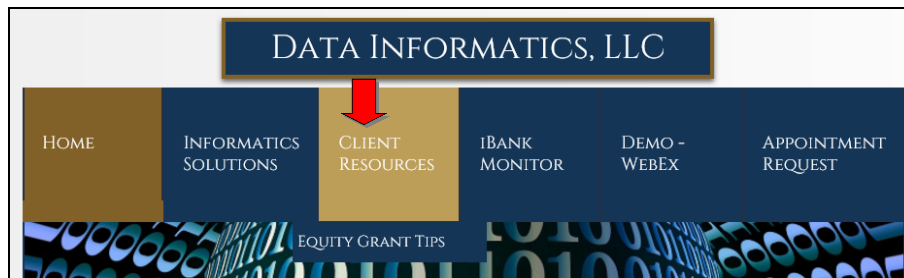


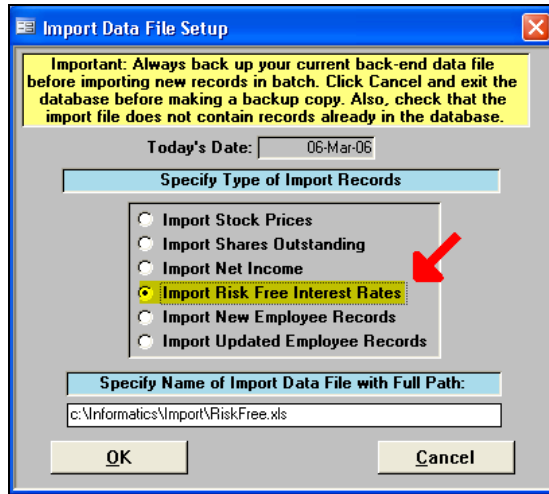
Risk Free Interest Rate Update Procedure

- The Stock Informatics program utilizes the **Black Scholes Model** to calculate the **Fair Value** of Equity Grants which are tracked within the program.
 - The **Risk Free Interest Rate** in one of six Black Scholes Model inputs:
 1. Prevailing Stock Market Price at date of Grant,
 2. Exercise Price,
 3. Expected Cash Dividend Yield,
 4. Expected Stock Price Volatility,
 5. Expected Life, and
 6. **Risk Free Rate.**
- Risk Free Rates are synonymous with U.S. Treasury Constant Maturity Rates and Stock Informatics provides monthly data files obtained directly from the **Federal Reserve**. These rates are imported into the program by the client.
- To download the Risk Free Rate file, navigate to the Stock Informatics “Client Resources” web page through the menu selection on the Stock Informatics website.

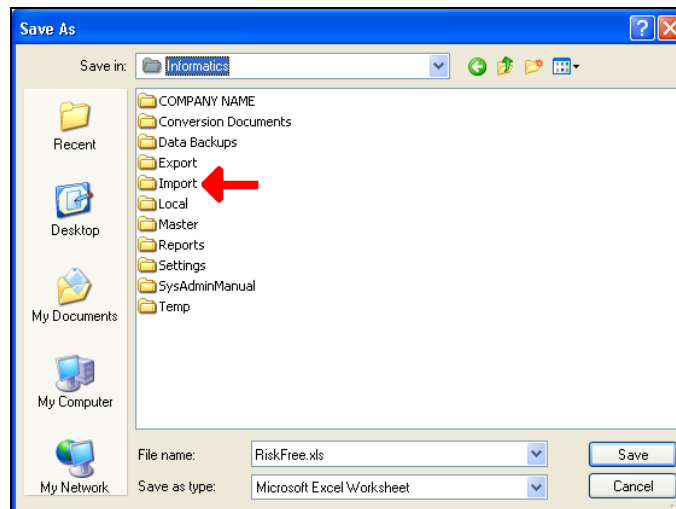


- On the Client Resources web page, **click** on the button “Download Risk Free Rates” and select “Save Target As” to begin the download process.





- Then, navigate to your C:\Informatics directory and save the file into the “Import” subdirectory. Click “OK” to overwrite the existing RiskFree.xls file and save the file.



- After saving the new RiskFree.xls file, close all programs and return to your desktop, then:
 - Open the Stock Informatics program.
 - On the Main Switchboard of Stock Informatics, click on the “Data Import” button. On the Import Data File Setup form, select “Import Risk Free Interest Rates”.
 - When the “Examine the Risk Free Rate Import Records” screen appears, click on the “Continue” button on the bottom left corner.

The Risk Free Rate import records are displayed below. Confirm that you are importing the correct file based on the data. If the data appears invalid or improperly formatted, cancel the import now. Click Continue to proceed.

Import File: c:\Informatcs_Demo\Import\RiskFree.xls

Date	1 Month	3 Month	6 Month	1 Year	2 Year	3 Year	5 Year	7 Year	10 Year
7/31/2001	3.67%	3.54%	3.47%	3.53%	3.79%	4.06%	4.57%	4.86%	5.07%
8/1/2001	3.65%	3.53%	3.47%	3.56%	3.83%	4.09%	4.62%	4.90%	5.11%
8/2/2001	3.65%	3.53%	3.46%	3.57%	3.89%	4.17%	4.68%	4.97%	5.17%
8/3/2001	3.63%	3.52%	3.47%	3.57%	3.91%	4.22%	4.72%	4.99%	5.20%
8/6/2001	3.62%	3.52%	3.47%	3.56%	3.88%	4.17%	4.71%	4.99%	5.19%
8/7/2001	3.63%	3.52%	3.47%	3.56%	3.90%	4.19%	4.72%	5.00%	5.20%
8/8/2001	3.61%	3.49%	3.41%	3.46%	3.77%	4.05%	4.61%	4.87%	4.99%
8/9/2001	3.61%	3.45%	3.40%	3.48%	3.77%	4.07%	4.66%	4.93%	5.04%
8/10/2001	3.58%	3.43%	3.37%	3.45%	3.73%	4.03%	4.61%	4.88%	4.99%
8/13/2001	3.57%	3.45%	3.37%	3.43%	3.70%	4.00%	4.57%	4.86%	4.97%
8/14/2001	3.54%	3.43%	3.38%	3.46%	3.74%	4.03%	4.59%	4.87%	4.97%
8/15/2001	3.52%	3.43%	3.41%	3.47%	3.80%	4.11%	4.62%	4.90%	5.00%
8/16/2001	3.48%	3.39%	3.36%	3.43%	3.75%	4.04%	4.58%	4.84%	4.95%
8/17/2001	3.46%	3.36%	3.33%	3.39%	3.67%	3.95%	4.49%	4.75%	4.84%
8/20/2001	3.48%	3.42%	3.40%	3.44%	3.74%	4.02%	4.55%	4.81%	4.91%
8/21/2001	3.46%	3.39%	3.35%	3.41%	3.69%	3.96%	4.50%	4.79%	4.87%
8/22/2001	3.46%	3.38%	3.37%	3.44%	3.76%	4.03%	4.53%	4.81%	4.91%

Record: 1 of 3397

Continue with Import Cancel / Close

- Finally, an “Import Complete” message will appear indicating the number of records successfully imported. Since the RiskFree.xls file most likely contains older records, you will be notified that certain records were not imported because their associated record dates matched existing records already in your data file – this is to be expected.
- Click OK to close the message window and the update process is now complete.

