of the Company, directly or indirectly, own an interest in, manage, operate, join, control, lend money or render financial or other assistance (other than customary professional courtesies afforded to members of the business community) to or participate in or be connected with, as an officer, employee, partner, stockholder, consultant, advisor or other similar capacity, any person that engages in the Tax and Accounting Software Business (other than the Company or its affiliates); provided, however, that, for the purposes of this paragraph 2(a), ownership of securities having no more than one percent of the outstanding voting power of any competitor which are listed on any national securities exchange or traded actively in the national over-the-counter market shall not be deemed to be in violation of this paragraph 2(a) so long as the person owning such securities has no other connection or relationship with such competitor that would not be permitted hereby. For purposes hereof, "Tax and Accounting Software Business" means the business of developing, designing, publishing, marketing and distributing (i) tax compliance and tax planning software and services for tax and accounting professionals within corporations, banks, government agencies and accounting firms; (ii) accounting and practice management software and services marketed primarily to accounting firms; and (iii) other tax and accounting software products and services which are developed, or are under development, by the Company during the period from the Effective Time through your termination of employment.

(b) Nonsolicitation of Customers. You hereby agree that, during the Restricted Period (other than on behalf of the Company or its affiliates), you will not in any way, directly or indirectly, for the purpose of conducting or engaging in the Tax and Accounting Software Business, call upon, solicit, advise or otherwise do, or attempt to do, business with any customers of the Company or any affiliate of the Company with whom the Company or any such affiliate had any dealings during the two year period prior to the first day of the Restricted Period, or take away or interfere or attempt to interfere with any customer, trade, business or patronage of the Company or any affiliate.

(c) Nonsolicitation. You hereby agree that, during the Restricted Period, you will not in any way, directly or indirectly, hire, attempt to hire, interfere with or attempt to interfere with any officers, employees, representatives, consultants or agents of the Company or any affiliate, or any former officer, employee, representative, consultant or agent of the Company or any affiliate who resigned or was terminated within the prior six-month period (other than an employee whose employment was terminated by the Company or an affiliate without Cause or who resigned from his or her employment with the Company for Good Reason as such terms are defined in the Retention Bonus Plan), or induce or attempt to induce

any of them to leave the employ of the Company or any affiliate or violate the terms of their contracts, or any arrangements, with the Company or any affiliate.

(d) Assignment of Developments. All Developments that were or are at any time made, conceived or suggested by you, whether acting alone or in conjunction with others, during your employment with the Company shall be the sole and absolute property of the Company, free of any reserved or other rights of any kind on your part. During your employment and, if such Developments were made, conceived or suggested by you during your employment with the Company, thereafter, you shall promptly make full disclosure of any such Developments to the Company and, at the Company's cost and expense, do all acts and things (including, among others, the execution and delivery under oath of patent and copyright applications and instruments of assignment) deemed by the Company to be necessary or desirable at any time in order to effect the full assignment to the Company of your right and title, if any, to such Developments. For purposes of this Agreement, the term "Developments" shall mean all data, discoveries, findings, reports, designs, inventions, improvements, methods, practices, techniques, developments, programs, concepts, and ideas, whether or not patentable, relating to the present or planned activities (with respect to the Tax and Accounting Software Business) of which you are as of the date of this Agreement aware or of which you at any time during your employment become aware, or the products and services of the Company or any of its affiliates (with respect to the Tax and Accounting Software Business).

(e) Reasonable Limitations. Given the important nature of the position you hold with the Company, the nature of the Company's business and the sensitive nature of the Confidential Information and duties you have with the Company, the parties acknowledge that the limitations, including but not limited to, the scope of activities prohibited, the geographic area covered and the time limitation, are reasonable.

(f) Remedies. In the event of an actual or threatened breach by you of the provisions of paragraphs 1 and 2 of this Agreement, the Company shall be entitled to a temporary restraining order and an injunction restraining you from such breach. Nothing herein, however, shall be construed as prohibiting the Company from pursuing any other remedies available to it for such actual or threatened breach, including, without limitation, the recovery of damages and reasonable attorneys' and paralegals' fees and costs from you. If you violate any of the covenants in paragraphs 1 and 2 of this Agreement, the term and the covenant violated shall be automatically extended for the period of time of the violation, either from the date on which you cease such violation or from the date of the entry by a court of competent jurisdiction of an order or judgment enforcing such covenants, whichever period is later.

(g) Condition Precedent. You hereby acknowledge and agree that the covenants set forth herein are an essential element of your entitlement to the Retention Bonus set forth as Appendix B to the Retention Bonus Plan to which this Agreement is attached as

Appendix C, and that, your agreement to comply and your actual compliance with these covenants shall constitute the fair and equitable consideration by you for the Retention Bonus.

3. Waiver of Breach and Severability. The waiver by the Company of a breach of any provision of this Agreement by you shall not operate or be construed as a waiver of any subsequent breach by you. In the event any provision of this Agreement is found to be invalid or unenforceable, it may be severed from the Agreement and the remaining provision of the Agreement shall continue to be binding and effective; provided, however, that, if possible, it is the intention of each of the parties that such provision be construed and interpreted as narrowly as necessary in order to make such provision valid and enforceable.

4. Entire Agreement. This instrument contains the entire agreement of the parties and supersedes any prior understandings and agreements between them respecting the subject matter of this Agreement. It may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

5. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

6. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware without regard to the laws of any other state or jurisdiction. Each of you and the Company hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim arising out of or relating to this Agreement.

COMPUTER LANGUAGE RESEARCH, INC.

By: _____
Name:
Title:

ACKNOWLEDGED AND AGREED
AS OF THE DATE FIRST ABOVE WRITTEN

[Name of Employee]

RETENTION AGREEMENT

RETENTION AGREEMENT (this "Agreement"), made as of January __, 1998 by and between Computer Language Research, Inc., a Delaware corporation (the "Company"), and Stephen T. Winn ("Executive"). This Agreement consists of the text hereof and Exhibit A attached hereto.

W I T N E S S E T H:

WHEREAS, Executive is currently a valued key executive of the Company; and

WHEREAS, the Company and The Thomson Corporation ("Thomson") are presently negotiating the purchase of the Company by a subsidiary of Thomson (the "Acquisition") and the Company recognizes that, as a result of the Acquisition, uncertainty and questions could rise among management and could result in the departure or distraction of management personnel to the detriment of the Company; and

WHEREAS, the Company considers it essential to its best interests to foster the continuous employment of key management personnel, such as Executive, by providing for the payment of severance and other benefits in the event of Executive's termination of employment following the Acquisition;

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, the parties hereto agree as follows:

1. Employment and Duties.

The Company hereby agrees to employ Executive and Executive hereby accepts such employment. During the Term, as defined in Section 2 below, Executive shall have such duties as may be assigned to Executive from time to time by the Chief Executive Officer of Research Institute of America Group or the designee thereof or the Board of Directors of the Company. Executive shall devote at least 2080 hours annually (less vacation, holidays and sick days) of his business time, attention, skill and efforts during the Term to the faithful performance of his duties hereunder and shall not accept employment elsewhere during the Term; provided, however, that this Agreement contemplates that Executive shall have sufficient time (outside of the aforementioned time) to manage his personal investment portfolio and; provided further, that to the extent that the performance by Executive of his duties hereunder shall not be adversely impacted, Executive may perform his duties hereunder at the location of his choice, outside of the Company offices, via telephone, modem, e-mail, video conference, or other appropriate medium.

2. Term.

The term of Executive's employment under this Agreement (the "Term") shall commence on the closing date of the Acquisition and shall continue in effect through March 31, 1999. The provisions of this Agreement shall continue in effect beyond the Term to the extent necessary to carry out the intentions of the parties hereto.

3. Compensation.

During the Term, Executive shall be entitled to the following compensation for his services to the Company:

(a) Base Salary. The Company shall pay Executive a base salary (the "Base Salary") at an annual rate of \$375,000 in accordance with the ordinary payroll practices of the Company.

(b) Retention Bonus. In addition to the Base Salary and the Special Bonus, Executive shall be entitled to participate in the Retention Bonus Plan (the "Retention Bonus Plan") that the Company shall adopt in connection with the Acquisition, a copy of which is attached hereto as Exhibit A.

(c) Special Bonus. Subject to Sections 4(a) and 5 below, the Company shall pay Executive a Special Bonus (the "Special Bonus") of \$250,000 in a lump sum amount within fifteen business days after the end of the Term.

(d) Annual Incentive Bonus. Executive shall participate in an annual incentive bonus plan for the calendar year 1998 that shall be adopted by the Company and he shall be eligible to receive a target bonus of up to 100% of his Base Salary.

(e) Retirement, Savings and Welfare Benefit Plans. Executive and/or Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under each retirement, savings and welfare benefit plan of the Company, as in effect immediately prior to the Acquisition (or such benefits that may be substituted therefor by the Company) applicable to other key executives, including, without limitation, all medical, dental, disability, group life, accidental death and travel accident insurance plans and programs.

(f) Expenses. Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by him in the performance of his duties for the Company which shall be paid to him in accordance with the policies and procedures of the Company as in effect at any time thereafter with respect to other key executives.

4. Termination of Employment.

(a) Termination for Cause; Resignation without Good Reason. The Company may terminate Executive's employment hereunder for Cause (as defined in the Retention Bonus Plan). If Executive's employment is terminated by the Company for Cause, or by Executive for reasons other than Good Reason (as defined in the Retention Bonus Plan) prior to the expiration of the Term, the Company shall be obligated to make payment of any Base Salary earned prior to the date of the termination of Executive's employment with the Company (the "Date of Termination") but not yet paid to Executive, any unreimbursed business expenses and any payment from any employee benefit plan described in Section 3 of this Agreement which shall be paid in accordance with such plan and the continuation of coverage under any insurance program as required under any such benefit plan or which may be required by law. In the event of Executive's termination for Cause or Resignation without Good Reason prior to the end of the Term, he will not be entitled to receive the Special Bonus. Eligibility for any retention bonus under the Retention Bonus Plan shall be determined according to the terms of the Retention Bonus Plan. Except as provided above, the Company shall not be obligated to make any additional payments of compensation or benefits specified in Section 3 of this Agreement for any periods after the Date of Termination.

(b) Resignation for Good Reason; Termination without Cause. Executive shall be entitled to the following compensation and benefits if Executive's employment is terminated by Executive for Good Reason or by the Company without Cause, in either case at any time prior to the expiration of the Term:

(i) Salary Continuation. In addition to the payment of all Base Salary earned but not paid, the Company shall continue to pay Executive his Base Salary in accordance with the terms of this Agreement through the end of the Term.

(ii) Special Bonus. Subject to Section 5 below, the Company shall pay Executive the Special Bonus in accordance with the terms of this Agreement.

(iii) Incentive Bonus. Executive shall receive his incentive bonus according to the terms of the incentive bonus plan of the Company for calendar year 1998 as if he had remained employed by the Company through the end of the Term.

(iv) Benefit Continuation. Executive shall continue to participate in all employee benefit plans referenced in Section 3(e) above through the end of the Term in accordance with the terms of this Agreement.

(v) Lump Sum Payment under Retention Bonus Plan. Subject to Section 5 below, within fifteen business days following the Date of Termination, the Company shall make a lump sum payment to Executive equal to the amount that the Company would have owed Executive under the Retention Bonus Plan had Executive continued to be employed by the Company until the second anniversary of the Effective Date (as defined in the Retention Bonus Plan).

(vi) Severance Payment. Subject to Section 5, after the expiration of the Term and in lieu of any other severance payment or benefit that Executive would otherwise be entitled to receive under any plan, program or arrangement of the Company or its affiliates except as provided in this Agreement, the Company shall continue to pay Executive an amount equal to his Base Salary in accordance with the terms of this Agreement beginning on April 1, 1999 and continuing through September 30, 2000.

(c) Termination of Employment At or After the End of the Term. In the event that Executive's employment is terminated either by Executive or by the Company for any reason either at or after the end of the Term, in addition to the compensation and benefits that Executive is entitled to receive under Section 3 above, Executive shall, subject to Section 5 below, be entitled to the following benefits:

(i) Lump Sum Payment under Retention Bonus Plan. Within fifteen business days following the Date of Termination, the Company shall make a lump sum payment to Executive equal to the amount that the Company would have owed Executive under the Retention Bonus Plan had Executive continued to be employed by the Company until the second anniversary of the Effective Date (as defined in the Retention Bonus Plan) to the extent such amount is then unpaid.

(ii) Severance Payment. Beginning on the Date of Termination and continuing through September 30, 2000, the Company shall continue to pay Executive an amount equal to a pro rata portion of his Base Salary in accordance with the terms of this Agreement. The parties hereto agree that any payment under this Section 4(c)(ii) shall be in lieu of any other severance payment or benefit that Executive would otherwise be entitled to receive under any plan, program or arrangement of the Company or its affiliates except as provided in this Agreement.

(d) Death or Disability Before End of Term. If Executive dies or incurs a Permanent Disability (as defined in the Retention Bonus Plan) prior to the expiration of the Term, the Company shall be under no obligation to make additional payments of the compensation and benefits described in Section 3 of the Agreement to Executive or Executive's estate after the Date of Termination except for any Base Salary earned prior to the Date of

Termination but not yet paid; provided, however, subject to Section 5 below in the event of a Permanent Disability or in the event of the death of Executive, the Company shall pay Executive, or Executive's estate, as the case may be, the Special Bonus according to the terms of this Agreement. The Company shall also continue to provide any benefits to Executive and Executive's survivors as required by law. Eligibility for the retention bonus under the Retention Bonus Plan shall be determined according to the terms of the Retention Bonus Plan.

(e) Notice of Termination Required. No termination of employment by Executive or by the Company pursuant to this Section 4 shall be effective unless the terminating party shall have delivered a Notice of Termination. For purposes of this Agreement, a "Notice of Termination" shall mean a written notice which shall indicate the specific termination provision in this Agreement, or the Retention Bonus Plan, if applicable, relied upon and, in the case of a termination of Executive's employment by the Company for Cause or by Executive for Good Reason, shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated.

(f) Nature of Payments. Any amounts due under this Section 4 are in the nature of severance payments, liquidated damages, or both, and are not in the nature of a penalty.

5. Waiver and Release.

Upon a termination by the Company without Cause or the resignation of Executive for Good Reason, Executive hereby acknowledges and agrees that in order to be entitled to receive from the Company any payment under any of Sections 3(b), 3(c), 4(b)(ii), 4(b)(iii), 4(b)(v), 4(c)(i), or 4(c)(ii), Executive shall execute a waiver and release of claims pertaining to the employment of Executive by the Company substantially in the form attached as Appendix A to Exhibit A hereof.

6. Protection of the Company's Interests.

(a) Confidentiality. Executive hereby acknowledges and agrees that he possesses and will continue to possess information which has been created, discovered, developed by or otherwise become known to Executive (including information discovered or made available by subsidiaries, affiliates or joint ventures of the Company or in which property rights have been assigned or otherwise conveyed to the Company), which information has commercial value to the Company, including but not limited to trade secrets, innovations, processes, computer codes, data, know-how, improvements, discoveries, developments, techniques, marketing plans, strategies, costs, customer and client lists, or any information Executive has reason to know the Company would treat as confidential for any purpose,

whether or not developed by Executive (hereinafter referred to as "Confidential Information"). Unless instructed in writing by the Company, Executive will not, at any time, disclose to others, or use, or allow anyone else to disclose or use, any Confidential Information (except as may be necessary in the performance of Executive's employment with the Company), unless, until and then only to the extent that such Confidential Information has become ascertainable or obtained from public or published sources or was available to Executive on a non-confidential basis prior to any such disclosure or use, provided that the source of such material, to Executive's knowledge upon inquiry, is or was not bound by an obligation of confidentiality to the Company.

(b) Restrictive Covenants. Executive hereby acknowledges that because of his skills, his position with the Company and the Confidential Information to which Executive shall have access or be provided on account of such employment with the Company, competition by Executive with the Company could damage the Company in a manner which cannot adequately be compensated by damages or an action at law. In view of such circumstances, because of the Confidential Information obtained by, or disclosed to Executive, and as a material inducement to the Company to enter into this Agreement and other good and valuable consideration, Executive covenants and agrees to the following (for purposes of this Agreement, the term "directly or indirectly" shall be construed in its broadest sense and shall include the activities of the members of Executive's immediate family or any partnership in which Executive is a partner):

(i) Noncompetition. During Executive's employment with the Company and for a period of eighteen months thereafter (the "Restricted Period"), Executive shall not, directly or indirectly, in the Tax and Accounting Software Business (as defined below) anywhere in the world or, without the prior written consent of the Company, directly or indirectly, own an interest in, manage, operate, join, control, lend money or render financial or other assistance (other than customary professional courtesies afforded to members of the business community) to or participate in or be connected with, as an officer, employee, partner, stockholder, consultant, advisor or other similar capacity, any person that engages in the Tax and Accounting Software Business (other than the Company or its affiliates); provided, however, that, for the purposes of this Section 6(b)(i), ownership of securities having no more than one percent of the outstanding voting power of any competitor which are listed on any national securities exchange or traded actively in the national over-the-counter market shall not be deemed to be in violation of this Section 6(b)(i) so long as the person owning such securities has no other connection or relationship with such competitor that would not be permitted hereby. For purposes hereof, "Tax and Accounting Software Business" means the business of developing, designing, publishing, marketing and distributing (i) tax compliance and tax planning software and services for tax and accounting professionals within corporations, banks, government agencies and accounting firms; (ii) accounting

and practice management software and services marketed primarily to accounting firms; and (iii) other tax and accounting software products and services which are developed, or are under development, by the Company during the period from the Effective Time through termination of employment of Executive.

(ii) Nonsolicitation of Customers. Executive hereby agrees that, during the Restricted Period (other than on behalf of the Company or its affiliates), Executive will not in any way, directly or indirectly, for the purpose of conducting or engaging in the Tax and Accounting Software Business, call upon, solicit, advise or otherwise do, or attempt to do, business with any customers of the Company or any affiliate of the Company with whom the Company or any such affiliate had any dealings during the two year period prior to the first day of the Restricted Period, or take away or interfere or attempt to interfere with any customer, trade, business or patronage of the Company or any affiliate.

(iii) Nonsolicitation. Executive hereby agrees that, during the Restricted Period, Executive will not in any way, directly or indirectly, hire, attempt to hire, interfere with or attempt to interfere with any officers, employees, representatives, consultants or agents of the Company or any affiliate, or any former officer, employee, representative, consultant or agent of the Company or any affiliate who resigned or was terminated within the prior six-month period (other than an employee whose employment was terminated by the Company or an affiliate without Cause or who resigned from his or her employment with the Company for Good Reason as such terms are defined in the Retention Bonus Plan), or induce or attempt to induce any of them to leave the employ of the Company or any affiliate or violate the terms of their contracts, or any arrangements, with the Company or any affiliate.

(iv) Assignment of Developments. All Developments that were or are at any time made, conceived or suggested by Executive, whether acting alone or in conjunction with others, during Executive's employment with the Company shall be the sole and absolute property of the Company, free of any reserved or other rights of any kind on the part of Executive. During Executive's employment and, if such Developments were made, conceived or suggested by Executive during his employment with the Company, thereafter, Executive shall promptly make full disclosure of any such Developments to the Company and, at the Company's cost and expense, do all acts and things (including, among others, the execution and delivery under oath of patent and copyright applications and instruments of assignment) deemed by the Company to be necessary or desirable at any time in order to effect the full assignment to the Company of Executive's right and title, if any, to such Developments. For purposes of this Agreement, the term "Developments" shall mean all data, discoveries, findings, reports, designs, inventions, improvements, methods, practices, techniques, developments, programs, concepts, and

ideas, whether or not patentable, relating to the present or planned activities (with respect to the Tax and Accounting Software Business) of which Executive is as of the date of this Agreement aware or of which Executive at any time during his employment with the Company becomes aware, or the products and services of the Company or any of its affiliates (with respect to the Tax and Accounting Software Business).

(v) Reasonable Limitations. Given the important nature of the position Executive holds with the Company, the nature of the Company's business and the sensitive nature of the Confidential Information and duties Executive has with the Company, the parties acknowledge that the limitations, including but not limited to, the scope of activities prohibited, the geographic area covered and the time limitation, are reasonable.

(vi) Remedies. In the event of an actual or threatened breach by Executive of the provisions of this Section 6, the Company shall be entitled to a temporary restraining order and an injunction restraining Executive from such breach. Nothing herein, however, shall be construed as prohibiting the Company from pursuing any other remedies available to it for such actual or threatened breach, including, without limitation, the recovery of damages and reasonable attorneys' and paralegals' fees and costs from Executive. If Executive violates any of the covenants in this Section 6, the term and the covenant violated shall be automatically extended for the period of time of the violation, either from the date on which Executive ceases such violation or from the date of the entry by a court of competent jurisdiction of an order or judgment enforcing such covenants, whichever period is later.

7. No Obligation to Mitigate.

Following termination of Executive's employment, Executive shall be under no obligation to seek other employment or otherwise to mitigate damages resulting from his termination of employment. In addition, there shall be no offset against amounts due to Executive under any provision of this Agreement, on account of any remuneration to which Executive becomes entitled from any person for whom Executive subsequently provides services.

8. Successors; Binding Agreement.

This Agreement shall inure to and be binding upon the successors and assigns of the Company. This Agreement shall inure to the benefit of and be enforceable by Executive and Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees but shall not be assignable by Executive.

9. Notices.

Any notice hereunder by either party to the other shall be given in writing by personal delivery, telex, telecopy or certified mail, return receipt requested, to the address first set forth below in the case of the Company, and to the address set forth on the signature page hereof in the case of Executive (or, in either case, to such other address as may from time to time be designated by notice by any party hereto for such purpose):

Computer Language Research, Inc.
2395 Midway Road
Carrollton, Texas 75006
Attention: General Counsel
Telecopier No.: (972) 250-8423

with a copy to:

The Thomson Corporation
1 Station Place
Stamford, Connecticut 06902
Attention: General Counsel
Telecopier No.: (203) 348-5718
and with an additional copy to:

Shearman & Sterling
599 Lexington Avenue
New York, New York 10022
Telecopier No. (212) 848-7179
Attention: David W. Heleniak, Esq.

Notice shall be deemed given, if by personal delivery, on the date of such delivery or, if by telex or telecopy, on the business day following receipt of answer back or telecopy confirmation or, if by certified mail, on the date shown on the applicable return receipt.

10. Amendment and Waiver.

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 Executive and the Company. 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.

11. Merger of Prior Agreements and Negotiations.

(a) This Agreement sets forth all of the promises, agreements, conditions and understandings between the parties hereto respecting the subject matter hereof and supersedes all prior negotiations, conversations, discussions, correspondence, memoranda and agreements between the parties concerning such subject matter.

(b) Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between Executive and the Company, the employment of Executive by the Company is "at will" and that, subject to the provisions of Section 3 above, if Executive's employment is terminated by either Executive or the Company at any time prior to the beginning of the Term, Executive shall have no further rights under this Agreement. From and after the commencement of the Term, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

12. Partial Invalidity.

If the final determination of a court of competent jurisdiction or arbitrator declares, after the expiration of the time within which judicial review (if permitted) of such determination may be perfected, that any term or provision hereof is invalid or unenforceable, (a) the remaining term and provisions hereof shall be unimpaired and (b) 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.

13. Governing Law; Legal Actions.

This Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware without regard to the laws of any other state or jurisdiction. Each of the Company and Executive hereby waives all right to trial by jury in any action or proceeding arising out of or relating to this Agreement. Each party will be liable for any legal fees incurred by such party pursuant to any dispute or controversy arising hereunder.

14. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto, having entered into this Agreement as of January , 1998.

COMPUTER LANGUAGE
RESEARCH, INC.

By: _____
Title:

EXECUTIVE

Name: Stephen T. Winn
Title:
Address:

RETENTION BONUS PLAN

This Retention Bonus Plan (the "Plan") is primarily designed to provide certain eligible employees of Computer Language Research, Inc. (the "Company") with the opportunity to participate in a special bonus retention program, provided they remain in the employ of the Company through the completion of a designated transition period following the Acquisition. The Plan shall become effective as of the Effective Time and shall continue in effect until terminated by the Company's Board of Directors (the "Board") in accordance herewith. Capitalized terms that are not otherwise defined herein shall have the meaning set forth in the Agreement and Plan of Merger among The Thomson Corporation ("Parent"), a wholly-owned subsidiary of the Parent and the Company.

I. ELIGIBILITY

You shall be eligible to receive your designated retention bonus under the Plan if each of the following requirements is satisfied;

- o the Board has selected you for participation in the Plan and the Company has communicated such participation to Parent in writing prior to the Effective Time;
- o you remain actively employed by the Company or the Parent or a subsidiary of the Parent or the Company until the earlier to occur of (i) the completion of the Bonus Earn-Out Period designated below or (ii) the occurrence of any of the following events: (A) the involuntary termination of your employment by the Company or the Parent for any reason other than for Cause, (B) your resignation for Good Reason or (C) your death or Permanent Disability;
- o if any such agreement is attached hereto, the execution by you, and your continued compliance with, such agreement attached hereto as Appendix C; and
- o if you are terminated by the Company without Cause or resign from your employment for Good Reason, the execution by you of a waiver and release of claims pertaining to your employment with the Company, substantially in the form attached hereto as Appendix A.

The amount of your retention bonus was determined by the Board at the time of your selection for participation in the Plan and is indicated on the retention bonus award letter

attached hereto as Appendix B. Your retention bonus will become payable in two installments during the Bonus Earn-Out Period, and you must remain in eligible employee status to receive each such installment.

No individuals other than those identified to Parent by the Company in writing prior to the Effective Time as participants in the Plan shall be eligible to participate in this Plan.

You will not be eligible for any retention bonus under this Plan if any of the following circumstances occur:

- o You voluntarily terminate employment with the Company or the Parent other than for Good Reason.
- o You are terminated by the Company or the Parent for Cause.

For purposes of the Plan, the following definitions shall be in effect:

- o "Acquisition" shall mean the acquisition of the Company by the Parent or a subsidiary of the Parent.
- o "Bonus-Earn Out Period" shall mean the period beginning at the Effective Time (the "Effective Date") and ending (i) as to 50% of the retention bonus, on the first anniversary of the Effective Date, and (ii) as to the remaining 50% of the retention bonus, on the second anniversary of the Effective Date.
- o "Cause" shall mean the termination of your employment by the Company or the Parent by reason of (i) your willful, negligent or repeated failure to perform the material duties of your position (following reasonable notice and an opportunity to cure in the event of negligent or repeated failure to perform only); (ii) any willful misconduct or gross negligence on your part which is injurious to the Company or the Parent; (iii) your conviction or plea of no contest to either (A) a felony or (B) a misdemeanor involving dishonesty or moral turpitude; or (iv) your commission of any act of fraud against, or the misappropriation of property belonging to, the Company or the Parent; or (v) your making a materially false statement to the auditors or legal counsel of the Company or the Parent or your willful falsification of any corporate document or form.
- o "Good Reason" shall mean one or more of the following changes to the terms and conditions of your employment with the Company or the Parent

after the effective date of the Acquisition: (i) any material reduction in your rate of base salary (compared to your base rate of salary for the 1997 calendar year), (ii) a material reduction in your level of authority or the duties or responsibilities of your position; or (iii) a relocation of your principal place of employment by more than fifty (50) miles from your current principal place of employment, provided such reduction or relocation is effected without your written consent.

- o "Permanent Disability" shall mean your physical or mental incapacity to perform your employment duties for a total of sixteen consecutive weeks or for an aggregate of more than six months in any fourteen-month period (as determined by a physician who shall be selected by the Company and the decision of whom shall be final and conclusive).

II. TERMS OF THE PLAN

The amount of the retention bonus that will be payable to you pursuant to the Plan shall be set forth in the award letter attached hereto as Appendix B.

Your retention bonus will be payable in two installments over the Bonus Earn-Out Period. You must remain employed by the Company or the Parent on each installment date during the Bonus Earn-Out Period in order to receive the installment payable on that date except as provided under Part I hereof. The payout date for each installment during the Bonus Earn-Out Period and the percentage of your retention bonus which is to become due and payable on that date, provided you remain actively employed by the Company or the Parent, are as follows:

| Payment Date ----- | Percentage of Retention Bonus Payable ----- |
|--|--|
| Effective Date | 0% |
| First Anniversary of the Effective Date | 50% |
| Second Anniversary of the Effective Date | 50% |

However, if you become eligible for your retention bonus under the Plan by reason of (i) the termination of your employment with the Company or the Parent other than for Cause, (ii) your resignation for Good Reason or (iii) your death or Permanent Disability, then you will receive the full amount of your retention bonus in a lump-sum payment as soon as administratively feasible following your termination date.

Retention bonuses are not intended to constitute eligible earnings or compensation for purposes of any other employee plans, programs or arrangements now or hereafter offered by the Company or the Parent.

Payment of your retention bonus will be subject to the collection by the Company or the Parent of all applicable federal, state and local income and employment withholding taxes.

III. OTHER IMPORTANT INFORMATION

Plan Administration. Within the scope of the terms of the Plan and in accordance therewith, as the administrator of the Plan, the Board has full discretionary authority to administer and interpret the Plan, including the discretionary authority to determine eligibility for participation and benefits under the Plan and the amount of benefits (if any) payable per participant. All such determinations by the Board shall be final, binding and conclusive upon all persons.

Benefits. All bonuses will be paid from the general assets of the Company. The Company will not establish any trust or escrow to fund the benefits which may become due and payable under the Plan. The benefits provided under the Plan are not assignable or transferable. However, should a participant die prior to receipt of all or any portion of the retention bonus to which he or she becomes entitled under the Plan, then that unpaid amount shall be paid to the executor or administrator of that participant's estate.

Successor Liability. The terms and provisions of this Plan shall be binding upon any successor entity to the Company, and such successor entity shall accordingly be liable for the payment of all benefits which become due and payable under the Plan with respect to the eligible employees of the Company.

Plan Terms. The Plan supersedes any and all prior retention arrangements, programs or plans previously offered by the Company to employees eligible to participate in this Plan.

Taxes. The Company or the Parent will withhold taxes and all other applicable payroll deductions from any payment made pursuant to the Plan. Except to the extent otherwise agreed by the Company in writing, to the extent any retention bonus paid to any eligible employee under the Plan constitutes an "excess parachute payment" within meaning of Section 280G(b) of the Internal Revenue Code of 1986, as amended, that employee shall be solely responsible for any and all excise taxes attributable to such payment, and those excise taxes shall accordingly be withheld from the retention bonus payable to such individual.

No Right to Employment. No provision of the Plan is intended to provide you or any other employee with any right to continue in the employ of the Company or the Parent or otherwise affect the right of the Company or the Parent, which right is hereby expressly reserved by each such party, to terminate the employment of any individual at any time for any reason, with or without cause.

Applicable Law. This Plan shall be governed by the laws of the State of Delaware, without giving effect to the conflicts of laws principles thereof.

[FORM OF RELEASE FOR EXECUTIVES WITH RETENTION BONUS
AGREEMENTS]

[Date]

[Employee Name]
[Address]

Dear [Employee]:

This letter contains an offer by Computer Language Research, Inc. ("the Company"), a Texas corporation, of terms for the termination of your employment ("Offer"). To accept the Company's Offer, you must affix your signature at the end of this letter and return it to [name] in person or by mail postmarked no later than [date 21 days after delivery of Offer]. If you do not accept the Company's Offer, you will not receive the benefits described herein.

1. Effective as of [date], your employment with the Company is terminated ("Termination Date"). Therefore, as of such date, you will cease to be an active employee for purposes of any welfare, benefit or other plan maintained by the Company and you will no longer be entitled to receive any salary or wages from the Company.

2. As soon as practicable after your acceptance of the Offer, the Company will pay you a Special Bonus of [] in a lump sum amount.

3. You shall continue to participate in all employee benefit plans referenced in Section 3(d) of the Retention Agreement dated [] between you and the Company (the "Retention Agreement") through the end of the Term (as defined in the Retention Agreement).

4. As soon as practicable after your acceptance of the Offer, the Company shall make a lump sum payment to you equal to the amount that the Company would have owed to you under the Retention Bonus Plan ("Retention Bonus Plan") had you continued to be employed by the Company until the second anniversary of the Effective Date (as defined in the Retention Bonus Plan).

5. After the expiration of the Term (as defined in the Retention Agreement), the Company shall continue to pay you an amount equal to your Base Salary (as defined in the Retention Agreement), according to the normal payroll practices of the Company, beginning on January 1, 1999 and continuing through December 31, 1999.

6. You are not entitled to receive benefits beyond the Termination Date, except (i) as specifically provided in this Agreement, (ii) in accordance with the terms of any employee benefit plan maintained by the Company in which you participate, or (iii) COBRA. You will be provided at a future date with information regarding your rights under COBRA to continue certain health benefits at your own expense.

7. In recognition of the Offer outlined above, you hereby agree to release and discharge the Company and their present, former and future partners, affiliates, direct and indirect parents, subsidiaries, successors, directors, officers, employees, agents, attorneys, heirs and assigns (the "Released Parties"), from any and all claims, actions and causes of action that you may have or in the future may possess with respect to the Released Parties, including, but not limited to, claims, actions and causes of action arising out of your employment relationship with the Company or the termination of such employment, and including, but not limited to, any claims arising under Title VII of the Civil Rights Act of 1964, the Rehabilitation Act of 1973, the Americans With Disabilities Act of 1990, the Civil Rights Act of 1866, the Civil Rights Act of 1991, the Employee Retirement Income Security Act of 1974, as amended, the Family and Medical Leave Act of 1993, and any other federal, state or local law whether such claim arises under statute or common law and whether or not you are presently aware of the existence of such claim, damage, action and cause of action, suit or demand. You also forever release, discharge and waive any right you may have to recover in any proceeding brought by any federal, state or local agency against the Released Parties to enforce any laws. You agree that the value received as described in this letter agreement shall be in full satisfaction of any and all claims, actions or causes of action for payment or other benefits of any kind that you may have against the Released Parties. Notwithstanding the foregoing, this letter agreement does not apply to your rights, if any, to payment of benefits pursuant to any employee benefit plan.

8. In further recognition of the consideration recited above, you hereby release and discharge the Released Parties from any and all claims, actions and causes of action that you may have against the Released Parties arising under the federal Age Discrimination in Employment Act of 1967, as amended, and the applicable rules and regulations promulgated thereunder. By signing this agreement, you represent that (i) you have been given the opportunity to consult with the attorney(s) of your choice prior to signing this letter agreement and to have such attorney(s) explain the provisions of this letter agreement to you, (ii) that you are aware that this offer will remain open for your acceptance for not less than twenty-one days, (iii) that for a period of seven days following your acceptance hereof you have the option to revoke such acceptance in accordance with the terms set forth below and (iv) that you have knowingly and voluntarily accepted the terms of the offer as described herein.

9. You shall not commence or join any legal action, which term includes, but is not limited to, any demand for arbitration proceedings and any complaint to any federal,

state or local agency, to assert any claim against a Released Party. If you commence or join any legal action against a Released Party, you will indemnify such Released Party for its reasonable costs and attorneys fees incurred in defending such action as well as any monetary judgment obtained by you against any Released Party in such action.

10. You hereby represent and warrant to the Company that you have returned all computer hardware or software, files, papers, memoranda, correspondence, customer lists, financial data, credit cards, keys and security access cards, and all items of any nature which are the property of the Company.

11. You acknowledge and agree that you continue to be bound by the restrictive covenants included in Section 6 of the Retention Agreement between you and the Company dated [] and that you have and shall continue to abide by the terms thereof.

12. During the Restricted Period (as defined in the Retention Agreement), you shall make all reasonable and diligent efforts to cooperate with the Company in connection with all pending, threatened or future claims, actions, arbitrations, litigations, investigations, or injuries by any state, federal, foreign or private entity, directly or indirectly arising from or relating to any transaction, event or activity you were involved in, participated in, or had knowledge of, while at the Company which is asserted against any of the Released Parties. Such cooperation shall include all reasonable assistance that the Company determines is necessary, including, but not limited to, meeting or consulting with the Company and its counsel and their designees, reviewing documents, analyzing facts and appearing or testifying as a witness or interviewee or otherwise. The Company will pay you reasonable compensation for your time spent in providing such services and will reimburse you for all expenses incurred, including reasonable legal fees.

13. In connection with such cooperation, except as otherwise required by law, judicial order, subpoena or other lawful process, you will not cooperate or communicate in any way with any other party or witness or their counsel or designees without the express prior written consent of the Company. Requests for such written consent should be directed to the Company Attention: [_____]. You will advise the Company, Attention: [_____], as soon as practicable but in any event within three business days if you are contacted by any person, firm, corporation, association or other entity in connection with the business of the Company or any claim against any of the Released Parties. Upon receiving such a request, the Company will respond as soon as practicable but in any event within five business days by either granting or denying such consent or by stating that it is not in a position to take such action due to the temporary unavailability of certain individuals at the Company.

14. This letter shall be governed and construed in accordance with the laws of the State of New York without reference to principles of conflict of laws.

15. If any term or provision of this letter agreement shall be determined to be invalid or unenforceable to any extent or in any application, then the remainder of this letter agreement shall not be affected thereby and shall be valid and enforceable.

16. No failure or delay on the part of the Company in the exercise of any power, right or privilege hereunder shall operate as a waiver, nor shall any single or partial exercise of any such power, right or privilege operate as a waiver. The waiver by the Company of any breach or requirement of any provision of this letter shall not operate as a waiver of any subsequent breach or requirement.

17. The rights under this letter shall inure to the benefit of the successors and assigns of the Company.

18. If accepted by you, this letter agreement may not be amended or modified except by a writing executed by you and the Company that specifically refers to this letter agreement and, expressly states that it is intended to amend one or more terms of this letter agreement or to supersede this letter agreement as a whole.

This Offer will remain open for your acceptance until the close of business on [date 21 days after delivery of Offer] after which it will lapse.

[FORM OF RELEASE FOR EMPLOYEES WITHOUT RETENTION BONUS
AGREEMENTS]

[Date]

[Employee Name]
[Address]

Dear [Employee]:

This letter contains an offer by Computer Language Research, Inc., (the "Company"), a Texas corporation, of terms for the termination of your employment ("Offer"). To accept the Company's Offer, you must affix your signature at the end of this letter and return it to [name] in person or by mail postmarked no later than [date 21 days after delivery of Offer]. If you do not accept the Company's Offer, you will not receive the benefits described herein, your participation in the Company's Retention Bonus Plan (the "Retention Bonus Plan") shall immediately terminate and will not be entitled to any additional benefits under the Retention Bonus Plan.

1. Effective as of [date], your employment with the Company is terminated ("Termination Date"). Therefore, as of such date, you will cease to be an active employee for purposes of any welfare, benefit or other plan maintained by the Company and you will no longer be entitled to receive any salary or wages from the Company.

2. As soon as practicable after your acceptance of the Offer, the Company shall make a lump sum payment to you equal to the amount that the Company would have owed to you under the Retention Bonus Plan had you continued to be employed by the Company until the second anniversary of the Effective Date (as defined in the Retention Bonus Plan).

3. You are not entitled to receive benefits beyond the Termination Date, except (i) as specifically provided in this Agreement, (ii) in accordance with the terms of any employee benefit plan maintained by the Company in which you participate, or (iii) COBRA. You will be provided at a future date with information regarding your rights under COBRA to continue certain health benefits at your own expense.

4. In recognition of the Offer outlined above, you hereby agree to release and discharge the Company and their present, former and future partners, affiliates, direct and indirect parents, subsidiaries, successors, directors, officers, employees, agents, attorneys, heirs and assigns (the "Released Parties"), from any and all claims, actions and causes of action

that you may have or in the future may possess with respect to the Released Parties, including, but not limited to, claims, actions and causes of action arising out of your employment relationship with the Company or the termination of such employment, and including, but not limited to, any claims arising under Title VII of the Civil Rights Act of 1964, the Rehabilitation Act of 1973, the Americans With Disabilities Act of 1990, the Civil Rights Act of 1866, the Civil Rights Act of 1991, the Employee Retirement Income Security Act of 1974, as amended, the Family and Medical Leave Act of 1993, and any other federal, state or local law whether such claim arises under statute or common law and whether or not you are presently aware of the existence of such claim, damage, action and cause of action, suit or demand. You also forever release, discharge and waive any right you may have to recover in any proceeding brought by any federal, state or local agency against the Released Parties to enforce any laws. You agree that the value received as described in this letter agreement shall be in full satisfaction of any and all claims, actions or causes of action for payment or other benefits of any kind that you may have against the Released Parties. Notwithstanding the foregoing, this letter agreement does not apply to your rights, if any, to payment of benefits pursuant to any employee benefit plan.

5. In further recognition of the consideration recited above, you hereby release and discharge the Released Parties from any and all claims, actions and causes of action that you may have against the Released Parties arising under the federal Age Discrimination in Employment Act of 1967, as amended, and the applicable rules and regulations promulgated thereunder. By signing this agreement, you represent that (i) you have been given the opportunity to consult with the attorney(s) of your choice prior to signing this letter agreement and to have such attorney(s) explain the provisions of this letter agreement to you, (ii) that you are aware that this offer will remain open for your acceptance for not less than twenty-one days, (iii) that for a period of seven days following your acceptance hereof you have the option to revoke such acceptance in accordance with the terms set forth below and (iv) that you have knowingly and voluntarily accepted the terms of the offer as described herein.

6. You shall not commence or join any legal action, which term includes, but is not limited to, any demand for arbitration proceedings and any complaint to any federal, state or local agency, to assert any claim against a Released Party. If you commence or join any legal action against a Released Party, you will indemnify such Released Party for its reasonable costs and attorneys fees incurred in defending such action as well as any monetary judgment obtained by you against any Released Party in such action.

7. You hereby represent and warrant to the Company that you have returned all computer hardware or software, files, papers, memoranda, correspondence, customer lists, financial data, credit cards, keys and security access cards, and all items of any nature which are the property of the Company.

8. You acknowledge and agree that you continue to be bound by the terms of any agreement that is attached as Appendix C to the Retention Bonus Plan and that you have and shall continue to abide by the terms thereof.

9. Beginning on the Termination Date and continuing for eighteen months thereafter, you shall make all reasonable and diligent efforts to cooperate with the Company in connection with all pending, threatened or future claims, actions, arbitrations, litigations, investigations, or injuries by any state, federal, foreign or private entity, directly or indirectly arising from or relating to any transaction, event or activity you were involved in, participated in, or had knowledge of, while at the Company which is asserted against any of the Released Parties. Such cooperation shall include all reasonable assistance that the Company determines is necessary, including, but not limited to, meeting or consulting with the Company and its counsel and their designees, reviewing documents, analyzing facts and appearing or testifying as a witness or interviewee or otherwise. The Company will pay you reasonable compensation for your time spent in providing such services and will reimburse you for all expenses incurred, including reasonable legal fees.

10. In connection with such cooperation, except as otherwise required by law, judicial order, subpoena or other lawful process, you will not cooperate or communicate in any way with any other party or witness or their counsel or designees without the express prior written consent of the Company. Requests for such written consent should be directed to the Company Attention: [_____]. You will advise the Company, Attention: [_____], as soon as practicable but in any event within three business days if you are contacted by any person, firm, corporation, association or other entity in connection with the business of the Company or any claim against any of the Released Parties. Upon receiving such a request, the Company will respond as soon as practicable but in any event within five business days by either granting or denying such consent or by stating that it is not in a position to take such action due to the temporary unavailability of certain individuals at the Company.

11. This letter shall be governed and construed in accordance with the laws of the State of New York without reference to principles of conflict of laws.

12. If any term or provision of this letter agreement shall be determined to be invalid or unenforceable to any extent or in any application, then the remainder of this letter agreement shall not be affected thereby and shall be valid and enforceable.

13. No failure or delay on the part of the Company in the exercise of any power, right or privilege hereunder shall operate as a waiver, nor shall any single or partial exercise of any such power, right or privilege operate as a waiver. The waiver by the Company of any breach or requirement of any provision of this letter shall not operate as a waiver of any subsequent breach or requirement.

[MODEL RETENTION BONUS AWARD LETTER
FOR EMPLOYEES WITHOUT
NONCOMPETE/NONSOLICITATION AGREEMENTS]

[Company Letterhead]

[Date]

[Employee]
[Address]

Dear [Employee]:

In recognition of your efforts and the contributions you have made and the future contributions we hope you will continue to make as an employee of Computer Language Research, Inc. (the "Company"), we are offering you the opportunity to earn a special Retention Bonus (the "Retention Bonus") in the amount indicated below. The Retention Bonus will be fully subject to the terms of the Retention Bonus Plan, to which this award letter is attached as Appendix B.

Please note that this letter is not intended as a guarantee of continuing employment or as an employment contract governing any term or condition (other than with respect to eligibility for the Retention Bonus) of your at-will employment with the Company, but as an incentive to you to continue to work for the Company and in appreciation of your service. If you have questions about this letter, please feel free to call [name] at [telephone number].

Computer Language Research, Inc.

By: _____

Title: _____

Amount of Retention Bonus Award: \$ _____

[MODEL RETENTION BONUS AWARD LETTER
FOR EMPLOYEES WITH
NONCOMPETE/NONSOLICITATION AGREEMENTS]

[Firm Letterhead]

[Date]

[Employee]
[Address]

Dear [Employee]:

In recognition of your efforts and the contributions you have made and the future contributions we hope you will continue to make as an employee of Computer Language Research, Inc. (the "Company") and as consideration for your execution of the agreement attached as Appendix C to the Retention Bonus Plan (the "Restrictive Covenant Agreement"), we are offering you the opportunity to earn a special Retention Bonus (the "Retention Bonus") in the amount indicated below. The Retention Bonus will be fully subject to the terms of the Retention Bonus Plan, to which this award letter is attached as Appendix B. The obligation of the Company to pay to you the Retention Bonus is fully conditioned upon your execution of the Restrictive Covenant Agreement and compliance therewith.

Please note that this letter is not intended as a guarantee of continuing employment or as an employment contract governing any term or condition (other than with respect to eligibility for the Retention Bonus) of your at-will employment with the Company, but as an incentive to you to continue to work for the Company and in appreciation of your service. If you have questions about this letter, please feel free to call [name] at [telephone number].

Computer Language Research, Inc.

By: _____

Title: _____

Amount of Retention Bonus Award: \$ _____

[Date]

[Name of Executive]

[Address]

Dear [Name of Executive]:

In consideration of the grant of a retention bonus (the "Bonus") under the Retention Bonus Plan (the "Plan") proposed to be made pursuant to the Plan to which this agreement (the "Agreement") is attached as Appendix C and other good and valuable consideration provided to you by Computer Language Research, Inc. (the "Company"), you hereby covenant and agree to the following:

1. Confidentiality. You possess and will continue to possess information which has been created, discovered, developed by or otherwise become known to you (including information discovered or made available by subsidiaries, affiliates or joint ventures of the Company or in which property rights have been assigned or otherwise conveyed to the Company), which information has commercial value to the Company, including but not limited to trade secrets, innovations, processes, computer codes, data, know-how, improvements, discoveries, developments, techniques, marketing plans, strategies, costs, customer and client lists, or any information you have reason to know the Company would treat as confidential for any purpose, whether or not developed by you (hereinafter referred to as "Confidential Information"). Unless instructed in writing by the Company, you will not, at any time, disclose to others, or use, or allow anyone else to disclose or use, any Confidential Information (except as may be necessary in the performance of your employment with the Company), unless, until and then only to the extent that such Confidential Information has become ascertainable or obtained from public or published sources or was available to you on a non-confidential basis prior to any such disclosure or use, provided that the source of such material, to your knowledge upon inquiry, is or was not bound by an obligation of confidentiality to the Company.

2. Restrictive Covenants. You acknowledge that because of your skills, your position with the Company and the Confidential Information to which you shall have access or be provided on account of such employment with the Company, competition by you with the Company could damage the Company in a manner which cannot adequately be compensated by damages or an action at law. In view of such circumstances, because of the Confidential Information obtained by, or disclosed to you, and as a material inducement to the Company to grant the Bonus and other good and valuable consideration, you covenant and agree to the following (for purposes of this Agreement, the term "directly or indirectly" shall be construed in its broadest sense and shall include the activities of the members of your immediate family or any partnership in which you are a partner):

(a) Noncompetition. During your employment with the Company and for a period of eighteen months thereafter (the "Restricted Period"), you shall not (as principal, agent, employee, consultant or otherwise), engage (other than on behalf of the Company or its affiliates) directly or indirectly, in the Tax and Accounting Software Business (as defined below) anywhere in the world or, without the prior written consent of the Company, directly or indirectly, own an interest in, manage, operate, join, control, lend money or render financial or other assistance (other than customary professional courtesies afforded to members of the business community) to or participate in or be connected with, as an officer, employee, partner, stockholder, consultant, advisor or other similar capacity, any person that engages in the Tax and Accounting Software Business (other than the Company or its affiliates); provided, however, that, for the purposes of this paragraph 2(a), ownership of securities having no more than one percent of the outstanding voting power of any competitor which are listed on any national securities exchange or traded actively in the national over-the-counter market shall not be deemed to be in violation of this paragraph 2(a) so long as the person owning such securities has no other connection or relationship with such competitor that would not be permitted hereby. For purposes hereof, "Tax and Accounting Software Business" means the business of developing, designing, publishing, marketing and distributing (i) tax compliance and tax planning software and services for tax and accounting professionals within corporations, banks, government agencies and accounting firms; (ii) accounting and practice management software and services marketed primarily to accounting firms; and (iii) other tax and accounting software products and services which are developed, or are under development, by the Company during the period from the Effective Time through your termination of employment.

(b) Nonsolicitation of Customers. You hereby agree that, during the Restricted Period (other than on behalf of the Company or its affiliates), you will not in any way, directly or indirectly, for the purpose of conducting or engaging in the Tax and Accounting Software Business, call upon, solicit, advise or otherwise do, or attempt to do, business with any customers of the Company or any affiliate of the Company with whom the Company or any such affiliate had any dealings during the two year period prior to the first day of the Restricted Period, or take away or interfere or attempt to interfere with any customer, trade, business or patronage of the Company or any affiliate.

(c) Nonsolicitation. You hereby agree that, during the Restricted Period, you will not in any way, directly or indirectly, hire, attempt to hire, interfere with or attempt to interfere with any officers, employees, representatives, consultants or agents of the Company or any affiliate, or any former officer, employee, representative, consultant or agent of the Company or any affiliate who resigned or was terminated within the prior six-month period (other than an employee whose employment was terminated by the Company or an affiliate without Cause or who resigned from his or her employment with the Company for Good Reason as such terms are defined in the Retention Bonus Plan), or induce or attempt to induce

any of them to leave the employ of the Company or any affiliate or violate the terms of their contracts, or any arrangements, with the Company or any affiliate.

(d) Assignment of Developments. All Developments that were or are at any time made, conceived or suggested by you, whether acting alone or in conjunction with others, during your employment with the Company shall be the sole and absolute property of the Company, free of any reserved or other rights of any kind on your part. During your employment and, if such Developments were made, conceived or suggested by you during your employment with the Company, thereafter, you shall promptly make full disclosure of any such Developments to the Company and, at the Company's cost and expense, do all acts and things (including, among others, the execution and delivery under oath of patent and copyright applications and instruments of assignment) deemed by the Company to be necessary or desirable at any time in order to effect the full assignment to the Company of your right and title, if any, to such Developments. For purposes of this Agreement, the term "Developments" shall mean all data, discoveries, findings, reports, designs, inventions, improvements, methods, practices, techniques, developments, programs, concepts, and ideas, whether or not patentable, relating to the present or planned activities (with respect to the Tax and Accounting Software Business) of which you are as of the date of this Agreement aware or of which you at any time during your employment become aware, or the products and services of the Company or any of its affiliates (with respect to the Tax and Accounting Software Business).

(e) Reasonable Limitations. Given the important nature of the position you hold with the Company, the nature of the Company's business and the sensitive nature of the Confidential Information and duties you have with the Company, the parties acknowledge that the limitations, including but not limited to, the scope of activities prohibited, the geographic area covered and the time limitation, are reasonable.

(f) Remedies. In the event of an actual or threatened breach by you of the provisions of paragraphs 1 and 2 of this Agreement, the Company shall be entitled to a temporary restraining order and an injunction restraining you from such breach. Nothing herein, however, shall be construed as prohibiting the Company from pursuing any other remedies available to it for such actual or threatened breach, including, without limitation, the recovery of damages and reasonable attorneys' and paralegals' fees and costs from you. If you violate any of the covenants in paragraphs 1 and 2 of this Agreement, the term and the covenant violated shall be automatically extended for the period of time of the violation, either from the date on which you cease such violation or from the date of the entry by a court of competent jurisdiction of an order or judgment enforcing such covenants, whichever period is later.

(g) Condition Precedent. You hereby acknowledge and agree that the covenants set forth herein are an essential element of your entitlement to the Retention Bonus set forth as Appendix B to the Retention Bonus Plan to which this Agreement is attached as

Appendix C, and that, your agreement to comply and your actual compliance with these covenants shall constitute the fair and equitable consideration by you for the Retention Bonus.

3. Waiver of Breach and Severability. The waiver by the Company of a breach of any provision of this Agreement by you shall not operate or be construed as a waiver of any subsequent breach by you. In the event any provision of this Agreement is found to be invalid or unenforceable, it may be severed from the Agreement and the remaining provision of the Agreement shall continue to be binding and effective; provided, however, that, if possible, it is the intention of each of the parties that such provision be construed and interpreted as narrowly as necessary in order to make such provision valid and enforceable.

4. Entire Agreement. This instrument contains the entire agreement of the parties and supersedes any prior understandings and agreements between them respecting the subject matter of this Agreement. It may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

5. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

6. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware without regard to the laws of any other state or jurisdiction. Each of you and the Company hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim arising out of or relating to this Agreement.

COMPUTER LANGUAGE RESEARCH, INC.

By: _____
Name:
Title:

ACKNOWLEDGED AND AGREED
AS OF THE DATE FIRST ABOVE WRITTEN

[Name of Employee]