SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
(RULE 13D-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO RULE 13d-2(a)

(Amendment No.)*

Fritz Companies, Inc.

(Name of issuer)

COMMON STOCK, PAR VALUE $.01 PER SHARE

(Title of class of securities)

358846-10-3

(CUSIP Number)

JOSEPH R. MODEROW
SENIOR VICE PRESIDENT
United Parcel Service, Inc.
55 Glenlake Parkway, NE
Atlanta, Georgia 30328
(404) 828-6000
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

January 10, 2001
(Date of event which requires filing of this statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box: [ ]

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 (the "Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(Continued on following pages)

CUSIP NO. 358846-10-3

1. NAME OF REPORTING PERSON
IRS IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)

United Parcel Service, Inc.
58-2480149

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [ ]
(b) [ ]

3. SEC USE ONLY

4. SOURCE OF FUNDS
WC

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) [ ]

6.	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER	16,642,779 (1)
	8.	SHARED VOTING POWER	_____
	9.	SOLE DISPOSITIVE POWER	16,642,779 (1)
	10.	SHARED DISPOSITIVE POWER	_____
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 16,642,779 (1)		
12.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*		[ ]
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 41.2% (2)		
14.	TYPE OF REPORTING PERSON* CO		

*SEE INSTRUCTIONS BEFORE FILLING OUT!

(1) Reflects 3,707,609 shares of common stock of Fritz Companies, Inc. (the "Issuer") purchasable by United Parcel Service, Inc. ("UPS") upon exercise of an option (the "Company Option") granted to UPS pursuant to the Stock Option Agreement dated as of January, 10, 2001 between the Issuer and UPS (the "Company Stock Option Agreement"), which is described in Item 4 of this report. Prior to the exercise of the Company Option, UPS is not entitled to any rights as a shareholder of the Issuer as to the shares covered by the Company Option. The number of shares of common stock of the Issuer purchasable by UPS under the Company Option will be adjusted if necessary so that the number of shares purchasable by UPS upon exercise of the Company Option is equal to 10.1% of the total outstanding shares of common stock of the Issuer immediately prior to exercise. The Company Option may only be exercised upon the happening of certain events, none of which has occurred as of the date hereof. Prior to such exercise, UPS expressly disclaims beneficial ownership of the shares of common stock of the Issuer which are purchasable by UPS upon the exercise of the Company Option.

Also reflects an aggregate of 12,935,170 shares of common stock of the Issuer purchasable by UPS upon exercise of four options (the "Stockholder Options") granted to UPS and irrevocable proxies (the "Proxies") granted to UPS with respect to such shares, which entitle UPS to vote on all matters presented for a vote of Issuer stockholders, pursuant to the Stock Option Agreement dated as of January 10, 2001 between UPS and Lynn C. Fritz (the "Lynn Fritz Stock Option Agreement"), the Stock Option Agreement dated as of January 10, 2001 between UPS and the Lynn C. Fritz 1999 Grantor Retained Annuity Trust (the "Lynn Fritz Trust Stock Option Agreement"), the Stock Option Agreement dated as of January 10, 2001 between UPS and Tamara Fritz (the "Tamara Fritz Stock Option Agreement") and the Stock Option Agreement dated as of January 10, 2001 between UPS and the Tamara Fritz 1999 Grantor Retained Annuity Trust (the "Tamara Fritz Trust Stock Option Agreement") (together referred to as the "Stockholder Option Agreements"). The Stockholder Option Agreements are described in Item 4 of this report. The Stockholder Options may only be exercised upon the happening of certain events, none of which has occurred as of the date hereof.

(2) Based on Issuer's representation that 36,708,991 shares of Issuer common stock are outstanding, as of January 10, 2001, pursuant to the Agreement and Plan of Merger, dated as of January 10, 2001 by and among the Issuer, UPS and VND Merger Sub, Inc. Assumes the issuance by Issuer of the 3,707,609 shares of Issuer common stock as set forth in the Company Option.

ITEM 1. SECURITY AND ISSUER

This Statement on Schedule 13D (the "Statement") relates to the common stock, par value $.01 per share (the "Common Stock," an individual

share of which is a "Share"), of Fritz Companies, Inc., a Delaware corporation (the "Issuer"). The principal executive offices of the Issuer are located at 706 Mission Street, San Francisco, California 94103.

ITEM 2. IDENTITY AND BACKGROUND

This Statement is being filed by United Parcel Service, Inc. ("UPS"), a Delaware corporation having its principal executive offices located at 55 Glenlake Parkway, NE, Atlanta, Georgia 30328, (404) 828-6000. UPS, together with its subsidiaries, is the world's largest express carrier and package delivery company, serving more than 200 countries and territories around the globe. Certain information with respect to the directors and executive officers of UPS is set forth in Schedules A and B attached hereto, including, to the best of UPS's knowledge, each director's and executive officer's business address, present principal occupation or employment, citizenship and other information. Neither UPS nor, to the best of its knowledge, any director, executive officer or controlling person of UPS has, during the last five years, been (a) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), or (b) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which proceeding any of UPS or any director, executive officer or controlling person of UPS was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, or finding any violation with respect to federal or state securities laws.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

This Statement relates to (i) an option granted to UPS by the Issuer to purchase shares of Common Stock from the Issuer (the "Company Option") and (ii) options (the "Stockholder Options") granted to UPS by Lynn C. Fritz, the Lynn C. Fritz 1999 Grantor Retained Annuity Trust, Tamara Fritz and the Tamara Fritz 1999 Grantor Retained Annuity Trust (together the "Stockholders") to purchase shares of Common Stock from the Stockholders and irrevocable proxies (the "Proxies") with respect to the shares subject to the Stockholder Options, which entitle UPS to vote on all matters presented for a vote of stockholders, each as described in item 4 below.

The Company Option entitles UPS to purchase 3,707,609 Shares (the "Company Option Shares") under the circumstances specified in the Stock Option Agreement dated as of January 10, 2001 between UPS and the Issuer (the "Company Stock Option Agreement") and as described in Item 4 below for a purchase price per share equal to the lower of (1) 0.2 multiplied by the average closing price per share of UPS class B common stock over a ten trading day period and (2) the average closing price per share of the Common Stock over a ten trading day period (the "Company Purchase Price") (as more completely described in the Company Stock Option Agreement). The number of Company Option Shares will be adjusted if necessary so that the number of Shares purchasable by UPS upon exercise of the Company Option is equal to 10.1% of the total outstanding Shares immediately prior to exercise.

The Stockholder Options entitle UPS to purchase an aggregate of 12,935,170 Shares (the "Stockholder Option Shares") under the circumstances specified in the Stock Option Agreement dated as of January 10, 2001 between Issuer and Lynn C. Fritz (the "Lynn Fritz Stock Option Agreement"), the Stock Option Agreement dated as of January 10, 2001 between Issuer and the Lynn C. Fritz 1999 Grantor Retained Annuity Trust (the "Lynn Fritz Trust Stock Option Agreement"), the Stock Option Agreement dated as of January 10, 2001 between Issuer and Tamara Fritz (the "Tamara Fritz Stock Option Agreement") and the Stock Option Agreement dated as of January 10, 2001 between Issuer and the Tamara Fritz 1999 Grantor Retained Annuity Trust (the "Tamara Fritz Trust

Stock Option Agreement") (together referred to as the "Stockholder Option Agreements"), each as described in Item 4 below, for a purchase price per share equal to an amount of cash equal to 0.2 multiplied by the average closing price per share of UPS class B common stock over a ten trading day period (the "Stockholder Purchase Price") (as more completely described in the Stockholder Option Agreements). The Stockholders also grant UPS the Proxies pursuant to the Stockholder Option Agreements.

Each of the Company Option, the Stockholder Options and the Proxies

were granted by the Issuer and the Stockholders, as applicable, as an inducement to UPS to enter into the Agreement and Plan of Merger dated as of January 10, 2001 (the "Merger Agreement") by and among the Issuer, UPS and VND Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of UPS ("Sub"). Pursuant to the Merger Agreement and subject to the terms and conditions set forth therein (including approval by the shareholders of the Issuer and various regulatory agencies), Sub will merge with and into the Issuer (the "Merger"), with the Issuer continuing as the surviving corporation, and each issued and outstanding Share, generally, other than those Shares owned by UPS, Sub or the Issuer, will be converted into the right to receive 0.2 shares of class B common stock, par value $.01 per share, of UPS. If the Merger is consummated in accordance with the terms of the Merger Agreement, UPS does not plan to exercise either the Company Option or the Stockholder Options. UPS also paid the grantors of the Stockholder Options $100 for each Stockholder Option and Proxy. No separate monetary consideration was paid by UPS to the Issuer for the Company Option.

If UPS elects to exercise the Company Option and/or the Stockholder Options, it currently anticipates that it will fund the Company Purchase Price and/or the Stockholder Purchase Price with available working capital.

ITEM 4. PURPOSE OF TRANSACTION.

As stated above, each of the Company Option, the Stockholder Options and the Proxies were granted to UPS in connection with the execution of the Merger Agreement. UPS entered into the Company Stock Option Agreement and the Stockholder Option Agreements in order to help ensure the closing of the Merger. UPS currently anticipates that it will acquire all of the outstanding common stock of the Issuer upon consummation of the Merger. UPS does not plan to exercise either the Company Option or the Stockholders Options.

The Company Option becomes exercisable upon the occurrence of certain events set forth in Section 2 of the Company Stock Option Agreement, none of which have occurred at the time of this filing. UPS has the right to cause the Issuer to prepare and file one registration statement under the Securities Act of 1933, as amended, in order to permit the sale by UPS of any Company Option Shares purchased under the Company Option.

The Stockholder Options become exercisable upon the occurrence of certain events set forth in Section 2 of the Stockholder Option Agreements, none of which have occurred at the time of this filing. The Stockholder Option Agreements also grant UPS the Proxies with respect to the Stockholder Option Shares, which entitle UPS to vote on all matters presented for a vote of stockholders during the term of the Stockholder Option Agreements.

The descriptions herein of the Company Stock Option Agreement, the Stockholder Option Agreements and the Merger Agreement are qualified in their entirety by reference to such agreements, copies of which are filed as Exhibits 99(a), 99(b), 99(c), 99(d), 99(e) and 99(f) respectively, to this Schedule 13D, and which are specifically incorporated herein by reference in their entirety.

UPS currently intends to acquire all of the common stock of the Issuer upon consummation of the Merger. Other than as described above, UPS has no plans or proposals which relate to, or may result in, any of the matters listed in Items 4(a)-(j) of Schedule 13D (although UPS reserves the right to develop such plans).

ITEM 5. INTEREST OF SECURITIES OF THE ISSUER.

As a result of the issuance of the Company Option, UPS may be deemed to be the beneficial owner of 3,707,609 Shares, which would represent approximately 10.1% of the Shares outstanding before exercise of the Company Option (based on the number of Shares outstanding on January 10, 2001, as set forth in the Merger Agreement) and approximately 9.2% of the Shares outstanding after exercise of the Company Option. The Company Option is exercisable only upon the happening of certain events, none of which has occurred as of the date hereof. The number of Shares purchasable by UPS under the Company Option will be adjusted if necessary so that the number of shares purchasable by UPS upon exercise of the Company Option is equal to 10.1% of the total Shares outstanding immediately prior to exercise. Upon any exercise, UPS will have sole

voting power and sole dispositive power with respect to the Company Option Shares.

As a result of the issuance of the Stockholder Options and the Proxies, UPS may be deemed to be the beneficial owner of an additional 12,935,170 Shares, which would represent approximately 35.2% of the Shares outstanding (based on the number of Shares outstanding on January 10, 2001, as set forth in the Merger Agreement). UPS has sole voting power and, if the Stockholder Options are exercised, will have sole dispositive power with respect to the Stockholder Option Shares.

Nothing herein shall be deemed to be an admission by UPS as to the beneficial ownership of any Company Option Shares, and, prior to exercise of the Company Option, UPS expressly disclaims beneficial ownership of any Company Option Shares.

Except as described herein, or in Schedule B hereto, neither UPS nor, to the best of UPS's knowledge, any other person referred to in Schedule A attached hereto, beneficially owns or has acquired or disposed of any Shares of the Issuer during the past 60 days.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

Except for the Merger Agreement, the Company Stock Option Agreement and the Stockholder Option Agreements, and except as described in the preceding paragraph, none of the persons named in Item 2 has any contracts, arrangements, understandings or relationships (legal or otherwise) with any persons with respect to any securities of the Issuer, including, but not limited to, transfers or voting of any securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

Exhibit Description

<TABLE>
<S> <C>

99(a) Stock Option Agreement dated as of January 10, 2001 by and between Issuer and United Parcel Service, Inc.

99(b) Stock Option Agreement dated as of January 10, 2001 by and between Lynn C. Fritz and United Parcel Service, Inc.

99(c) Stock Option Agreement dated as of January 10, 2001 by and between the Lynn C. Fritz 1999 Grantor Retained Annuity Trust and United Parcel Service, Inc.

99(d) Stock Option Agreement dated as of January 10, 2001 by and between Tamara Fritz and United Parcel Service, Inc.
</TABLE>

<TABLE>
<S> <C>
99(e) Stock Option Agreement dated as of January 10, 2001 by and between the Tamara Fritz 1999 Grantor Retained Annuity Trust and United Parcel Service, Inc.

99(f) Agreement and Plan of Merger dated as of January 10, 2001 by and among Issuer, United Parcel Service, Inc. and Sub.
</TABLE>

SIGNATURE

After reasonable inquiry and to the best of our knowledge and belief,

the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: January 18, 2001

United Parcel Service, Inc.

By: /s/ Joseph R. Moderow

Name: Joseph R. Moderow
Title: Senior Vice President

EXHIBIT INDEX

<TABLE>
<CAPTION>

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SCHEDULE A
DIRECTORS AND EXECUTIVE OFFICERS OF UNITED PARCEL SERVICE, INC.

Set forth below is the name, business address and present occupation or employment of each director and executive officer of United Parcel Service, Inc. Each such person is a citizen of the United States. The business address of each person listed below is c/o United Parcel Service, Inc. is 55 Glenlake Parkway, N.E., Atlanta, Georgia 30328.

An asterisk next to a name indicates that such person is a director.

DIRECTORS AND EXECUTIVE OFFICERS OF UNITED PARCEL SERVICE, INC.

<TABLE>
<CAPTION>

NAME	PRINCIPAL OCCUPATION OR EMPLOYMENT
John J. Beystehner	Senior Vice and President and Marketing Group Manager
William H. Brown, III*	Senior Counsel to the law firm of Schnader Harrison Segal & Lewis LLP in Philadelphia, Pennsylvania
Calvin Darden	Senior Vice President and U.S. Operations Manager
D. Scott Davis	UPS Senior Vice President, Treasurer and Chief Financial Officer

John A. Duffy	Senior Vice President and Corporate Strategy Group Manager
Michael L. Eskew*	UPS Vice Chairman and Executive Vice President
James P. Kelly*	UPS Chairman of the Board and Chief Executive Officer
Kenneth W. Lacy	Senior Vice President and Chief Information Officer
Ann M. Livermore*	Vice President of Hewlett-Packard Company
Gary E. MacDougal*	Former Chairman of the Board and Chief Executive Officer of Mark Controls Corporation
Christopher D. Mahoney	Senior Vice President, Transportation Group Manager and Labor Relations Manager
Joseph R. Moderow*	UPS Senior Vice President, Secretary and Legal and Public Affairs Group Manager
Kent C. ("Oz") Nelson*	Former UPS Chairman of the Board and Chief Executive Officer
Victor A. Pelson*	Senior Advisor, Warburg Dillon Read, LLC
Joseph M. Pyne	Senior Vice President and Corporate Development Group Manager
Lea N. Soupata*	UPS Senior Vice President and Human Resources Group Manager
Robert M. Teeter*	President of Coldwater Corporation
Ronald G. Wallace	Senior Vice President and President -- International Operations
Thomas H. Weidemeyer*	UPS Senior Vice President and Chief Operating Officer

</TABLE>

SCHEDULE B
BENEFICIAL OWNERSHIP OF SHARES OF ISSUER

NONE

EXHIBIT 99(A)

STOCK OPTION AGREEMENT

This STOCK OPTION AGREEMENT dated as of January 10, 2001 (the "Agreement"), by and between Fritz Companies, Inc., a Delaware corporation ("Issuer"), and United Parcel Service, Inc., a Delaware corporation ("Grantee").

WITNESSETH THAT:

WHEREAS, Issuer and Grantee have entered into an Agreement and Plan of Merger dated as of the date hereof (as the same may be amended or supplemented, the "Merger Agreement"; defined terms used but not defined herein have the meanings set forth in the Merger Agreement), providing for, among other things, the merger of a subsidiary of Grantee with and into Issuer, with Issuer being the surviving corporation in the Merger as a direct and wholly owned subsidiary of Grantee; and

WHEREAS, as a condition and inducement to Grantee's willingness to enter into the Merger Agreement, Grantee has requested that Issuer agree, and Issuer has agreed, to grant Grantee the Option (as defined below).

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein, Issuer and Grantee agree as follows:

1. Grant of Option. Subject to the terms and conditions set forth herein, Issuer hereby grants to Grantee an irrevocable option (the "Option") to purchase up to 3,707,609 (as adjusted as set forth herein) shares (the "Option Shares") of Common Stock, par value $.01 per share ("Issuer Common Stock"), of Issuer at a purchase price per Option Share (the "Purchase Price") equal to the lower of (1) 0.2 multiplied by the average (rounded to the nearest 1/10,000) of the volume weighted averages (rounded to the nearest 1/10,000) of the trading prices of Grantee Class B common stock, par value $0.01 per share, on the New York Stock Exchange, as reported by Bloomberg Financial Markets (or such other source as the parties shall agree in writing), for the 10 trading days immediately preceding the Notice Date (as defined below) and (2) the average closing price per share of Issuer Common Stock (as determined under Section 6(c)) for the 10 trading day period ending on the date that is two trading days prior to the first date on which an Acquisition Proposal shall have been publicly made or shall have otherwise become publicly known or any person shall have publicly announced an intention to make an Acquisition Proposal (as adjusted as set forth herein).

2. Exercise of Option. (a) Grantee may exercise the Option, in whole but not in part, at any time, subject to the provisions of Section 2(c), after the occurrence of any event as a result of which Grantee is entitled to receive the Termination Fee pursuant to Section 8.2(b) or (c) of the Merger Agreement (a "Purchase Event"); provided, however, that (i) except as provided in the last sentence of this Section 2(a), the Option will terminate and be of no further force and effect upon the earliest to occur of (A) the Effective Time, (B) nine months after the first occurrence of a Purchase Event and (C) termination of the Merger Agreement in

accordance with its terms prior to the occurrence of a Purchase Event, unless, in the case of clause (C), Grantee may receive a Termination Fee in connection with or following such termination upon the occurrence of certain events, in which case the Option will not terminate until the later of (x) nine months following the time such Termination Fee becomes payable and (y) the expiration of the period in which Grantee has such right to receive a Termination Fee, and (ii) any purchase of Option Shares upon exercise of the Option will be subject to compliance with the HSR Act and the obtaining or making of any other consents, approvals, orders, notifications, filings or authorizations, the failure of which to have obtained or made would have the effect of making the issuance of Option Shares to Grantee illegal (the "Regulatory Approvals"). Notwithstanding the termination of the Option, Grantee will be entitled to purchase the Option Shares if it has exercised the Option in accordance with the terms hereof prior to the termination of the Option and such termination of the Option will not affect any rights hereunder which by their terms do not terminate or expire prior to or as of such date. Issuer agrees to use its commercially reasonable efforts to obtain all necessary Regulatory Approvals in order to permit the purchase of the Option Shares.

(b) If Grantee is entitled to and wishes to exercise the Option, it will send to Issuer a written notice (an "Exercise Notice"; the date of which being herein referred to as the "Notice Date") to that effect which Exercise Notice also specifies the number of Option Shares, if any, Grantee wishes to purchase pursuant to this Section 2(b), the number of Option Shares, if any, with respect to which Grantee wishes to exercise its Cash-Out Right (as

defined herein) pursuant to Section 6(c), the denominations of the certificate or certificates evidencing the Option Shares which Grantee wishes to purchase pursuant to this Section 2(b) and a date (the "Option Closing Date"), subject to the following sentence, not earlier than seven trading days nor later than 20 trading days from the Notice Date for the closing of such purchase (the "Option Closing"). The Option Closing will be at such location and time in Atlanta, Georgia as the Grantee shall specify on the Option Closing Date or at such later date as may be necessary as provided in Section 2(c).

(c) Notwithstanding anything to the contrary contained herein, any exercise of the Option and purchase of Option Shares shall be subject to compliance with applicable laws and regulations, which may prohibit the purchase of all the Option Shares specified in the Exercise Notice without first obtaining or making certain Regulatory Approvals. In such event, if the Option is otherwise exercisable and Grantee wishes to exercise the Option, the Option may be exercised in accordance with Section 2(b) and Grantee shall acquire the maximum number of Option Shares specified in the Exercise Notice that Grantee is then permitted to acquire under the applicable laws and regulations, and if Grantee thereafter obtains the Regulatory Approvals to acquire the remaining balance of the Option Shares specified in the Exercise Notice, then Grantee shall be entitled to acquire such remaining balance.

If (i) Grantee receives official notice that a Regulatory Approval required for the purchase of any Option Shares will not be issued or granted or (ii) such Regulatory Approval has not been issued or granted within six months of the date of the Exercise Notice, Grantee shall have the right to exercise its Cash-Out Right pursuant to Section 6(c) with respect to the Option

Shares for which such Regulatory Approval will not be issued or granted or has not been issued or granted.

3. Payment and Delivery of Certificates. (a) At the Option Closing, Grantee will pay to Issuer in immediately available funds by wire transfer to a bank account designated in writing by Issuer an amount equal to the Purchase Price multiplied by the number of Option Shares to be purchased at the Option Closing plus the amount of any transfer, stamp or other similar taxes or charges imposed in connection therewith.

(b) At the Option Closing, simultaneously with the delivery of immediately available funds as provided in Section 3(a), Issuer will deliver to Grantee a certificate or certificates representing the Option Shares to be purchased at the Option Closing, which Option Shares will be free and clear of all liens, claims, charges and encumbrances of any kind whatsoever, except for any encumbrances arising hereunder.

(c) Certificates for the Option Shares delivered at the Option Closing will have typed or printed thereon a restrictive legend which will read substantially as follows:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY BE REOFFERED OR SOLD ONLY IF SO REGISTERED OR IF AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. SUCH SECURITIES ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER AS SET FORTH IN THE STOCK OPTION AGREEMENT DATED AS OF JANUARY ____, 2001, A COPY OF WHICH MAY BE OBTAINED FROM THE SECRETARY OF FRITZ COMPANIES, INC. AT ITS PRINCIPAL EXECUTIVE OFFICES."

It is understood and agreed that (i) the reference to restrictions arising under the Securities Act in the above legend will be removed by delivery of substitute certificate(s) without such reference if such Option Shares have been registered pursuant to the Securities Act, such Option Shares have been sold in reliance on and in accordance with Rule 144 under the Securities Act or Grantee has delivered to Issuer a copy of a letter from the staff of the SEC, or an opinion of counsel in form and substance reasonably satisfactory to Issuer and its counsel, to the effect that such legend is not required for purposes of the Securities Act and (ii) the reference to restrictions pursuant to this Agreement in the above legend will be removed by delivery of substitute certificate(s) without such reference if the Option Shares evidenced by certificate(s) containing such reference have been sold or transferred in compliance with the provisions of this Agreement under circumstances that do not require the retention of such reference.

4. Representations and Warranties of Issuer. Issuer hereby represents and warrants to Grantee as follows:

(a) Authorized Stock. Issuer has taken all necessary corporate and other action to authorize and reserve and, subject to the expiration or termination of any

required waiting period under the HSR Act, to permit it to issue, and, at all times from the date hereof until the obligation to deliver Option Shares upon the exercise of the Option terminates, shall have reserved for issuance, upon exercise of the Option, shares of Issuer Common Stock necessary for Grantee to exercise the Option, and Issuer will take all necessary corporate action to authorize and reserve for issuance all additional shares of Issuer Common Stock or other securities which may be issued pursuant to Section 6 upon exercise of the Option. The shares of Issuer Common Stock to be issued upon due exercise of the Option, including all additional shares of Issuer Common Stock or other securities which may be issuable upon exercise of the Option or any other securities which may be issued pursuant to Section 6, upon issuance pursuant hereto, will be duly and validly issued, fully paid and nonassessable, and will be delivered free and clear of all liens, claims, charges and encumbrances of any kind or nature whatsoever, (except for any encumbrances arising hereunder), including without limitation any preemptive rights of any stockholder of Issuer.

5. Representations and Warranties of Grantee. Grantee hereby represents and warrants to Issuer that any Option Shares or other securities acquired by Grantee upon exercise of the Option will not be transferred or otherwise disposed of except in a transaction registered, or exempt from registration, under the Securities Act.

6. Adjustment upon Changes in Capitalization, Etc. (a) In the event of any change in Issuer Common Stock by reason of a stock dividend, split-up, merger, recapitalization, combination, exchange of shares, or similar transaction, the type and number of shares or securities subject to the Option, and the Purchase Price thereof, will be adjusted appropriately, and proper provision will be made in the agreements governing such transaction, so that Grantee will receive upon exercise of the Option the number and class of shares or other securities or property that Grantee would have received in respect of Issuer Common Stock if the Option had been exercised immediately prior to such event or the record date therefor, as applicable. Without limiting the parties' relative rights and obligations under the Merger Agreement, if the number of outstanding shares of Issuer Common Stock increases or decreases after the date of this Agreement (other than pursuant to an event described in the first sentence of this Section 6(a)), the number of shares of Issuer Common Stock subject to the Option will be adjusted so that it equals 10.1% of the number of shares of Issuer Common Stock then issued and outstanding, without giving effect to any shares subject to or issued pursuant to the Option.

(b) Without limiting the parties' relative rights and obligations under the Merger Agreement, if Issuer enters into an agreement (i) to consolidate with or merge into any person, other than Grantee or one of its subsidiaries, and Issuer will not be the continuing or surviving corporation in such consolidation or merger, (ii) to permit any person, other than Grantee or one of its subsidiaries, to merge into Issuer and Issuer will be the continuing or surviving corporation, but in connection with such merger, the shares of Issuer Common Stock outstanding immediately prior to the

consummation of such merger will be changed into or exchanged for stock or other securities of Issuer or any other person or cash or any other property, or the shares of Issuer Common Stock outstanding immediately prior to the consummation of such merger will, after such merger, represent less than 90% of the outstanding voting securities of the merged company, or (iii) to sell or otherwise transfer all or substantially all of its assets to any person, other than Grantee or one of its subsidiaries, then, and in each such case, the agreement governing such transaction will make proper provision so that the Option will, upon the consummation of any such transaction and upon the terms and conditions set forth herein, be converted into, or exchanged for, an option with identical terms appropriately adjusted to acquire the number and class of shares or other securities or property that Grantee would have received in respect of Issuer Common Stock if the Option had been exercised immediately prior to such consolidation, merger, sale, or transfer, or the record date therefor, as applicable and make any other necessary adjustments to preserve the full value of the Option.

(c) If, at any time during the period commencing on a Purchase Event and ending on the termination of the Option in accordance with Section 2, Grantee sends to Issuer an Exercise Notice indicating Grantee's election to exercise its right (the "Cash-Out Right") pursuant to this Section 6(c), then Issuer shall pay to Grantee, on the Option Closing Date, in exchange for the cancellation of the Option with respect to such number of Option Shares as Grantee specifies in the Exercise Notice, an amount in cash equal to such number of Option Shares multiplied by the difference between (i) the average closing price, for the 10 trading days commencing on the 12th trading day immediately preceding the Option Closing Date, per share of Issuer Common Stock as reported on The New York Stock Exchange, Inc. (or, if not listed on The New York Stock Exchange, as reported on any other national securities exchange or

national securities quotation system on which the Issuer Common Stock is listed or quoted, as reported in The Wall Street Journal (Northeast edition), or, if not reported thereby, any other authoritative source) (the "Closing Price") and (ii) the Purchase Price. Notwithstanding the termination of the Option, Grantee will be entitled to exercise its rights under this Section 6(c) if it has exercised such rights in accordance with the terms hereof prior to the termination of the Option.

7. Registration Rights. (a) Issuer will, if requested by Grantee in writing at any time and from time to time within two years of the exercise of the Option, promptly prepare and file one registration statement under the Securities Act if such registration is necessary in order to permit the sale or other disposition of any or all shares or securities that have been acquired by or are issuable to Grantee upon exercise of the Option in accordance with the intended method of sale or other disposition stated by Grantee, including a "shelf" registration statement under Rule 415 under the Securities Act or any successor provision, and Issuer will use its reasonable best efforts to qualify such shares or other securities under any applicable state securities laws. Issuer will use commercially reasonable efforts to cause each such registration statement to become effective, to obtain all consents or waivers of other parties which are required therefor, and to keep such registration statement effective for such period not in excess of 120 calendar days from the day such registration statement first becomes effective as may be reasonably necessary to effect such sale or other disposition. The obligations of Issuer hereunder to file a registration statement and to maintain its effectiveness may be suspended for up to 90 calendar days in the aggregate if the Board of Directors of Issuer shall have determined that the filing of such registration statement or the maintenance of its effectiveness would require premature disclosure of material nonpublic information that would materially and adversely

affect Issuer or otherwise interfere with or adversely affect any pending or proposed offering of securities of Issuer or any other material transaction involving Issuer. Any registration statement prepared and filed under this Section 7, and any sale covered thereby, will be at Issuer's expense except for underwriting discounts or commissions, brokers' fees and the fees and disbursements of Grantee's counsel related thereto. Grantee will provide all information reasonably requested by Issuer for inclusion in any registration statement to be filed hereunder. If, during the time periods referred to in the first sentence of this Section 7, Issuer effects a registration under the Securities Act of Issuer Common Stock for its own account or for any other stockholders of Issuer (other than on Form S-4 or Form S-8, or any successor form), it will allow Grantee the right to participate in such registration, and such participation will not affect the obligation of Issuer to effect demand registration statements for Grantee under this Section 7; provided that, if the managing underwriters of such offering advise Issuer in writing that in their opinion the number of shares of Issuer Common Stock requested to be included in such registration exceeds the number which can be sold in such offering, Issuer will first reduce the shares requested to be included therein by Grantee before reducing any other shares intended to be included therein by Issuer. In connection with any registration pursuant to this Section 7, Issuer and Grantee will provide each other and any underwriter of the offering with customary representations, warranties, covenants, indemnification, and contribution in connection with such registration.

If a requested registration pursuant to this Section 7(a) involves an underwritten offering, the underwriter or underwriters thereof shall be a nationally recognized firm or firms selected by Grantee, and reasonably acceptable to Issuer.

(b) Notwithstanding Section 7(a), if Issuer receives a written request (the "Registration Notice") from Grantee requesting that Issuer register any or all shares or securities that have been acquired by Grantee upon exercise of the Option (the "Registrable Securities"), Issuer will thereupon have the option exercisable by written notice delivered to Grantee within ten trading days after receipt of the Registration Notice, to purchase all or any part of the Registrable Securities for cash at a price (the "Section 7b Price") equal to the product of (i) the number of Registrable Securities so purchased and (ii) the per share average of the closing sale prices of Issuer Common Stock on The New York Stock Exchange (or any other national securities exchange or national securities quotation system on which the shares of Issuer Common Stock are then listed or quoted) for the twenty trading days immediately preceding the date of the Registration Notice. Any such purchase of Registrable Securities by Issuer hereunder will take place at a closing to be held at the principal executive offices of Issuer or its counsel at any reasonable date and time designated by Issuer in such notice within ten trading days after delivery of such notice. At the time of such closing, Issuer shall deliver to Grantee an amount equal to the Section 7b Price in immediately available funds as consideration for the purchase of the applicable Registrable Securities.

8. Quotation. If Issuer Common Stock or any other securities to be acquired upon exercise of the Option are then quoted on The New York Stock Exchange (or any other national securities exchange or national

securities quotation system), Issuer, upon the request of Grantee, will promptly file an application to have the shares of Issuer Common Stock or other

securities to be acquired upon exercise of the Option quoted on The New York Stock Exchange (and any such other national securities exchange or national securities quotation system) and will use reasonable efforts to obtain approval of such quotation as promptly as practicable.

9. Loss or Mutilation. Upon receipt by Issuer of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Agreement, and (in the case of loss, theft or destruction) of reasonably satisfactory indemnification, and upon surrender and cancelation of this Agreement, if mutilated, Issuer will execute and deliver a new Agreement of like tenor and date. Any such new Agreement executed and delivered will constitute an additional contractual obligation on the part of Issuer, whether or not the Agreement so lost, stolen, destroyed, or mutilated shall at any time be enforceable by anyone.

10. Miscellaneous. (a) Expenses. Except as provided in Section 7, each of the parties hereto will bear and pay all costs and expenses incurred by it or on its behalf in connection with the transactions contemplated hereunder, including fees and expenses of its own counsel, accountants, investment bankers, experts and consultants incurred in connection with or related to the authorization, preparation, negotiation, execution and performance of this Agreement and the transactions contemplated hereby.

(b) Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

(c) Extension; Waiver; Consent. The parties hereto may, to the extent legally allowed, (i) extend the time for the performance of any of the obligations or other acts of the other party hereto, (ii) waive any inaccuracies in the representations contained herein or in any document delivered pursuant hereto and (iii) waive compliance with or give a consent under any of the agreements or conditions contained herein. Any agreement on the part of a party hereto to any such extension, waiver or consent shall be valid only if set forth in a written instrument signed on behalf of such party in its sole discretion. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of those rights.

(d) Entire Agreement; No Third-Party Beneficiaries. This Agreement, the Merger Agreement (including the documents and instruments attached thereto as exhibits or schedules or delivered in connection therewith) and the Confidentiality Agreement (i) constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof, and (ii) are not intended to and shall not confer upon any Person other than the parties hereto any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

(e) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflict of laws thereof.

(f) Notices. All notices and other communications hereunder shall be sent in the manner and to the addresses set forth in the Merger Agreement.

(g) Assignment. Neither this Agreement, the Option nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto, in whole or in part (whether by operation of law or otherwise), without the prior written consent of the other party and any attempt to make any such assignment without such consent shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

(h) Further Assurances. In the event of any exercise of the Option by Grantee, Issuer and Grantee will execute and deliver all other documents and instruments and take all other actions that may be reasonably necessary in order to consummate the transactions provided for by such exercise.

(i) Enforcement. The parties agree that irreparable damage would occur and that the parties would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms. It is accordingly agreed that the parties will be entitled to specific performance of the terms hereof, this being

in addition to any other remedy to which they are entitled at law or in equity.

(j) Submission to Jurisdiction; Waivers. Each of the parties hereto (a) consents to submit itself to the personal jurisdiction of any Delaware state court or any Federal court located in the State of Delaware in the event any dispute arises out of or under or relates to this Agreement or any of the transactions contemplated hereby, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, (c) agrees that it will not bring any action, suit or proceeding arising out of or under or relating to this Agreement or any of the transactions contemplated hereby, in any court other than any Delaware state court or any Federal court located in the State of Delaware and (d) waives any right to trial by jury with respect to any action, suit or proceeding arising out of or under or relating to this Agreement or any of the transactions contemplated hereby. Each of the parties hereto hereby irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of or under or relating to this Agreement or any of the transactions contemplated hereby in any Delaware state court or any Federal court located in the State of Delaware, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(k) Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of

the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the fullest extent.

(l) Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that both parties need not sign the same counterpart.

(m) Limitation on Profit. (i) Notwithstanding any other provision hereof, in no event shall the Grantee's Total Profit (as defined herein) exceed in the aggregate $22.5 million (the "Maximum Amount") and, if it otherwise would exceed such amount, the Grantee, at its sole election, shall either: (A) reduce the number of shares of Issuer Common Stock subject to this Option; (B) deliver to the Issuer for cancellation Option Shares (or other securities into which such Option Shares are converted or exchanged) previously purchased by Grantee; (C) pay cash to the Issuer; or (D) any combination thereof, so that Grantee's actually realized Total Profit shall not exceed the Maximum Amount taking into account the foregoing actions.

(ii) Notwithstanding any other provision hereof, this Option may not be exercised for a number of shares as would, as of the date of exercise, result in a Notional Total Profit (as defined below) which would exceed the Maximum Amount and, if exercise of the Option otherwise would result in the Notional Total Profit exceeding such amount, Grantee, at its discretion, may (in addition to any of the actions specified in Section 10(m)(i) above) (A) reduce the number of Shares subject to the Option or (B) increase the Purchase Price for that number of Option Shares for which the Option is being exercised so that the Notional Total Profit shall not exceed the Maximum Amount; provided, that nothing in this sentence shall restrict any exercise of the Option permitted hereby on any subsequent date.

(iii) As used herein, the term "Total Profit" shall mean (A) the aggregate amount (before taxes) of the following: (w) any amounts received by Grantee pursuant to exercise of its Cash-Out Right, plus (x) any Section 7b Price received by Grantee pursuant to Section 7(b) hereof with respect to Registrable Securities, less the Grantee's Purchase Price for such Registrable Securities, plus (y) the net cash amounts or fair market value of any property received by Grantee pursuant to the sale of Option Shares (or any other securities into which such Option Shares are converted or exchanged) to any unaffiliated party, less the Grantee's Purchase Price for such Option Shares, plus (z) any Termination Fee paid by Issuer and received by Grantee pursuant to Section 8.2(b) or (c) of the Merger Agreement, minus (B) the amount of any cash previously paid by Grantee to Issuer pursuant to this Section 10 plus the value of the Option Shares (or other securities into which such Option Shares are converted or exchanged) previously delivered by Grantee to Issuer for cancellation pursuant to this Section 10(m).

(iv) As used herein, the term "Notional Total Profit" with respect to any number of shares as to which Grantee may propose to exercise this Option shall be the Total Profit determined as of the date of such proposal assuming that this Option were exercised on such date for such number of shares and assuming that such shares, together with all other Option Shares held by Grantee and its affiliates as of such date, were sold for cash at the closing market price (less customary brokerage commissions) for shares of Issuer Common Stock as of the close of business of the preceding trading day on The New York Stock Exchange (or any other national securities exchange or national securities quotation system on which the shares of Issuer Common Stock are then listed or quoted). (v) Notwithstanding any other provision of this Agreement, nothing in this Agreement shall affect the ability of Grantee to receive, nor relieve Issuer's obligation to pay, any Termination Fee provided for in Section 8.2(b) or (c) of the Merger Agreement; provided that if and to the extent the Total Profit received by Grantee would exceed the Maximum Amount following receipt of such payment, Grantee shall be obligated to promptly comply with the terms of this Section 10(m).

(vi) For purposes of Section 10(m)(i) and clause (A) of Section 10(m)(iii), the value of any Option Shares (or other securities into which such Option Shares are converted or exchanged) delivered by Grantee to Issuer shall be the Closing Price of such Option Shares.

IN WITNESS WHEREOF, Issuer and Grantee have caused this Agreement to be signed by their respective officers thereunto duly authorized as of the day and year first written above.

FRITZ COMPANIES, INC.

By: /s/ Lynn Fritz

Name: Lynn Fritz
Title: President

UNITED PARCEL SERVICE, INC.

By:/S/ Thomas W. Delbrook

Name: Thomas W. Delbrook
Title: Assistant Treasurer

EXHIBIT 99(B)

STOCKHOLDER OPTION AGREEMENT

This STOCKHOLDER OPTION AGREEMENT (this "Agreement"), dated January 10, 2001, by and among United Parcel Service, Inc., a Delaware corporation ("Holder"), and Lynn C. Fritz, an individual resident of the state of California (the "Stockholder").

WITNESSETH THAT:

WHEREAS, the Stockholder owns of record 10,640,129 shares of common stock (the "Common Stock"), $.01 par value, of Fritz Companies Inc., a Delaware corporation ("Company") (all of such shares being referred to herein, and giving effect to Section 14 hereof, as the "Shares"); and

WHEREAS, concurrently herewith Holder, VND Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Holder ("Newco"), and Company are entering into a Plan and Agreement of Merger (the "Merger Agreement") pursuant to which Newco would, subject to the terms and conditions set forth therein, merge with and into Company (the "Merger"); and

WHEREAS, the transaction is expected to be structured as a tax-free reorganization for shares of Holder capital stock; and

WHEREAS, the Stockholder desires to induce Holder to proceed with the Merger and enter into the Merger Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, Holder's willingness to enter into the Merger Agreement and the sum of $100, and such other valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Grant of Option. The Stockholder hereby grants to Holder an irrevocable and continuing option (the "Option") to purchase all of the Shares owned by him for a per share price equal to an amount of cash equal to 0.2 multiplied by the average (rounded to the nearest 1/10,000) of the volume weighted averages (rounded to the nearest 1/10,000) of the trading prices of Holder Class B common stock, par value $0.01 per share, on the New York Stock Exchange, as reported by Bloomberg Financial Markets (or such other source as the parties shall agree in writing), for the 10 trading days immediately preceding the Notice (as defined below) (the "Purchase Price"). As additional consideration, Holder shall pay to the Stockholder, promptly following the sale or other disposition of any Shares (or any other securities into which such Shares are converted or exchanged) within 6 months following the Closing (as defined below), any property or cash amounts received therefor by Holder in excess of the Purchase Price.

2. Exercise of Option. Holder may exercise the Option, in whole but not in part, at any time following the occurrence of a First Date for Exercise (as defined below) by delivering a written notice to the Stockholder with a copy to Bank of America, N.A., (or if Bank of America, N.A. is unwilling or unable to act upon commercially reasonable terms, any other bank or trust company reasonably acceptable to Holder and Stockholder), as escrow agent (the "Escrow Agent") under an Escrow Agreement, to be entered into within five days of the date hereof upon commercially reasonable terms among Holder, the Stockholder and the Escrow Agent (the "Escrow Agreement") of its intention to exercise the Option (the "Notice"), specifying a time, place and date for the closing (the "Closing"), which shall occur as soon as practicable, but not later than three (3) business days from the date of the Notice; provided, however, that (a) if any approvals under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), or otherwise shall be required with respect to such exercise, then the Closing shall be the later of the date specified in the Notice or the next business day following the date on which such approvals shall have been obtained, and (b) there shall not be in effect any preliminary or final injunction or other order issued by any court or governmental, administrative or regulatory agency or authority or legislative body or commission prohibiting the exercise of the Option pursuant to this Agreement. As used herein, the "First Date for Exercise" shall mean the earliest to occur of any of the following events:

(i) any person shall have commenced (as such term is defined in Rule 14d-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), or shall have filed a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), with respect to, a tender offer or exchange offer to purchase any shares of Common Stock such that, upon consummation of such offer, such person

would own or control 20% or more of the then outstanding Common Stock;

(ii) Company, without having received Holder's prior written consent, shall (A) have authorized, recommended, proposed or publicly announced an intention to authorize, recommend or propose, or shall have entered into or publicly announced an intention to enter into, an agreement with any person (other than Holder, Newco or any other subsidiary of Holder) to (1) effect a merger, consolidation, combination, reorganization, share exchange, joint venture involving an "equity control event" (as defined below) or similar transaction involving Company, (2) directly or indirectly sell, lease or otherwise transfer or dispose of, or agree to sell, lease or otherwise transfer or dispose of, assets of Company or its subsidiaries representing 20% or more of the consolidated assets of Company and its subsidiaries or (3) directly or indirectly issue, sell or otherwise transfer or dispose of or agree to issue, sell or otherwise transfer or dispose of (including, without limitation, by way of merger, consolidation, reorganization, share exchange, dividend, distribution or any similar transaction) securities representing 20% or more of the voting power of Company (any of the foregoing an "Acquisition Transaction"), or (B) directly or indirectly have otherwise taken any action including, without limitation, responding to, or entering into discussions or negotiations, in

respect of an Acquisition Transaction or an Acquisition Proposal (as defined in the Merger Agreement) made by any party other than Holder; provided that such action violates Section 6.9 of the Merger Agreement;

(iii) any person or group (as such term is defined under the Exchange Act) shall have acquired beneficial ownership (as such term is defined in Rule 13d-3 under the Exchange Act) or the right to acquire beneficial ownership of, or any group shall have been formed which beneficially owns or has the right to acquire beneficial ownership of, 15% or more of the then outstanding Common Stock (other than any person or group that, at the date hereof, beneficially owns or has the right to acquire beneficial ownership of 15% or more of the outstanding shares of Common Stock) (an "equity control event"); or

(iv) any person other than Holder shall have made an Acquisition Proposal to Company and such proposal shall have been publicly announced (the events described in the preceding clauses (i), (ii), (iii) and (iv) are collectively and individually hereinafter referred to as an "Acquisition Event").

3. Payment and Delivery of Certificates. Concurrent with the execution of this Agreement, the Stockholder shall deliver to the Escrow Agent the certificates representing the Shares, duly endorsed in blank for transfer, or accompanied by duly executed stock powers in blank, in each case with signatures guaranteed by a national bank or trust company or a member firm of the New York Stock Exchange, Inc. At the Closing hereunder, the Escrow Agent shall promptly deliver to Holder the Shares and, simultaneously with the proper surrender by Escrow Agent to Holder of the Shares to be purchased by Holder, Holder shall deliver to the Escrow Agent a wire transfer of immediately available funds equal to the product of (x) the Purchase Price multiplied by (y) the number of Shares.

4. Representations and Warranties of the Stockholder. The Stockholder represents and warrants (such representations and warranties being deemed repeated at the Closing) to Holder that:

4.1 Ownership of Shares. The Stockholder has good and marketable title to and is the sole record owner of the Shares; except as set forth on Schedule 4.1 hereto, the Stockholder does not own beneficially or of record any other capital stock of Company; such Shares are validly issued, fully paid and nonassessable, with no personal liability attaching to the ownership thereof; and such Shares are owned by the Stockholder free and clear of any pledges, liens, security interests, adverse claims, assessments, proxies, participations, options, equities, charges or encumbrances of any nature

whatsoever with respect to the ownership of or right to vote or dispose of such Shares, except for any encumbrances arising hereunder.

4.2 Transfer of Title. The sale by the Stockholder of his Shares and the delivery by Escrow Agent of the certificates representing such Shares to Holder pursuant hereto

will transfer to Holder good and valid title to such Shares free and clear of all pledges, liens, security interests, adverse claims, assessments, options, equities, charges and encumbrances of any nature whatsoever, and with no proxies or restrictions on the voting rights or other incident of record or beneficial ownership pertaining thereto (other than the proxy being granted pursuant to Section 6 of this Agreement).

4.3 Authority; Due Execution; Enforceability. The Stockholder has the full right, power, capacity and authority to enter into this Agreement and has sole voting power and sole power of disposition with respect to the Shares with no restrictions on the Stockholder's voting rights or rights of disposition pertaining thereto (other than the proxy being granted pursuant to Section 6 of this Agreement); and this Agreement has been duly and validly executed and delivered by the Stockholder and constitutes a legal, valid and binding obligation of the Stockholder enforceable against him in accordance with its terms, except that such enforceability may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights.

4.4 No Conflicts. The execution and delivery of this Agreement do not, and the consummation of the transactions contemplated hereby will not, with or without giving of notice or the passage of time, (a) violate any judgment, award, decree, injunction or order of any court, arbitrator or governmental agency applicable to the Stockholder or the Stockholder's property or assets or any federal or state law, statute or regulation, or (b) conflict with, result in the breach of any provision of or constitute a violation of or default under any agreement or instrument to which the Stockholder is a party or by which the Stockholder or the Stockholder's property or assets may be bound.

5. Covenants of the Stockholder. The Stockholder hereby covenants and agrees that:

5.1 Bring-Down of Representations. During the term hereof the Stockholder will not enter into any transaction, take any action or by inaction permit any event to occur, that would result in any of the representations or warranties of the Stockholder herein contained not being true and correct at and as of (a) the time immediately after the occurrence of such transaction, action or event or (b) the date of the Closing of the purchase of Shares. Without limiting the generality of the foregoing, the Stockholder covenants and agrees that the Stockholder will not sell, transfer, pledge, hypothecate, assign or otherwise convey or dispose of, or enter into any contract, option, agreement or other arrangement or understanding with respect to the sale, transfer, pledge, assignment, conveyance or other disposition of, any Shares, other than to or in favor of Holder or Holder's assignee, or in connection with the Merger or an Acquisition Transaction between Company and Holder, Newco or another subsidiary of Holder (a "Holder Acquisition Transaction").

5.2 Surrender of Shares. Concurrent with the execution of this Agreement, the Stockholder will execute an Escrow Agreement authorizing the Escrow Agent to take the actions contemplated by this Agreement on behalf of the Stockholder and will surrender the certificates representing his Shares to the Escrow Agent to be held pursuant to the Escrow Agreement. The Stockholder agrees that Company may instruct the transfer agent for the

Common Stock to place a stop transfer order against any attempt to transfer the Shares except in accordance with the Escrow Agreement and this Agreement.

6. Irrevocable Proxy and Release; Agreement to Vote Shares.

(a) The Stockholder has revoked or terminated any proxies, voting agreements or similar arrangements previously given or entered into with respect to the Shares and hereby irrevocably appoints Holder, during the term of this Agreement, as proxy, with full power of substitution, for the Stockholder to vote (or refrain from voting) in any manner as Holder, in its sole discretion, may see fit, all of the Shares of the Stockholder for the Stockholder and in the Stockholder's name, place and stead, at any annual, special or other meeting or action of the stockholders of Company or at any adjournment thereof or pursuant to any consent of the stockholders of Company in lieu of a meeting or otherwise, with respect to any issue brought before stockholders of Company. The parties acknowledge and agree that, except as specifically provided for in Section 6(c) hereof, neither Holder, nor Holder's successors, assigns, subsidiaries, divisions, employees, officers, directors,

stockholders, agents and affiliates shall owe any duty to, whether in law or otherwise, or incur any liability of any kind whatsoever, including without limitation, with respect to any and all claims, losses, demands, causes of action, costs, expenses (including reasonable attorney's fees) and compensation of any kind or nature whatsoever to the Stockholder in connection with, as a result of or otherwise relating to any vote (or refrain from voting) by Holder of the Shares subject to the irrevocable proxy hereby granted to Holder at any annual, special or other meeting or action or the execution of any consent of the stockholders of Company. If the issue on which Holder is voting pursuant to the irrevocable proxy is the proposal to approve the Merger and the Merger Agreement, Holder shall vote for such proposal or give its consent, as applicable.

(b) Notwithstanding the foregoing grant to Holder of the irrevocable proxy, in the event Holder elects not to exercise its rights to vote the Shares pursuant to the irrevocable proxy, upon the request of Holder the Stockholder agrees to vote all of his Shares during the term of this Agreement: (i) if the issue on which the Stockholder is requested to vote is a proposal to approve the Merger and the Merger Agreement, in favor of or give its consent to, as applicable, the Merger and the Merger Agreement or (ii) otherwise in the manner directed by Holder at any annual, special or other meeting or action of the stockholders of Company in lieu of a meeting or otherwise with respect to any issue brought before the stockholders of Company.

(c) If Holder (i) exercises its right to vote the Shares pursuant to the irrevocable proxy as provided in Section 6(a) other than with respect to the approval of the Merger, or (ii) instructs the Stockholder how to vote pursuant to Section 6(b)(ii), other than with respect to the approval of the Merger, and such Stockholder votes his Shares in accordance with such instruction, Holder agrees to indemnify and hold harmless such Stockholder from any and all claims, liabilities, losses, demands, causes of action, expenses (including reasonable attorneys' fees) that arise from or occur by reason of such actions.

(d) Notwithstanding anything to the contrary contained in this Agreement, the Stockholder shall be free to act in his capacity as a member of the Board of Directors of the Company and to discharge his fiduciary duty as such.

7. Survival. All rights and authority granted herein by the Stockholder shall survive the death or incapacity of the Stockholder. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective spouses, heirs, personal representatives, successors and assigns. Holder may, without the consent of the Stockholder, assign its rights (but not its obligations) hereunder to any wholly owned subsidiary of Holder, but otherwise the consent of the Stockholder shall be required to assign the rights of Holder hereunder. The consent of Holder shall be required to assign the rights of the Stockholder hereunder.

8. Further Assurances. The Stockholder shall cooperate with Holder and execute and deliver any additional documents necessary, in the reasonable opinion of Holder or its counsel, to (i) obtain any third party approvals necessary to consummation of the exercise of the Option, including, without limitation, approvals under the HSR Act, if applicable, (ii) complete the sale and transfer of the Shares with respect to which the Option is exercised and the vesting of title to such Shares in Holder and (iii) evidence the irrevocable proxy granted herein with respect to the Shares.

9. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or sent by registered or certified mail, postage prepaid, addressed to the respective party at the following addresses:

To Holder: United Parcel Service, Inc.
55 Glenlake Parkway, N.E.
Atlanta, Georgia 30328
Attn: Thomas W. Delbrook

with a copy to: King & Spalding
191 Peachtree Street
Atlanta, Georgia 30303-1763
Attn: Bruce N. Hawthorne, Esq.
Facsimile No.: (404) 572-5146

To the Stockholder:

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with a copy to: Orrick, Herrington & Sutcliffe LLP
Old Federal Reserve Bank Building
400 Sansome Street
San Francisco, CA 94111
Attn: John F. Seegal, Esq.
Facsimile No.: (415) 773-5759

10. Termination. Except as provided in the following sentence, this Agreement and the Option, other than the provisions of Section 6(c), shall terminate on the earlier of: (i) the delivery by Holder to the Stockholder of written notice of Holder's determination to terminate this Agreement and (ii) the termination of the Merger Agreement in accordance with the terms thereof (the "Termination Date"). Notwithstanding anything to the contrary in this Agreement or any other agreement, if during the term of this Agreement an Acquisition Event shall occur or if the Merger Agreement shall have been terminated by Holder in accordance with Section 8.1(d) or 8.1(f)(ii) of the Merger Agreement (the date of the earlier of the occurrence or termination being the "Trigger Date"), this Agreement and the Option shall remain in full force and effect and the Termination Date of this Agreement shall automatically extend to the date which occurs 9 months from the Trigger Date.

11. Remedies. Each of the parties hereto recognizes and acknowledges that a breach by it of any covenants or agreements contained in this Agreement will cause the other party to sustain damages for which it would not have an adequate remedy at law for money damages, and therefore each of the parties hereto agrees that in the event of any such breach the aggrieved party shall be entitled to the remedy of specific performance of such covenants and agreements and injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity.

12. Commissions. Each of the parties hereto represents and warrants that there are no agreements or claims for brokerage commissions or finders' fees in connection with the transactions contemplated by this Agreement, and the Stockholder and Holder will respectively pay or discharge and will indemnify each other for brokerage commissions or finders' fees incurred by reason of any action taken by such indemnifying party.

13. Survival of Representations. Notwithstanding any provision of this Agreement to the contrary, all representations and warranties made by the Stockholder in this Agreement and the covenants set forth in Sections 6(c),12 and 19 hereof shall survive (i) any exercise of the Option by Holder, (ii) any vote by Holder of the Shares pursuant to the irrevocable proxy or (iii) any vote by the Stockholder in accordance with Section 6(b); provided, however, that all representations and warranties shall not survive and shall terminate upon termination of this Agreement pursuant to Section 10 hereof.

14. Changes in Capitalization. For all purposes of this Agreement, the Shares shall include any securities for cash or other property issued or exchanged with respect to such Shares upon any recapitalization, reclassification, merger, consolidation, spin-off, partial or complete liquidation, dividend in cash or stock or other property, split-up or combination of the securities of Company, or any other change in its capital structure and shall also include all Shares of

Common Stock issued to the Stockholder after the date hereof pursuant to the exercise by the Stockholder of stock options.

15. Compliance with Securities Laws. The parties agree that any transfer of the Shares effected hereunder shall be effected so as to comply with all applicable federal and state securities laws.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to the conflicts of laws principles thereof.

17. Counterparts. This Agreement may be executed in one or more counterparts, all of which together shall constitute a single agreement.

18. Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any current or future law, and if the rights or obligations of the parties under this Agreement would not be materially and adversely affected thereby, such provision shall be fully separable, and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom. In lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement, a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible, and the parties hereto

request the court or any arbitrator to whom disputes relating to this Agreement are submitted to reform the otherwise illegal, invalid or unenforceable provision in accordance with this Section 18.

19. Agreements to Notify.

(a) The Stockholder and Holder agree to notify promptly the Escrow Agent of the termination of this Agreement and agree to deliver to the Escrow Agent any written instructions that may reasonably be requested by the Escrow Agent relating to the release of the Shares upon the termination of this Agreement.

(b) The Stockholder agrees to notify Holder promptly, and in any event, without limiting the foregoing undertaking, prior to any exercise of the Option by Holder, of any commencement or threatened commencement known to the Stockholder by any person, entity or governmental authority or agency of any suit, action or legal proceedings with respect to the Option.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be signed as of the date first above written.

LYNN C. FRITZ:

/s/ Lynn C. Fritz

UNITED PARCEL SERVICE, INC.

By: /s/ Thomas W. Delbrook

Name: Thomas W. Delbrook
Title: Assistant Treasurer

SCHEDULE 4.1

Pursuant to the Securities Exchange Act of 1934, as amended, the Stockholder is treated as having beneficial ownership in the following shares of Company Common Stock:

1) 961,401 shares of Company Common Stock, the record owner of which is the Lynn C. Fritz 1999 Grantor Retained Annuity Trust.

2) 961,041 shares of Company Common Stock, the record owner of which is the Tamara Fritz 1999 Grantor Retained Annuity Trust.

3) 372,599 shares of Company Common Stock, the record owner of which is Tamara Fritz.

EXHIBIT 99(C)

STOCKHOLDER OPTION AGREEMENT

This STOCKHOLDER OPTION AGREEMENT (this "Agreement"), dated January 10, 2001, by and among United Parcel Service, Inc., a Delaware corporation ("Holder"), and the Lynn C. Fritz 1999 Grantor Retained Annuity Trust, a trust created under the laws of the state of California (the "Stockholder").

WITNESSETH THAT:

WHEREAS, the Stockholder owns of record 961,041 shares of common stock (the "Common Stock"), $.01 par value, of Fritz Companies, Inc., a Delaware corporation ("Company") (all of such shares being referred to herein, and giving effect to Section 14 hereof, as the "Shares"); and

WHEREAS, Lynn C. Fritz, an individual resident of the state of California (the "Trustee") is the sole trustee of the Stockholder and has sole power to vote and direct disposition of the shares:

WHEREAS, concurrently herewith Holder, VND Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Holder ("Newco"), and Company are entering into a Plan and Agreement of Merger (the "Merger Agreement") pursuant to which Newco would, subject to the terms and conditions set forth therein, merge with and into Company (the "Merger"); and

WHEREAS, the transaction is expected to be structured as a tax-free reorganization for shares of Holder capital stock; and

WHEREAS, the Stockholder desires to induce Holder to proceed with the Merger and enter into the Merger Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, Holder's willingness to enter into the Merger Agreement and the sum of $100, and such other valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Grant of Option. The Stockholder hereby grants to Holder an irrevocable and continuing option (the "Option") to purchase all of the Shares owned by him for a per share price equal to an amount of cash equal to 0.2 multiplied by the average (rounded to the nearest 1/10,000) of the volume weighted averages (rounded to the nearest 1/10,000) of the trading prices of Holder Class B common stock, par value $0.01 per share, on the New York Stock Exchange, as reported by Bloomberg Financial Markets (or such other source as the parties shall agree in writing), for the 10 trading days immediately preceding the Notice (as defined below) (the "Purchase Price"). As additional consideration, Holder shall pay to the Stockholder,

promptly following the sale or other disposition of any Shares (or any other securities into which such Shares are converted or exchanged) within 6 months following the Closing (as defined below), any property or cash amounts received therefor by Holder in excess of the Purchase Price.

2. Exercise of Option. Holder may exercise the Option, in whole but not in part, at any time following the occurrence of a First Date for Exercise (as defined below) by delivering a written notice to the Stockholder with a copy to Bank of America, N.A., (or if Bank of America, N.A. is unwilling or unable to act upon commercially reasonable terms, any other bank or trust company reasonably acceptable to Holder and Stockholder), as escrow agent (the "Escrow Agent") under an Escrow Agreement, to be entered into within five days of the date hereof upon commercially reasonable terms among Holder, the Stockholder and the Escrow Agent (the "Escrow Agreement") of its intention to exercise the Option (the "Notice"), specifying a time, place and date for the closing (the "Closing"), which shall occur as soon as practicable, but not later than three (3) business days from the date of the Notice; provided, however, that (a) if any approvals under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), or otherwise shall be required with respect to such exercise, then the Closing shall be the later of the date specified in the Notice or the next business day following the date on which such approvals shall have been obtained, and (b) there shall not be in effect any preliminary or final injunction or other order issued by any court or governmental, administrative or regulatory agency or authority or legislative body or commission prohibiting the exercise of the Option pursuant to this Agreement. As used herein, the "First Date for Exercise" shall mean the earliest to occur of any of the following events:

(i) any person shall have commenced (as such term is defined in Rule 14d-2 under the Securities Exchange

Act of 1934, as amended (the "Exchange Act")), or shall have filed a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), with respect to, a tender offer or exchange offer to purchase any shares of Common Stock such that, upon consummation of such offer, such person would own or control 20% or more of the then outstanding Common Stock;

(ii) Company, without having received Holder's prior written consent, shall (A) have authorized, recommended, proposed or publicly announced an intention to authorize, recommend or propose, or shall have entered into or publicly announced an intention to enter into, an agreement with any person (other than Holder, Newco or any other subsidiary of Holder) to (1) effect a merger, consolidation, combination, reorganization, share exchange, joint venture involving an "equity control event" (as defined below) or similar transaction involving Company, (2) directly or indirectly sell, lease or otherwise transfer or dispose of, or agree to sell, lease or otherwise transfer or dispose of, assets of Company or its subsidiaries representing 20% or more of the consolidated assets of Company and its subsidiaries or (3) directly or indirectly issue, sell or otherwise transfer or dispose of or agree to issue, sell or otherwise transfer or dispose of (including, without limitation, by way of merger, consolidation,

reorganization, share exchange, dividend, distribution or any similar transaction) securities representing 20% or more of the voting power of Company (any of the foregoing an "Acquisition Transaction"), or (B) directly or indirectly have otherwise taken any action including, without limitation, responding to, or entering into discussions or negotiations, in respect of an Acquisition Transaction or an Acquisition Proposal (as defined in the Merger Agreement) made by any party other than Holder; provided that such action violates Section 6.9 of the Merger Agreement;

(iii) any person or group (as such term is defined under the Exchange Act) shall have acquired beneficial ownership (as such term is defined in Rule 13d-3 under the Exchange Act) or the right to acquire beneficial ownership of, or any group shall have been formed which beneficially owns or has the right to acquire beneficial ownership of, 15% or more of the then outstanding Common Stock (other than any person or group that, at the date hereof, beneficially owns or has the right to acquire beneficial ownership of 15% or more of the outstanding shares of Common Stock) (an "equity control event"); or

(iv) any person other than Holder shall have made an Acquisition Proposal to Company and such proposal shall have been publicly announced (the events described in the preceding clauses (i), (ii), (iii) and (iv) are collectively and individually hereinafter referred to as an "Acquisition Event").

3. Payment and Delivery of Certificates. Concurrent with the execution of this Agreement, the Stockholder shall deliver to the Escrow Agent the certificates representing the Shares, duly endorsed in blank for transfer, or accompanied by duly executed stock powers in blank, in each case with signatures guaranteed by a national bank or trust company or a member firm of the New York Stock Exchange, Inc. At the Closing hereunder, the Escrow Agent shall promptly deliver to Holder the Shares and, simultaneously with the proper surrender by Escrow Agent to Holder of the Shares to be purchased by Holder, Holder shall deliver to the Escrow Agent a wire transfer of immediately available funds equal to the product of (x) the Purchase Price multiplied by (y) the number of Shares.

4. Representations and Warranties of the Stockholder. The Stockholder represents and warrants (such representations and warranties being deemed repeated at the Closing) to Holder that:

4.1 Ownership of Shares. The Stockholder has good and

marketable title to and is the sole record owner of the Shares; except as set forth on Schedule 4.1 hereto, the Stockholder does not own beneficially or of record any other capital stock of Company; such Shares are validly issued, fully paid and nonassessable, with no personal liability attaching to the ownership thereof; and such Shares are owned by the Stockholder free and clear of any pledges, liens, security interests, adverse claims, assessments, proxies, participations, options, equities,

charges or encumbrances of any nature whatsoever with respect to the ownership of or right to vote or dispose of such Shares, except for any encumbrances arising hereunder.

4.2 Transfer of Title. The sale by the Stockholder of his Shares and the delivery by Escrow Agent of the certificates representing such Shares to Holder pursuant hereto will transfer to Holder good and valid title to such Shares free and clear of all pledges, liens, security interests, adverse claims, assessments, options, equities, charges and encumbrances of any nature whatsoever, and with no proxies or restrictions on the voting rights or other incident of record or beneficial ownership pertaining thereto (other than the proxy being granted pursuant to Section 6 of this Agreement).

4.3 Authority; Due Execution; Enforceability. The Stockholder has the full right, power, capacity and authority to enter into this Agreement and has sole voting power and sole power of disposition with respect to the Shares with no restrictions on the Stockholder's voting rights or rights of disposition pertaining thereto (other than the proxy being granted pursuant to Section 6 of this Agreement); and this Agreement has been duly and validly executed and delivered by the Stockholder and constitutes a legal, valid and binding obligation of the Stockholder enforceable against him in accordance with its terms, except that such enforceability may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights.

4.4 No Conflicts. The execution and delivery of this Agreement do not, and the consummation of the transactions contemplated hereby will not, with or without giving of notice or the passage of time, (a) violate any judgment, award, decree, injunction or order of any court, arbitrator or governmental agency applicable to the Stockholder or the Stockholder's property or assets or any federal or state law, statute or regulation, or (b) conflict with, result in the breach of any provision of or constitute a violation of or default under any agreement or instrument to which the Stockholder is a party or by which the Stockholder or the Stockholder's property or assets may be bound.

5. Covenants of the Stockholder. The Stockholder hereby covenants and agrees that:

5.1 Bring-Down of Representations. During the term hereof the Stockholder will not enter into any transaction, take any action or by inaction permit any event to occur, that would result in any of the representations or warranties of the Stockholder herein contained not being true and correct at and as of (a) the time immediately after the occurrence of such transaction, action or event or (b) the date of the Closing of the purchase of Shares. Without limiting the generality of the foregoing, the Stockholder covenants and agrees that the Stockholder will not sell, transfer, pledge, hypothecate, assign or otherwise convey or dispose of, or enter into any contract, option, agreement or other arrangement or understanding with respect to the sale, transfer, pledge, assignment, conveyance or other disposition of, any Shares, other than to or in favor of Holder or Holder's assignee, or in connection with the Merger or an Acquisition Transaction between Company and Holder, Newco or another subsidiary of Holder (a "Holder Acquisition Transaction").

5.2 Surrender of Shares. Concurrent with the execution of this Agreement, the Stockholder will execute an Escrow Agreement authorizing the Escrow Agent to take the actions contemplated by this Agreement on behalf of the Stockholder and will surrender the certificates representing his Shares to the Escrow Agent to be held pursuant to the Escrow Agreement. The Stockholder agrees that Company may instruct the transfer agent for the Common Stock to place a stop transfer order against any attempt to transfer the Shares except in accordance with the Escrow Agreement and this Agreement.

6. Irrevocable Proxy and Release; Agreement to Vote Shares.

(a) The Stockholder has revoked or terminated any proxies, voting agreements or similar arrangements previously given or entered into with respect to the Shares and hereby irrevocably appoints Holder, during the term of this Agreement, as proxy, with full power of substitution, for the Stockholder to vote (or refrain from voting) in any manner as Holder, in its sole discretion, may see fit, all of the Shares of the Stockholder for the Stockholder and in the Stockholder's name, place and stead, at any annual,

special or other meeting or action of the stockholders of Company or at any adjournment thereof or pursuant to any consent of the stockholders of Company in lieu of a meeting or otherwise, with respect to any issue brought before stockholders of Company. The parties acknowledge and agree that, except as specifically provided for in Section 6(c) hereof, neither Holder, nor Holder's successors, assigns, subsidiaries, divisions, employees, officers, directors, stockholders, agents and affiliates shall owe any duty to, whether in law or otherwise, or incur any liability of any kind whatsoever, including without limitation, with respect to any and all claims, losses, demands, causes of action, costs, expenses (including reasonable attorney's fees) and compensation of any kind or nature whatsoever to the Stockholder in connection with, as a result of or otherwise relating to any vote (or refrain from voting) by Holder of the Shares subject to the irrevocable proxy hereby granted to Holder at any annual, special or other meeting or action or the execution of any consent of the stockholders of Company. If the issue on which Holder is voting pursuant to the irrevocable proxy is the proposal to approve the Merger and the Merger Agreement, Holder shall vote for such proposal or give its consent, as applicable.

(b) Notwithstanding the foregoing grant to Holder of the irrevocable proxy, in the event Holder elects not to exercise its rights to vote the Shares pursuant to the irrevocable proxy, upon the request of Holder the Stockholder agrees to vote all of his Shares during the term of this Agreement: (i) if the issue on which the Stockholder is requested to vote is a proposal to approve the Merger and the Merger Agreement, in favor of or give its consent to, as applicable, the Merger and the Merger Agreement or (ii) otherwise in the manner directed by Holder at any annual, special or other meeting or action of the stockholders of Company in lieu of a meeting or otherwise with respect to any issue brought before the stockholders of Company.

(c) If Holder (i) exercises its right to vote the Shares pursuant to the irrevocable proxy as provided in Section 6(a) other than with respect to the approval of the Merger, or (ii) instructs the Stockholder how to vote pursuant to Section 6(b)(ii), other than with respect to the approval of the Merger, and such Stockholder votes his Shares in accordance with such instruction, Holder agrees to indemnify and hold harmless such Stockholder from any and

all claims, liabilities, losses, demands, causes of action, expenses (including reasonable attorneys' fees) that arise from or occur by reason of such actions.

(d) Notwithstanding anything to the contrary contained in this Agreement, the Stockholder shall be free to act in his capacity as a member of the Board of Directors of the Company and to discharge his fiduciary duty as such.

7. Survival. All rights and authority granted herein by the Stockholder shall survive the death or incapacity of the Stockholder. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective spouses, heirs, personal representatives, successors and assigns. Holder may, without the consent of the Stockholder, assign its rights (but not its obligations) hereunder to any wholly owned subsidiary of Holder, but otherwise the consent of the Stockholder shall be required to assign the rights of Holder hereunder. The consent of Holder shall be required to assign the rights of the Stockholder hereunder.

8. Further Assurances. The Stockholder shall cooperate with Holder and execute and deliver any additional documents necessary, in the reasonable opinion of Holder or its counsel, to (i) obtain any third party approvals necessary to consummation of the exercise of the Option, including, without limitation, approvals under the HSR Act, if applicable, (ii) complete the sale and transfer of the Shares with respect to which the Option is exercised and the vesting of title to such Shares in Holder and (iii) evidence the irrevocable proxy granted herein with respect to the Shares.

9. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or sent by registered or certified mail, postage prepaid, addressed to the respective party at the following addresses:

To Holder: United Parcel Service, Inc.
55 Glenlake Parkway, N.E.
Atlanta, Georgia 30328
Attn: Thomas W. Delbrook

with a copy to: King & Spalding
191 Peachtree Street
Atlanta, Georgia 30303-1763
Attn: Bruce N. Hawthorne, Esq.
Facsimile No.: (404) 572-5146

To the Stockholder:

with a copy to: Orrick, Herrington & Sutcliffe LLP
Old Federal Reserve Bank Building
400 Sansome Street
San Francisco, CA 94111
Attn: John F. Seegal, Esq.
Facsimile No.: (415) 773-5759

10. Termination. Except as provided in the following sentence, this Agreement and the Option, other than the provisions of Section 6(c), shall terminate on the earlier of: (i) the delivery by Holder to the Stockholder of written notice of Holder's determination to terminate this Agreement and (ii) the termination of the Merger Agreement in accordance with the terms thereof (the "Termination Date"). Notwithstanding anything to the contrary in this Agreement or any other agreement, if during the term of this Agreement an Acquisition Event shall occur or if the Merger Agreement shall have been terminated by Holder in accordance with Section 8.1(d) or 8.1(f)(ii) of the Merger Agreement (the date of the earlier of the occurrence or termination being the "Trigger Date"), this Agreement and the Option shall remain in full force and effect and the Termination Date of this Agreement shall automatically extend to the date which occurs 9 months from the Trigger Date.

11. Remedies. Each of the parties hereto recognizes and acknowledges that a breach by it of any covenants or agreements contained in this Agreement will cause the other party to sustain damages for which it would not have an adequate remedy at law for money damages, and therefore each of the parties hereto agrees that in the event of any such breach the aggrieved party shall be entitled to the remedy of specific performance of such covenants and agreements and injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity.

12. Commissions. Each of the parties hereto represents and warrants that there are no agreements or claims for brokerage commissions or finders' fees in connection with the transactions contemplated by this Agreement, and the Stockholder and Holder will respectively pay or discharge and will indemnify each other for brokerage commissions or finders' fees incurred by reason of any action taken by such indemnifying party.

13. Survival of Representations. Notwithstanding any provision of this Agreement to the contrary, all representations and warranties made by the Stockholder in this Agreement and the covenants set forth in Sections 6(c),12 and 19 hereof shall survive (i) any exercise of the Option by Holder, (ii) any vote by Holder of the Shares pursuant to the irrevocable proxy or (iii) any vote by the Stockholder in accordance with Section 6(b); provided, however, that all representations and warranties shall not survive and shall terminate upon termination of this Agreement pursuant to Section 10 hereof.

14. Changes in Capitalization. For all purposes of this Agreement, the Shares shall include any securities for cash or other property issued or exchanged with respect to such Shares upon any recapitalization, reclassification, merger, consolidation, spin-off, partial or complete liquidation, dividend in cash or stock or other property, split-up or combination of the securities

of Company, or any other change in its capital structure and shall also include all Shares of Common Stock issued to the Stockholder after the date hereof pursuant to the exercise by the Stockholder of stock options.

15. Compliance with Securities Laws. The parties agree that any transfer of the Shares effected hereunder shall be effected so as to comply with all applicable federal and state securities laws.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to the conflicts of laws principles thereof.

17. Counterparts. This Agreement may be executed in one or more counterparts, all of which together shall constitute a single agreement.

18. Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any current or future law, and if the rights or obligations of the parties under this Agreement would not be materially and adversely affected thereby, such provision shall be fully separable, and this Agreement shall be construed and enforced as if such

illegal, invalid or unenforceable provision had never comprised a part hereof, the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom. In lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement, a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible, and the parties hereto request the court or any arbitrator to whom disputes relating to this Agreement are submitted to reform the otherwise illegal, invalid or unenforceable provision in accordance with this Section 18.

19. Agreements to Notify.

(a) The Stockholder and Holder agree to notify promptly the Escrow Agent of the termination of this Agreement and agree to deliver to the Escrow Agent any written instructions that may reasonably be requested by the Escrow Agent relating to the release of the Shares upon the termination of this Agreement.

(b) The Stockholder agrees to notify Holder promptly, and in any event, without limiting the foregoing undertaking, prior to any exercise of the Option by Holder, of any commencement or threatened commencement known to the Stockholder by any person, entity or governmental authority or agency of any suit, action or legal proceedings with respect to the Option.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be signed as of the date first above written.

LYNN C. FRITZ 1999 GRANTOR
RETAINED ANNUITY TRUST

By: /s/ Lynn C. Fritz

Lynn C. Fritz
as Trustee

UNITED PARCEL SERVICE, INC.

By: /s/ Thomas W. Delbrook

Name: Thomas W. Delbrook
Title: Assistant Treasurer

SCHEDULE 4.1

None

STOCKHOLDER OPTION AGREEMENT

This STOCKHOLDER OPTION AGREEMENT (this "Agreement"), dated January 10, 2001, by and among United Parcel Service, Inc., a Delaware corporation ("Holder"), and Tamara Fritz, an individual resident of the state of California (the "Stockholder").

WITNESSETH THAT:

WHEREAS, the Stockholder owns of record 372,599 shares of common stock (the "Common Stock"), $.01 par value, of Fritz Companies, Inc., a Delaware corporation ("Company") (all of such shares being referred to herein, and giving effect to Section 14 hereof, as the "Shares"); and

WHEREAS, concurrently herewith Holder, VND Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Holder ("Newco"), and Company are entering into a Plan and Agreement of Merger (the "Merger Agreement") pursuant to which Newco would, subject to the terms and conditions set forth therein, merge with and into Company (the "Merger"); and

WHEREAS, the transaction is expected to be structured as a tax-free reorganization for shares of Holder capital stock; and

WHEREAS, the Stockholder desires to induce Holder to proceed with the Merger and enter into the Merger Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, Holder's willingness to enter into the Merger Agreement and the sum of $100, and such other valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows: 1. Grant of Option. The Stockholder hereby grants to Holder an irrevocable and continuing option (the "Option") to purchase all of the Shares owned by him for a per share price equal to an amount of cash equal to 0.2 multiplied by the average (rounded to the nearest 1/10,000) of the volume weighted averages (rounded to the nearest 1/10,000) of the trading prices of Holder Class B common stock, par value $0.01 per share, on the New York Stock Exchange, as reported by Bloomberg Financial Markets (or such other source as the parties shall agree in writing), for the 10 trading days immediately preceding the Notice (as defined below) (the "Purchase Price"). As additional consideration, Holder shall pay to the Stockholder, promptly following the sale or other disposition of any Shares (or any other securities into which such Shares are converted or exchanged) within 6 months following the Closing (as defined below), any property or cash amounts received therefor by Holder in excess of the Purchase Price.

2. Exercise of Option. Holder may exercise the Option, in whole but not in part, at any time following the occurrence of a First Date for Exercise (as defined below) by delivering a written notice to the Stockholder with a copy to Bank of America, N.A., (or if Bank of America, N.A. is unwilling or unable to act upon commercially reasonable terms, any other bank or trust company reasonably acceptable to Holder and Stockholder), as escrow agent (the "Escrow Agent") under an Escrow Agreement, to be entered into within five days of the date hereof upon commercially reasonable terms among Holder, the Stockholder and the Escrow Agent (the "Escrow Agreement") of its intention to exercise the Option (the "Notice"), specifying a time, place and date for the closing (the "Closing"), which shall occur as soon as practicable, but not later than three (3) business days from the date of the Notice; provided, however, that (a) if any approvals under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), or otherwise shall be required with respect to such exercise, then the Closing shall be the later of the date specified in the Notice or the next business day following the date on which such approvals shall have been obtained, and (b) there shall not be in effect any preliminary or final injunction or other order issued by any court or governmental, administrative or regulatory agency or authority or legislative body or commission prohibiting the exercise of the Option pursuant to this Agreement. As used herein, the "First Date for Exercise" shall mean the earliest to occur of any of the following events:

(i) any person shall have commenced (as such term is defined in Rule 14d-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), or shall have filed a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), with respect to, a tender offer or exchange offer to purchase any shares of Common Stock such that, upon consummation of such offer, such person would own or control 20% or more of the then outstanding Common Stock;

(ii) Company, without having received Holder's prior

written consent, shall (A) have authorized, recommended, proposed or publicly announced an intention to authorize, recommend or propose, or shall have entered into or publicly announced an intention to enter into, an agreement with any person (other than Holder, Newco or any other subsidiary of Holder) to (1) effect a merger, consolidation, combination, reorganization, share exchange, joint venture involving an "equity control event" (as defined below) or similar transaction involving Company, (2) directly or indirectly sell, lease or otherwise transfer or dispose of, or agree to sell, lease or otherwise transfer or dispose of, assets of Company or its subsidiaries representing 20% or more of the consolidated assets of Company and its subsidiaries or (3) directly or indirectly issue, sell or otherwise transfer or dispose of or agree to issue, sell or otherwise transfer or dispose of (including, without limitation, by way of merger, consolidation, reorganization, share exchange, dividend, distribution or any similar transaction) securities representing 20% or more of the voting power of Company (any of the foregoing an "Acquisition Transaction"), or (B) directly or indirectly have otherwise taken any action including, without limitation, responding to, or entering into discussions or negotiations, in

respect of an Acquisition Transaction or an Acquisition Proposal (as defined in the Merger Agreement) made by any party other than Holder; provided that such action violates Section 6.9 of the Merger Agreement;

(iii) any person or group (as such term is defined under the Exchange Act) shall have acquired beneficial ownership (as such term is defined in Rule 13d-3 under the Exchange Act) or the right to acquire beneficial ownership of, or any group shall have been formed which beneficially owns or has the right to acquire beneficial ownership of, 15% or more of the then outstanding Common Stock (other than any person or group that, at the date hereof, beneficially owns or has the right to acquire beneficial ownership of 15% or more of the outstanding shares of Common Stock) (an "equity control event"); or

(iv) any person other than Holder shall have made an Acquisition Proposal to Company and such proposal shall have been publicly announced (the events described in the preceding clauses (i), (ii), (iii) and (iv) are collectively and individually hereinafter referred to as an "Acquisition Event").

3. Payment and Delivery of Certificates. Concurrent with the execution of this Agreement, the Stockholder shall deliver to the Escrow Agent the certificates representing the Shares, duly endorsed in blank for transfer, or accompanied by duly executed stock powers in blank, in each case with signatures guaranteed by a national bank or trust company or a member firm of the New York Stock Exchange, Inc. At the Closing hereunder, the Escrow Agent shall promptly deliver to Holder the Shares and, simultaneously with the proper surrender by Escrow Agent to Holder of the Shares to be purchased by Holder, Holder shall deliver to the Escrow Agent a wire transfer of immediately available funds equal to the product of (x) the Purchase Price multiplied by (y) the number of Shares.

4. Representations and Warranties of the Stockholder. The Stockholder represents and warrants (such representations and warranties being deemed repeated at the Closing) to Holder that:

4.1 Ownership of Shares. The Stockholder has good and marketable title to and is the sole record owner of the Shares; except as set forth on Schedule 4.1 hereto, the Stockholder does not own beneficially or of record any other capital stock of Company; such Shares are validly issued, fully paid and nonassessable, with no personal liability attaching to the ownership thereof; and such Shares are owned by the Stockholder free and clear of any pledges, liens, security interests, adverse claims, assessments, proxies, participations, options, equities, charges or encumbrances of any nature whatsoever with respect to the ownership of or right to vote or dispose of such Shares, except for any encumbrances arising hereunder.

4.2 Transfer of Title. The sale by the Stockholder of his

Shares and the delivery by Escrow Agent of the certificates representing such Shares to Holder pursuant hereto

will transfer to Holder good and valid title to such Shares free and clear of all pledges, liens, security interests, adverse claims, assessments, options, equities, charges and encumbrances of any nature whatsoever, and with no proxies or restrictions on the voting rights or other incident of record or beneficial ownership pertaining thereto (other than the proxy being granted pursuant to Section 6 of this Agreement).

4.3 Authority; Due Execution; Enforceability. The Stockholder has the full right, power, capacity and authority to enter into this Agreement and has sole voting power and sole power of disposition with respect to the Shares with no restrictions on the Stockholder's voting rights or rights of disposition pertaining thereto (other than the proxy being granted pursuant to Section 6 of this Agreement); and this Agreement has been duly and validly executed and delivered by the Stockholder and constitutes a legal, valid and binding obligation of the Stockholder enforceable against him in accordance with its terms, except that such enforceability may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights.

4.4 No Conflicts. The execution and delivery of this Agreement do not, and the consummation of the transactions contemplated hereby will not, with or without giving of notice or the passage of time, (a) violate any judgment, award, decree, injunction or order of any court, arbitrator or governmental agency applicable to the Stockholder or the Stockholder's property or assets or any federal or state law, statute or regulation, or (b) conflict with, result in the breach of any provision of or constitute a violation of or default under any agreement or instrument to which the Stockholder is a party or by which the Stockholder or the Stockholder's property or assets may be bound.

5. Covenants of the Stockholder. The Stockholder hereby covenants and agrees that:

5.1 Bring-Down of Representations. During the term hereof the Stockholder will not enter into any transaction, take any action or by inaction permit any event to occur, that would result in any of the representations or warranties of the Stockholder herein contained not being true and correct at and as of (a) the time immediately after the occurrence of such transaction, action or event or (b) the date of the Closing of the purchase of Shares. Without limiting the generality of the foregoing, the Stockholder covenants and agrees that the Stockholder will not sell, transfer, pledge, hypothecate, assign or otherwise convey or dispose of, or enter into any contract, option, agreement or other arrangement or understanding with respect to the sale, transfer, pledge, assignment, conveyance or other disposition of, any Shares, other than to or in favor of Holder or Holder's assignee, or in connection with the Merger or an Acquisition Transaction between Company and Holder, Newco or another subsidiary of Holder (a "Holder Acquisition Transaction").

5.2 Surrender of Shares. Concurrent with the execution of this Agreement, the Stockholder will execute an Escrow Agreement authorizing the Escrow Agent to take the actions contemplated by this Agreement on behalf of the Stockholder and will surrender the certificates representing his Shares to the Escrow Agent to be held pursuant to the Escrow Agreement. The Stockholder agrees that Company may instruct the transfer agent for the

Common Stock to place a stop transfer order against any attempt to transfer the Shares except in accordance with the Escrow Agreement and this Agreement.

6. Irrevocable Proxy and Release; Agreement to Vote Shares.

(a) The Stockholder has revoked or terminated any proxies, voting agreements or similar arrangements previously given or entered into with respect to the Shares and hereby irrevocably appoints Holder, during the term of this Agreement, as proxy, with full power of substitution, for the Stockholder to vote (or refrain from voting) in any manner as Holder, in its sole discretion, may see fit, all of the Shares of the Stockholder for the Stockholder and in the Stockholder's name, place and stead, at any annual, special or other meeting or action of the stockholders of Company or at any adjournment thereof or pursuant to any consent of the stockholders of Company in lieu of a meeting or otherwise, with respect to any issue brought before stockholders of Company. The parties acknowledge and agree that, except as specifically provided for in Section 6(c) hereof, neither Holder, nor Holder's successors, assigns, subsidiaries, divisions, employees, officers, directors, stockholders, agents and affiliates shall owe any duty to, whether in law or otherwise, or incur any liability of any kind whatsoever, including without limitation, with respect to any and all claims, losses, demands, causes of action, costs, expenses (including reasonable attorney's fees) and compensation of any kind or nature whatsoever to the Stockholder in connection with, as a result of or otherwise relating to any vote (or refrain from voting) by Holder

of the Shares subject to the irrevocable proxy hereby granted to Holder at any annual, special or other meeting or action or the execution of any consent of the stockholders of Company. If the issue on which Holder is voting pursuant to the irrevocable proxy is the proposal to approve the Merger and the Merger Agreement, Holder shall vote for such proposal or give its consent, as applicable.

(b) Notwithstanding the foregoing grant to Holder of the irrevocable proxy, in the event Holder elects not to exercise its rights to vote the Shares pursuant to the irrevocable proxy, upon the request of Holder the Stockholder agrees to vote all of his Shares during the term of this Agreement: (i) if the issue on which the Stockholder is requested to vote is a proposal to approve the Merger and the Merger Agreement, in favor of or give its consent to, as applicable, the Merger and the Merger Agreement or (ii) otherwise in the manner directed by Holder at any annual, special or other meeting or action of the stockholders of Company in lieu of a meeting or otherwise with respect to any issue brought before the stockholders of Company.

(c) If Holder (i) exercises its right to vote the Shares pursuant to the irrevocable proxy as provided in Section 6(a) other than with respect to the approval of the Merger, or (ii) instructs the Stockholder how to vote pursuant to Section 6(b)(ii), other than with respect to the approval of the Merger, and such Stockholder votes his Shares in accordance with such instruction, Holder agrees to indemnify and hold harmless such Stockholder from any and all claims, liabilities, losses, demands, causes of action, expenses (including reasonable attorneys' fees) that arise from or occur by reason of such actions.

(d) Notwithstanding anything to the contrary contained in this Agreement, the Stockholder shall be free to act in his capacity as a member of the Board of Directors of the Company and to discharge his fiduciary duty as such.

7. Survival. All rights and authority granted herein by the Stockholder shall survive the death or incapacity of the Stockholder. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective spouses, heirs, personal representatives, successors and assigns. Holder may, without the consent of the Stockholder, assign its rights (but not its obligations) hereunder to any wholly owned subsidiary of Holder, but otherwise the consent of the Stockholder shall be required to assign the rights of Holder hereunder. The consent of Holder shall be required to assign the rights of the Stockholder hereunder.

8. Further Assurances. The Stockholder shall cooperate with Holder and execute and deliver any additional documents necessary, in the reasonable opinion of Holder or its counsel, to (i) obtain any third party approvals necessary to consummation of the exercise of the Option, including, without limitation, approvals under the HSR Act, if applicable, (ii) complete the sale and transfer of the Shares with respect to which the Option is exercised and the vesting of title to such Shares in Holder and (iii) evidence the irrevocable proxy granted herein with respect to the Shares.

9. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or sent by registered or certified mail, postage prepaid, addressed to the respective party at the following addresses:

To Holder: United Parcel Service, Inc.
55 Glenlake Parkway, N.E.
Atlanta, Georgia 30328
Attn: Thomas W. Delbrook

with a copy to: King & Spalding
191 Peachtree Street
Atlanta, Georgia 30303-1763
Attn: Bruce N. Hawthorne, Esq.
Facsimile No.: (404) 572-5146

To the Stockholder:

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with a copy to: Orrick, Herrington & Sutcliffe LLP
Old Federal Reserve Bank Building
400 Sansome Street
San Francisco, CA 94111

Attn: John F. Seegal, Esq.
Facsimile No.: (415) 773-5759

10. Termination. Except as provided in the following sentence, this Agreement and the Option, other than the provisions of Section 6(c), shall terminate on the earlier of: (i) the delivery by Holder to the Stockholder of written notice of Holder's determination to terminate this Agreement and (ii) the termination of the Merger Agreement in accordance with the terms thereof (the "Termination Date"). Notwithstanding anything to the contrary in this Agreement or any other agreement, if during the term of this Agreement an Acquisition Event shall occur or if the Merger Agreement shall have been terminated by Holder in accordance with Section 8.1(d) or 8.1(f)(ii) of the Merger Agreement (the date of the earlier of the occurrence or termination being the "Trigger Date"), this Agreement and the Option shall remain in full force and effect and the Termination Date of this Agreement shall automatically extend to the date which occurs 9 months from the Trigger Date.

11. Remedies. Each of the parties hereto recognizes and acknowledges that a breach by it of any covenants or agreements contained in this Agreement will cause the other party to sustain damages for which it would not have an adequate remedy at law for money damages, and therefore each of the parties hereto agrees that in the event of any such breach the aggrieved party shall be entitled to the remedy of specific performance of such covenants and agreements and injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity.

12. Commissions. Each of the parties hereto represents and warrants that there are no agreements or claims for brokerage commissions or finders' fees in connection with the transactions contemplated by this Agreement, and the Stockholder and Holder will respectively pay or discharge and will indemnify each other for brokerage commissions or finders' fees incurred by reason of any action taken by such indemnifying party.

13. Survival of Representations. Notwithstanding any provision of this Agreement to the contrary, all representations and warranties made by the Stockholder in this Agreement and the covenants set forth in Sections 6(c),12 and 19 hereof shall survive (i) any exercise of the Option by Holder, (ii) any vote by Holder of the Shares pursuant to the irrevocable proxy or (iii) any vote by the Stockholder in accordance with Section 6(b); provided, however, that all representations and warranties shall not survive and shall terminate upon termination of this Agreement pursuant to Section 10 hereof.

14. Changes in Capitalization. For all purposes of this Agreement, the Shares shall include any securities for cash or other property issued or exchanged with respect to such Shares upon any recapitalization, reclassification, merger, consolidation, spin-off, partial or complete liquidation, dividend in cash or stock or other property, split-up or combination of the securities of Company, or any other change in its capital structure and shall also include all Shares of

Common Stock issued to the Stockholder after the date hereof pursuant to the exercise by the Stockholder of stock options.

15. Compliance with Securities Laws. The parties agree that any transfer of the Shares effected hereunder shall be effected so as to comply with all applicable federal and state securities laws.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to the conflicts of laws principles thereof.

17. Counterparts. This Agreement may be executed in one or more counterparts, all of which together shall constitute a single agreement.

18. Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any current or future law, and if the rights or obligations of the parties under this Agreement would not be materially and adversely affected thereby, such provision shall be fully separable, and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom. In lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement, a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible, and the parties hereto request the court or any arbitrator to whom disputes relating to this Agreement are submitted to reform the otherwise illegal, invalid or unenforceable provision in accordance with this Section 18.

19. Agreements to Notify.

(a) The Stockholder and Holder agree to notify promptly the Escrow Agent of the termination of this Agreement and agree to deliver to the Escrow Agent any written instructions that may reasonably be requested by the Escrow Agent relating to the release of the Shares upon the termination of this Agreement.

(b) The Stockholder agrees to notify Holder promptly, and in any event, without limiting the foregoing undertaking, prior to any exercise of the Option by Holder, of any commencement or threatened commencement known to the Stockholder by any person, entity or governmental authority or agency of any suit, action or legal proceedings with respect to the Option.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be signed as of the date first above written.

TAMARA FRITZ:

/s/ Tamara Fritz

UNITED PARCEL SERVICE, INC.

By: /s/ Thomas W. Delbrook

Name: Thomas W. Delbrook
Title: Assistant Treasurer

SCHEDULE 4.1

Pursuant to the Securities Exchange Act of 1934, as amended, the Stockholder is treated as having beneficial ownership in the following shares of Company Common Stock:

1) 961,401 shares of Company Common Stock, the record owner of which is the Tamara Fritz 1999 Grantor Retained Annuity Trust.

2) 961,041 shares of Company Common Stock, the record owner of which is the Lynn C. Fritz 1999 Grantor Retained Annuity Trust.

3) 10,640,129 shares of Company Common Stock, the record owner of which is Lynn C. Fritz.

STOCKHOLDER OPTION AGREEMENT

This STOCKHOLDER OPTION AGREEMENT (this "Agreement"), dated January 10, 2001, by and among United Parcel Service, Inc., a Delaware corporation ("Holder"), and the Tamara Fritz 1999 Grantor Retained Annuity Trust, a trust created under the laws of the state of California (the "Stockholder").

WITNESSETH THAT:

WHEREAS, the Stockholder owns of record 961,401 shares of common stock (the "Common Stock"), $.01 par value, of Fritz Companies, Inc., a Delaware corporation ("Company") (all of such shares being referred to herein, and giving effect to Section 14 hereof, as the "Shares"); and

WHEREAS, Tamara Fritz, an individual resident of the state of California (the "Trustee"), is the sole trustee of the Stockholder and has sole power to vote and direct the disposition of the Shares;

WHEREAS, concurrently herewith Holder, VND Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Holder ("Newco"), and Company are entering into a Plan and Agreement of Merger (the "Merger Agreement") pursuant to which Newco would, subject to the terms and conditions set forth therein, merge with and into Company (the "Merger"); and

WHEREAS, the transaction is expected to be structured as a tax-free reorganization for shares of Holder capital stock; and

WHEREAS, the Stockholder desires to induce Holder to proceed with the Merger and enter into the Merger Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, Holder's willingness to enter into the Merger Agreement and the sum of $100, and such other valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Grant of Option. The Stockholder hereby grants to Holder an irrevocable and continuing option (the "Option") to purchase all of the Shares owned by him for a per share price equal to an amount of cash equal to 0.2 multiplied by the average (rounded to the nearest 1/10,000) of the volume weighted averages (rounded to the nearest 1/10,000) of the trading prices of Holder Class B common stock, par value $0.01 per share, on the New York Stock Exchange, as reported by Bloomberg Financial Markets (or such other source as the parties shall agree in writing), for the 10 trading days immediately preceding the Notice (as defined below) (the "Purchase Price"). As additional consideration, Holder shall pay to the Stockholder, promptly following the sale or other disposition of any Shares (or any other securities into which

such Shares are converted or exchanged) within 6 months following the Closing (as defined below), any property or cash amounts received therefor by Holder in excess of the Purchase Price.

2. Exercise of Option. Holder may exercise the Option, in whole but not in part, at any time following the occurrence of a First Date for Exercise (as defined below) by delivering a written notice to the Stockholder with a copy to Bank of America, N.A., (or if Bank of America, N.A. is unwilling or unable to act upon commercially reasonable terms, any other bank or trust company reasonably acceptable to Holder and Stockholder), as escrow agent (the "Escrow Agent") under an Escrow Agreement, to be entered into within five days of the date hereof upon commercially reasonable terms among Holder, the Stockholder and the Escrow Agent (the "Escrow Agreement") of its intention to exercise the Option (the "Notice"), specifying a time, place and date for the closing (the "Closing"), which shall occur as soon as practicable, but not later than three (3) business days from the date of the Notice; provided, however, that (a) if any approvals under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), or otherwise shall be required with respect to such exercise, then the Closing shall be the later of the date specified in the Notice or the next business day following the date on which such approvals shall have been obtained, and (b) there shall not be in effect any preliminary or final injunction or other order issued by any court or governmental, administrative or regulatory agency or authority or legislative body or commission prohibiting the exercise of the Option pursuant to this Agreement. As used herein, the "First Date for Exercise" shall mean the earliest to occur of any of the following events:

(i) any person shall have commenced (as such term is defined in Rule 14d-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), or shall have filed a registration statement under the Securities Act of 1933, as amended (the "Securities

Act"), with respect to, a tender offer or exchange offer to purchase any shares of Common Stock such that, upon consummation of such offer, such person would own or control 20% or more of the then outstanding Common Stock;

(ii) Company, without having received Holder's prior written consent, shall (A) have authorized, recommended, proposed or publicly announced an intention to authorize, recommend or propose, or shall have entered into or publicly announced an intention to enter into, an agreement with any person (other than Holder, Newco or any other subsidiary of Holder) to (1) effect a merger, consolidation, combination, reorganization, share exchange, joint venture involving an "equity control event" (as defined below) or similar transaction involving Company, (2) directly or indirectly sell, lease or otherwise transfer or dispose of, or agree to sell, lease or otherwise transfer or dispose of, assets of Company or its subsidiaries representing 20% or more of the consolidated assets of Company and its subsidiaries or (3) directly or indirectly issue, sell or otherwise transfer or dispose of or agree to issue, sell or otherwise transfer or dispose of (including, without limitation, by way of merger, consolidation, reorganization, share exchange, dividend, distribution or any similar

transaction) securities representing 20% or more of the voting power of Company (any of the foregoing an "Acquisition Transaction"), or (B) directly or indirectly have otherwise taken any action including, without limitation, responding to, or entering into discussions or negotiations, in respect of an Acquisition Transaction or an Acquisition Proposal (as defined in the Merger Agreement) made by any party other than Holder; provided that such action violates Section 6.9 of the Merger Agreement;

(iii) any person or group (as such term is defined under the Exchange Act) shall have acquired beneficial ownership (as such term is defined in Rule 13d-3 under the Exchange Act) or the right to acquire beneficial ownership of, or any group shall have been formed which beneficially owns or has the right to acquire beneficial ownership of, 15% or more of the then outstanding Common Stock (other than any person or group that, at the date hereof, beneficially owns or has the right to acquire beneficial ownership of 15% or more of the outstanding shares of Common Stock) (an "equity control event"); or (

(iv) any person other than Holder shall have made an Acquisition Proposal to Company and such proposal shall have been publicly announced (the events described in the preceding clauses (i), (ii), (iii) and (iv) are collectively and individually hereinafter referred to as an "Acquisition Event").

3. Payment and Delivery of Certificates. Concurrent with the execution of this Agreement, the Stockholder shall deliver to the Escrow Agent the certificates representing the Shares, duly endorsed in blank for transfer, or accompanied by duly executed stock powers in blank, in each case with signatures guaranteed by a national bank or trust company or a member firm of the New York Stock Exchange, Inc. At the Closing hereunder, the Escrow Agent shall promptly deliver to Holder the Shares and, simultaneously with the proper surrender by Escrow Agent to Holder of the Shares to be purchased by Holder, Holder shall deliver to the Escrow Agent a wire transfer of immediately available funds equal to the product of (x) the Purchase Price multiplied by (y) the number of Shares.

4. Representations and Warranties of the Stockholder. The Stockholder represents and warrants (such representations and warranties being deemed repeated at the Closing) to Holder that:

4.1 Ownership of Shares. The Stockholder has good and marketable title to and is the sole record owner of the Shares; except as set forth on Schedule 4.1 hereto, the Stockholder does not own beneficially or of record any other capital stock of Company; such Shares are validly issued, fully paid and nonassessable, with no personal liability attaching to the ownership thereof; and such Shares are owned by the Stockholder free and clear of any pledges, liens, security interests, adverse claims, assessments, proxies,

participations, options, equities,

charges or encumbrances of any nature whatsoever with respect to the ownership of or right to vote or dispose of such Shares, except for any encumbrances arising hereunder.

4.2 Transfer of Title. The sale by the Stockholder of his Shares and the delivery by Escrow Agent of the certificates representing such Shares to Holder pursuant hereto will transfer to Holder good and valid title to such Shares free and clear of all pledges, liens, security interests, adverse claims, assessments, options, equities, charges and encumbrances of any nature whatsoever, and with no proxies or restrictions on the voting rights or other incident of record or beneficial ownership pertaining thereto (other than the proxy being granted pursuant to Section 6 of this Agreement).

4.3 Authority; Due Execution; Enforceability. The Stockholder has the full right, power, capacity and authority to enter into this Agreement and has sole voting power and sole power of disposition with respect to the Shares with no restrictions on the Stockholder's voting rights or rights of disposition pertaining thereto (other than the proxy being granted pursuant to Section 6 of this Agreement); and this Agreement has been duly and validly executed and delivered by the Stockholder and constitutes a legal, valid and binding obligation of the Stockholder enforceable against him in accordance with its terms, except that such enforceability may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights.

4.4 No Conflicts. The execution and delivery of this Agreement do not, and the consummation of the transactions contemplated hereby will not, with or without giving of notice or the passage of time, (a) violate any judgment, award, decree, injunction or order of any court, arbitrator or governmental agency applicable to the Stockholder or the Stockholder's property or assets or any federal or state law, statute or regulation, or (b) conflict with, result in the breach of any provision of or constitute a violation of or default under any agreement or instrument to which the Stockholder is a party or by which the Stockholder or the Stockholder's property or assets may be bound.

5. Covenants of the Stockholder. The Stockholder hereby covenants and agrees that:

5.1 Bring-Down of Representations. During the term hereof the Stockholder will not enter into any transaction, take any action or by inaction permit any event to occur, that would result in any of the representations or warranties of the Stockholder herein contained not being true and correct at and as of (a) the time immediately after the occurrence of such transaction, action or event or (b) the date of the Closing of the purchase of Shares. Without limiting the generality of the foregoing, the Stockholder covenants and agrees that the Stockholder will not sell, transfer, pledge, hypothecate, assign or otherwise convey or dispose of, or enter into any contract, option, agreement or other arrangement or understanding with respect to the sale, transfer, pledge, assignment, conveyance or other disposition of, any Shares, other than to or in favor of Holder or Holder's assignee, or in connection with the Merger or an Acquisition Transaction between Company and Holder, Newco or another subsidiary of Holder (a "Holder Acquisition Transaction").

5.2 Surrender of Shares. Concurrent with the execution of this Agreement, the Stockholder will execute an Escrow Agreement authorizing the Escrow Agent to take the actions contemplated by this Agreement on behalf of the Stockholder and will surrender the certificates representing his Shares to the Escrow Agent to be held pursuant to the Escrow Agreement. The Stockholder agrees that Company may instruct the transfer agent for the Common Stock to place a stop transfer order against any attempt to transfer the Shares except in accordance with the Escrow Agreement and this Agreement.

6. Irrevocable Proxy and Release; Agreement to Vote Shares.

(a) The Stockholder has revoked or terminated any proxies, voting agreements or similar arrangements previously given or entered into with respect to the Shares and hereby irrevocably appoints Holder, during the term of this Agreement, as proxy, with full power of substitution, for the Stockholder to vote (or refrain from voting) in any manner as Holder, in its sole discretion, may see fit, all of the Shares of the Stockholder for the Stockholder and in the Stockholder's name, place and stead, at any annual, special or other meeting or action of the stockholders of Company or at any adjournment thereof or pursuant to any consent of the stockholders of Company in lieu of a meeting or otherwise, with respect to any issue brought before stockholders of Company. The parties acknowledge and agree that, except as specifically provided for in Section 6(c) hereof, neither Holder, nor Holder's successors, assigns, subsidiaries, divisions, employees, officers, directors,

stockholders, agents and affiliates shall owe any duty to, whether in law or otherwise, or incur any liability of any kind whatsoever, including without limitation, with respect to any and all claims, losses, demands, causes of action, costs, expenses (including reasonable attorney's fees) and compensation of any kind or nature whatsoever to the Stockholder in connection with, as a result of or otherwise relating to any vote (or refrain from voting) by Holder of the Shares subject to the irrevocable proxy hereby granted to Holder at any annual, special or other meeting or action or the execution of any consent of the stockholders of Company. If the issue on which Holder is voting pursuant to the irrevocable proxy is the proposal to approve the Merger and the Merger Agreement, Holder shall vote for such proposal or give its consent, as applicable.

(b) Notwithstanding the foregoing grant to Holder of the irrevocable proxy, in the event Holder elects not to exercise its rights to vote the Shares pursuant to the irrevocable proxy, upon the request of Holder the Stockholder agrees to vote all of his Shares during the term of this Agreement: (i) if the issue on which the Stockholder is requested to vote is a proposal to approve the Merger and the Merger Agreement, in favor of or give its consent to, as applicable, the Merger and the Merger Agreement or (ii) otherwise in the manner directed by Holder at any annual, special or other meeting or action of the stockholders of Company in lieu of a meeting or otherwise with respect to any issue brought before the stockholders of Company.

(c) If Holder (i) exercises its right to vote the Shares pursuant to the irrevocable proxy as provided in Section 6(a) other than with respect to the approval of the Merger, or (ii) instructs the Stockholder how to vote pursuant to Section 6(b)(ii), other than with respect to the approval of the Merger, and such Stockholder votes his Shares in accordance with such instruction, Holder agrees to indemnify and hold harmless such Stockholder from any and

all claims, liabilities, losses, demands, causes of action, expenses (including reasonable attorneys' fees) that arise from or occur by reason of such actions.

(d) Notwithstanding anything to the contrary contained in this Agreement, the Stockholder shall be free to act in his capacity as a member of the Board of Directors of the Company and to discharge his fiduciary duty as such.

7. Survival. All rights and authority granted herein by the Stockholder shall survive the death or incapacity of the Stockholder. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective spouses, heirs, personal representatives, successors and assigns. Holder may, without the consent of the Stockholder, assign its rights (but not its obligations) hereunder to any wholly owned subsidiary of Holder, but otherwise the consent of the Stockholder shall be required to assign the rights of Holder hereunder. The consent of Holder shall be required to assign the rights of the Stockholder hereunder.

8. Further Assurances. The Stockholder shall cooperate with Holder and execute and deliver any additional documents necessary, in the reasonable opinion of Holder or its counsel, to (i) obtain any third party approvals necessary to consummation of the exercise of the Option, including, without limitation, approvals under the HSR Act, if applicable, (ii) complete the sale and transfer of the Shares with respect to which the Option is exercised and the vesting of title to such Shares in Holder and (iii) evidence the irrevocable proxy granted herein with respect to the Shares.

9. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or sent by registered or certified mail, postage prepaid, addressed to the respective party at the following addresses:

To Holder: United Parcel Service, Inc.
55 Glenlake Parkway, N.E.
Atlanta, Georgia 30328
Attn: Thomas W. Delbrook

with a copy to: King & Spalding
191 Peachtree Street
Atlanta, Georgia 30303-1763
Attn: Bruce N. Hawthorne, Esq.
Facsimile No.: (404) 572-5146

To the Stockholder: ----------

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with a copy to: Orrick, Herrington & Sutcliffe LLP
Old Federal Reserve Bank Building
400 Sansome Street
San Francisco, CA 94111
Attn: John F. Seegal, Esq.
Facsimile No.: (415) 773-5759

10. Termination. Except as provided in the following sentence, this Agreement and the Option, other than the provisions of Section 6(c), shall terminate on the earlier of: (i) the delivery by Holder to the Stockholder of written notice of Holder's determination to terminate this Agreement and (ii) the termination of the Merger Agreement in accordance with the terms thereof (the "Termination Date"). Notwithstanding anything to the contrary in this Agreement or any other agreement, if during the term of this Agreement an Acquisition Event shall occur or if the Merger Agreement shall have been terminated by Holder in accordance with Section 8.1(d) or 8.1(f)(ii) of the Merger Agreement (the date of the earlier of the occurrence or termination being the "Trigger Date"), this Agreement and the Option shall remain in full force and effect and the Termination Date of this Agreement shall automatically extend to the date which occurs 9 months from the Trigger Date.

11. Remedies. Each of the parties hereto recognizes and acknowledges that a breach by it of any covenants or agreements contained in this Agreement will cause the other party to sustain damages for which it would not have an adequate remedy at law for money damages, and therefore each of the parties hereto agrees that in the event of any such breach the aggrieved party shall be entitled to the remedy of specific performance of such covenants and agreements and injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity.

12. Commissions. Each of the parties hereto represents and warrants that there are no agreements or claims for brokerage commissions or finders' fees in connection with the transactions contemplated by this Agreement, and the Stockholder and Holder will respectively pay or discharge and will indemnify each other for brokerage commissions or finders' fees incurred by reason of any action taken by such indemnifying party.

13. Survival of Representations. Notwithstanding any provision of this Agreement to the contrary, all representations and warranties made by the Stockholder in this Agreement and the covenants set forth in Sections 6(c),12 and 19 hereof shall survive (i) any exercise of the Option by Holder, (ii) any vote by Holder of the Shares pursuant to the irrevocable proxy or (iii) any vote by the Stockholder in accordance with Section 6(b); provided, however, that all representations and warranties shall not survive and shall terminate upon termination of this Agreement pursuant to Section 10 hereof.

14. Changes in Capitalization. For all purposes of this Agreement, the Shares shall include any securities for cash or other property issued or exchanged with respect to such Shares upon any recapitalization, reclassification, merger, consolidation, spin-off, partial or complete liquidation, dividend in cash or stock or other property, split-up or combination of the securities of Company, or any other change in its capital structure and shall also include all Shares of

Common Stock issued to the Stockholder after the date hereof pursuant to the exercise by the Stockholder of stock options.

15. Compliance with Securities Laws. The parties agree that any transfer of the Shares effected hereunder shall be effected so as to comply with all applicable federal and state securities laws.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to the conflicts of laws principles thereof.

17. Counterparts. This Agreement may be executed in one or more counterparts, all of which together shall constitute a single agreement.

18. Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any current or future law, and if the rights or obligations of the parties under this Agreement would not be materially and adversely affected thereby, such provision shall be fully separable, and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom. In lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement, a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible, and the parties hereto request the court or any arbitrator to whom disputes relating to this Agreement are submitted to reform the otherwise illegal, invalid or unenforceable

provision in accordance with this Section 18.

19. Agreements to Notify.

(a) The Stockholder and Holder agree to notify promptly the Escrow Agent of the termination of this Agreement and agree to deliver to the Escrow Agent any written instructions that may reasonably be requested by the Escrow Agent relating to the release of the Shares upon the termination of this Agreement.

(b) The Stockholder agrees to notify Holder promptly, and in any event, without limiting the foregoing undertaking, prior to any exercise of the Option by Holder, of any commencement or threatened commencement known to the Stockholder by any person, entity or governmental authority or agency of any suit, action or legal proceedings with respect to the Option.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be signed as of the date first above written.

TAMARA FRITZ 1999 GRANTOR
RETAINED ANNUITY TRUST:

By: /s/ Tamara Fritz

Tamara Fritz
as Trustee

UNITED PARCEL SERVICE, INC.

By: /s/ Thomas W. Delbrook

Name: Thomas W. Delbrook
Title: Assistant Treasurer

SCHEDULE 4.1

None

EXHIBIT 99(F)
EXECUTION COPY

- ---

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

UNITED PARCEL SERVICE, INC.

VND MERGER SUB, INC.

AND

FRITZ COMPANIES, INC.

DATED AS OF JANUARY 10, 2001

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AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement"), dated as of January 10, 2001, by and among United Parcel Service, Inc., a Delaware corporation (the "Parent"), VND Merger Sub, Inc., a Delaware corporation (the "Buyer") and wholly owned subsidiary of the Parent, and Fritz Companies, Inc., a Delaware corporation (the "Company").

WITNESSETH:

WHEREAS, the parties to this Agreement desire to effect the acquisition of the Company by the Parent;

WHEREAS, in furtherance of the foregoing, upon the terms and subject to the conditions of this Agreement and in accordance with the Delaware General Corporation Law (the "DGCL"), the Buyer will merge with and into the Company (the "Merger") in accordance with the provisions of the DGCL, with the Company as the surviving corporation;

WHEREAS, concurrently with the execution and delivery of this Agreement, and as a condition and inducement to the Parent entering into this Agreement, the Company has entered into an option agreement with the Parent (the "Company Option Agreement"), dated as of the date hereof, pursuant to which, among other things, the Company has granted an option in favor of the Parent with respect to shares of common stock of the Company, par value $.01 per share (the "Company Common Stock"), subject to the terms and conditions contained therein;

WHEREAS, concurrently with the execution and delivery of this Agreement, and as a condition and inducement to the Parent entering into this Agreement, each of Lynn C. Fritz the Lynn C. Fritz 1999 Grantor Retained Annuity Trust, Tamara Fritz and the Tamara Fritz 1999 Grantor Retained Annuity Trust has entered into a separate option agreement with the Parent (collectively with the Company Option Agreement, the "Option Agreements"), dated as of the date hereof, pursuant to which, among other things, each such individual or trust has granted an option in favor of Parent with respect to shares of Company Common Stock beneficially owned by such individual or trust and has agreed to vote such shares in favor of this Agreement and the Merger, subject to the terms and conditions contained therein;

WHEREAS, the Board of Directors of the Company has unanimously determined that the Merger, this Agreement and the Option Agreements are advisable, fair to, and in the best interests of, the Company and the holders of the Company Common Stock (the "Company Stockholders");

WHEREAS, the Board of Directors of the Parent and the Buyer have each approved this Agreement, the Merger and the transactions contemplated herein, upon the terms and subject to the conditions set forth herein;

WHEREAS, the Board of Directors of the Company has unanimously approved this Agreement, the Merger and the transactions contemplated herein, which approval was based in part on the opinion of Morgan Stanley & Co. Incorporated (the "Independent Advisor"), independent financial advisor to the Board of

Directors of the Company, that, as of the date of

such opinion and based on the assumptions, qualifications and limitations contained therein, the Exchange Ratio (as defined below) is fair, from a financial point of view, to the Company Stockholders;

WHEREAS, for federal income tax purposes, it is intended that the Merger shall qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, as amended (the "Code"); and

WHEREAS, the Board of Directors of the Company has unanimously resolved to recommend adoption of the Merger Agreement to the Company Stockholders and has determined that the Merger, this Agreement and the Option Agreements are fair to the Company Stockholders and to recommend that the Company Stockholders approve the Merger, this Agreement and the transactions contemplated herein;

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements contained in this Agreement and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

For purposes of this Agreement, the following terms shall have the meanings set forth in this Section.

(a) "10-K" shall mean the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2000.

(b) "Acquisition Agreement" shall mean any letter of intent, agreement in principle, merger agreement, acquisition agreement, option agreement or other similar agreement related to any Acquisition Proposal.

(c) "Acquisition Proposal" shall mean any bona fide proposal or offer from any Person relating to any direct or indirect acquisition or purchase of 20% or more of the assets of the Company and the Subsidiaries (as defined below), taken as a whole, or 20% or more of the combined voting power of the shares of Company Common Stock, any tender offer or exchange offer that if consummated would result in any Person beneficially owning 20% or more of the combined voting power of the shares of Company Common Stock, or any merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving the Company or any Subsidiary in which the other party thereto or its stockholders will own 20% or more of the combined voting power of the parent entity resulting from any such transaction, other than the transactions contemplated by this Agreement.

(d) "ADA" shall mean the Americans with Disabilities Act.

(e) "ADEA" shall mean the Age Discrimination in Employment Act.

(f) "Affiliate" of a party shall mean an "affiliate" of such party as that term is used in paragraphs (c) and (d) of Rule 145 under the Securities Act (as defined below) (including at a minimum, all those Persons subject to the reporting requirements of Rule 16(a) under the Exchange Act (as defined below).

(g) "Affiliates Letter" shall mean a written statement in the form of Exhibit A delivered by each Person identified pursuant to Section 6.16 as an Affiliate of the Company for purposes of Rule 145 under the Securities Act.

(h) "Agreement" shall have the meaning set forth in the introductory paragraph of this Agreement.

(i) "Applicable Benefit Laws" means ERISA (as defined below), the Code and all other applicable laws, regulations, orders or other legislative, administrative or judicial promulgations, including those of a jurisdiction outside the United States of America.

(j) "Buyer" shall have the meaning set forth in the introductory paragraph of this Agreement.

(k) "CERCLA" shall mean the Federal Comprehensive Environmental Response, Compensation and Liability Act.

(l) "Certificate" shall mean each certificate representing a share or shares of Company Common Stock.

(m) "Certificate of Merger" shall mean the certificate of

merger filed with the Secretary of State of the State of Delaware by the parties hereto in connection with the Merger.

(n) "Closing" shall mean the date on which the Merger becomes effective.

(o) "Code" shall have the meaning set forth in the Recitals of this Agreement.

(p) "Company" shall have the meaning set forth in the introductory paragraph of this Agreement.

(q) "Company Benefit Plans" shall mean each Employee Benefit Plan (as defined below) sponsored or maintained or required to be sponsored or maintained at any time by the Company or any Subsidiary or to which the Company or any Subsidiary makes or has made, or has or has had an obligation to make, contributions at any time.

(r) "Company Bylaws" shall mean the bylaws of the Company.

(s) "Company Certificate of Incorporation" shall mean the Company's certificate of incorporation, including any certificates of designations attached thereto.

(t) "Company Common Stock" shall have the meaning set forth in the Recitals of this Agreement.

(u) "Company Disclosure Letter" shall mean the Company Disclosure Letter delivered by the Company to the Parent concurrently with the execution of this Agreement. The Company Disclosure Letter shall include specific references to each provision of this Agreement to which information contained in the Company Disclosure Letter is intended to apply.

(v) "Company Financial Statements" shall mean all of the financial statements included in the Company Reports (as defined below).

(w) "Company Licensed Software" shall mean all third party software (other than Company Proprietary Software or standard, off-the-shelf third party personal computer or server-based products such as word processing, accounting, spreadsheet programs, or so forth) used by the Company and the Subsidiaries.

(x) "Company Material Adverse Effect" shall mean, with respect to the Company, any change, event, circumstance or effect shall have occurred that, when taken together with all other adverse changes, events, circumstances or effects that have occurred is or is reasonably likely to (i) be materially adverse to the business, operations, properties, condition (financial or otherwise), assets or liabilities (including contingent liabilities) of the Company and the Subsidiaries taken as a whole or (ii) prevent or materially delay the performance by the Company of any of its material obligations under this Agreement or the consummation of the Merger or the other transactions contemplated herein; provided, however, that the following shall be excluded from the definition of "Company Material Adverse Effect" and from any determination as to whether a Company Material Adverse Effect has occurred: changes, events, circumstances or effects (A) relating to the economy or securities markets in general, (B) relating to the industries in which the Company operates in general and not uniquely to the Company, (C) relating to changes or disruptions in the business of the Company resulting from the announcement of the execution of this Agreement and the proposed consummation of the transactions contemplated by this Agreement or (D) resulting from the public announcement of the Company's second quarter financial results.

(y) "Company Preferred Stock" shall mean shares of preferred stock of the Company.

(z) "Company Proprietary Software" shall mean all software owned by the Company and the Subsidiaries.

(aa) "Company Option Agreement" shall have the meaning set forth in the Recitals of this Agreement.

(bb) "Company Reports" shall mean all forms, reports, statements and all other documents required to be filed by the Company with the SEC (as defined below) from June 1, 1997.

(cc) "Company Software" shall mean the Company Licensed Software together with the Company Proprietary Software.

(dd) "Company Stock" shall mean the Company Common Stock together with the Company Preferred Stock.

(ee) "Company Stockholders" shall have the meaning set forth in the Recitals of this Agreement.

(ff) "Company Stock Option" shall mean each outstanding option to purchase shares of Company Common Stock, other than the options granted pursuant to the Option Agreements.

(gg) "Company Stock Plan" shall mean any stock option plan or restricted stock plan of the Company, whether established or assumed by the Company in connection with an acquisition.

(hh) "Confidentiality Agreement" shall mean the confidentiality agreement with the Company, dated November 10, 2000.

(ii) "Customer Inventory" shall mean the materials, products or other substances held by the Company or any Subsidiary for the account of a customer of the Company or any Subsidiary.

(jj) "D&O Insurance" shall mean the Company's current directors' and officers' liability insurance policies.

(kk) "DGCL" shall have the meaning set forth in the Recitals of this Agreement.

(ll) "Effective Time" is the time the Certificate of Merger is duly filed with the Secretary of State of the State of Delaware, or at such other time as the parties hereto agree shall be specified in such Certificate of Merger.

(mm) "Employee/Consulting Agreements" shall mean any contracts, consulting agreements, termination or severance agreements, change of control agreements or any other agreements respecting the terms and conditions of employment or of an independent contract relationship in respect to any officer, employee or former employee, consultant or independent contractor.

(nn) "Employee Benefit Plan" shall mean with respect to any Person each plan, fund, program, agreement, arrangement or scheme, including, but not limited to each plan, fund, program, agreement, arrangement or scheme maintained or required to be maintained under the laws of a jurisdiction outside the United States of America (other than a plan, fund, program, agreement, arrangement or scheme maintained solely to comply with applicable workers' compensation or similar laws), in each case, that is at any time sponsored or maintained or required to be sponsored or maintained by such Person or to which such Person makes or has

made, or has or has had an obligation to make, contributions providing for employee benefits or for the remuneration, direct or indirect, of the employees, former employees, directors, officers, consultants, independent contractors, contingent workers or leased employees of such Person or the dependents of any of them (whether written or oral), including each deferred compensation, bonus, incentive compensation, pension, retirement, stock purchase, stock option and other equity compensation plan, "welfare" plan (within the meaning of Section 3(1) of the ERISA, determined without regard to whether such plan is subject to ERISA); each "pension" plan (within the meaning of Section 3(2) of ERISA, determined without regard to whether such plan is subject to ERISA); each severance plan or agreement, health, vacation, summer hours, supplemental unemployment benefit, hospitalization insurance, medical, dental, legal and each other employee benefit plan, fund, program, agreement or arrangement.

(oo) "Environmental Laws" shall mean local, state and federal laws and regulations relating to protection of the environment, pollution control, product registration and hazardous materials (including asbestos, PCB's and petroleum infractions thereof).

(pp) "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

(qq) "ERISA Affiliate" shall mean any Person (whether incorporated or unincorporated), that together with the Company or any Subsidiary would be deemed a "single employer" within the meaning of Section 414 of the Code.

(rr) "ERISA Affiliate Plan" shall mean each Employee Benefit Plan sponsored or maintained or required to be sponsored or maintained at any time by an ERISA Affiliate or to which such ERISA Affiliate makes or has made, or has or has had an obligation to make, contributions at any time.

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

(tt) "Exchange Agent" shall mean a commercial bank or trust company reasonably designated by the Parent.

(uu) "Exchange Ratio" shall mean 0.2.

(vv) "FLSA" shall mean the Fair Labor Standards Act.

(ww) "FMLA" shall mean the Family and Medical Leave Act.

(xx) "Form S-4" shall mean the Registration Statement on Form S-4 to be filed with the SEC by the Parent under the Securities Act in connection with the issuance of the Parent Class B Common Stock in the Merger.

(yy) "FTC" shall mean the Federal Trade Commission.

(zz) "GAAP" shall mean generally accepted accounting principles in the United States.

(aaa) "Governmental Entity" shall mean any United States federal, state or local or any foreign government or any court, administrative or regulatory agency or commission or other governmental authority or agency, domestic or foreign.

(bbb) "Hazardous Materials" shall mean any waste, pollutant, hazardous substance, toxic, ignitable, reactive or corrosive substance, hazardous waste, special waste, industrial substance, by-product, process intermediate product or waste, petroleum or petroleum-derived substance or waste, chemical liquids or solids, liquid or gaseous products, or any constituent of any such substance or waste, the use, handling or disposal of which by the Company is governed by or subject to any applicable Law, rule or regulation of any Governmental Entity.

(ccc) "HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

(ddd) "Indemnified Parties" shall mean each present and former director, officer, employee and agent of the Company or any Subsidiary with rights to indemnification by the Company now existing as provided in the Company Certificate of Incorporation or the Company Bylaws, in each case as in effect on the date of this Agreement, or pursuant to any other agreements in effect on the date hereof, copies of which have been provided to the Parent.

(eee) "Independent Advisor" shall have the meaning set forth in the Recitals of this Agreement.

(fff) "Intellectual Property" shall mean all copyrights, trade names, trademarks, trade secrets, service marks or patents (or application therefor) which are used by the Company and the Subsidiaries or as to which the Company or any Subsidiary claim an ownership interest or as to which the Company or any Subsidiary is a licensee or licensor.

(ggg) "Labor Laws" shall mean ERISA, the Immigration Reform and Control Act of 1986, the National Labor Relations Act, the Civil Rights Acts of 1866 and 1964, the Equal Pay Act, ADEA, ADA, FMLA, WARN, the Occupational Safety and Health Act, the Davis-Bacon Act, the Walsh-Healy Act, the Service Contract Act, Executive Order 11246, FLSA and the Rehabilitation Act of 1973 and all regulations under such acts.

(hhh) "Law" shall mean any United States federal, state or local or any foreign statute, law, rule, regulation, ordinance, code, order, judgment, decree or any other requirement or rule of law.

(iii) "Litigation" shall mean claims, suits, actions, investigations, indictments or information, or administrative, arbitration or other proceedings.

(jjj) "Merger" shall have the meaning set forth in the Recitals of this Agreement.

(kkk) "Necessary Approval" shall have the meaning set forth in Section 6.11(a).

(lll) "NLRB" shall mean the United States National Labor Relations Board.

(mmm) "NYSE" shall mean the New York Stock Exchange.

(nnn) "Option Agreements" shall have the meaning set forth

in the Recitals of this Agreement.

(ooo) "OSHA" shall mean the Occupational Safety and Health Administration.

(ppp) "Parent" shall have the meaning set forth in the introductory paragraph of this Agreement.

(qqq) "Parent Charter Documents" shall have the meaning set forth in Section 5.11.

(rrr) "Parent Class A Common Stock" shall mean the Class A common stock of the Parent, par value $.01 per share.

(sss) "Parent Class B Common Stock" shall mean the Class B common stock of the Parent, par value $.01 per share.

(ttt) "Parent Disclosure Letter" shall mean the Parent Disclosure Letter delivered by the Parent to the Company concurrently with the execution of this Agreement.

(uuu) "Parent Financial Statements" shall mean all of the financial statements included in the Parent Reports (as defined below).

(vvv) "Parent Material Adverse Effect" shall mean, with respect to the Parent, any change, event, circumstance or effect shall have occurred or been threatened that, when taken together with all other adverse changes, events, circumstances or effects that have occurred or been threatened, is or is reasonably likely to (i) be materially adverse to the business, operations, properties, condition (financial or otherwise), assets or liabilities (including contingent liabilities) of the Parent and its subsidiaries taken as a whole or (ii) prevent or materially delay the performance by the Parent of any of its obligations under this Agreement or the consummation of the Merger or the other transactions contemplated herein; provided, however, that the following shall be excluded from the definition of "Parent Material Adverse Effect" and from any determination as to whether a Parent Material Adverse Effect has occurred: changes, events, circumstances or effects (A) relating to the economy or securities markets in general, (B) relating to the industries in which the Parent operates in general and not uniquely to the Parent or (C) relating to changes or disruptions in the business of the Parent resulting from the announcement of the execution of this Agreement and the proposed consummation of the transactions contemplated by this Agreement.

(www) "Parent Reports" shall mean all forms, reports, statements and all other documents required to be filed by the Parent with the SEC since November 10, 1999.

(xxx) "Person" shall mean any individual, corporation, partnership (general or limited), limited liability company, limited liability partnership, trust, joint venture, joint-stock company, syndicate, association, entity, unincorporated organization or government or any political subdivision, agency or instrumentality thereof.

(yyy) "Proxy Statement/Prospectus" shall have the meaning set forth in Section 6.10.

(zzz) "Regulatory Law" means the Sherman Act, as amended, the Clayton Act, as amended, the HSR Act, the Federal Trade Commission Act, as amended, and all other Federal, state and foreign, if any, statutes, rules, regulations, orders, decrees, administrative and judicial doctrines and other laws that are designed or intended to regulate mergers, acquisitions or other business combinations.

(aaaa) "Representatives" shall mean officers, directors, employees, auditors, attorneys, financial advisors, lenders and other agents.

(bbbb) "Required Vote" shall have the meaning set forth in Section 4.30.

(cccc) "Rights Plan" shall mean the Rights Agreement between the Company and a rights agent mutually agreeable to the parties to be entered into in accordance with Section 6.18.

(dddd) "SEC" shall mean the Securities and Exchange Commission.

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

(ffff) "Stockholders' Meeting" shall mean the meeting of the Company Stockholders to be called to consider the Merger.

(gggg) "Subsidiary" shall mean any corporation, partnership, joint venture or other legal entity of which the Company (either directly or through or together with any other Subsidiary of the Company), beneficially or of record owns, directly or indirectly, 50% or more of the capital stock or other equity interests.

(hhhh) "Superior Proposal" shall mean any proposal made by a third party (i) relating to any direct or indirect acquisition or purchase of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, or 100% of the combined voting power of the shares of Company Common Stock, or any tender offer or exchange offer that if consummated would result in any Person beneficially owning 100% or more of the combined voting power of the shares of Company Common Stock and (ii) otherwise on terms which the Board of Directors of Company determines in its good faith judgment (based upon the advice of a financial advisor of nationally recognized reputation), taking into account the Person making the proposal and the legal, financial, regulatory and other aspects of the proposal deemed

appropriate by the Board of Directors of the Company, (x) is more favorable from a financial point of view than the Merger to the Company Stockholders taken as a whole, (y) is reasonably capable of being completed and (z) for which financing, to the extent required, is then committed or is capable of being obtained by such third party.

(iiii) "Surviving Corporation" shall mean the corporation surviving the Merger.

(jjjj) "Tax" (and, with correlative meaning, "Taxes") means any federal, state, local or foreign income, gross receipts, property, sales, use, license, excise, franchise, value-added tax, unclaimed property, employment, payroll, premium, custom, withholding, duty, alternative or added minimum, ad valorem, transfer or excise tax, or any other tax of any kind whatsoever, together with any interest or penalty or addition thereto, whether disputed or not, imposed by any Governmental Entity.

(kkkk) "Tax Opinion" shall mean a written opinion of King & Spalding, counsel to the Parent, addressed and reasonably acceptable to the Parent and the Company (the "Tax Opinion"), to the effect that the Merger will constitute a reorganization within the meaning of Section 368(a) of the Code and that the exchange in the Merger of Parent Class B Common Stock for Company Common Stock will not give rise to gain or loss to the Company Stockholders with respect to such exchange (except to the extent of any cash paid in lieu of fractional shares).

(llll) "Tax Return" means any return, report or similar statement required to be filed with respect to any Tax (including any attached schedules) with respect to any Tax jurisdiction, including any information return, claim for refund, amended return or declaration of estimated Tax.

(mmmm) "Termination Fee" shall mean $13,500,000.

(nnnn) "WARN" shall mean the United States Worker Adjustment and Retraining Notification Act.

ARTICLE II
THE MERGER

Section 2.1. The Merger. Upon the terms and subject to the conditions of this Agreement, and in accordance with the DGCL, at the Effective Time, the Buyer shall be merged with and into the Company. As a result of the Merger, the separate corporate existence of the Buyer shall cease and the Company shall continue as the Surviving Corporation. The corporate existence of the Company, with all its purposes, rights, privileges, franchises, powers and objects, shall continue unaffected and unimpaired by the Merger and, as the Surviving Corporation, it shall be governed by the laws of the State of Delaware.

Section 2.2. Effective Time; Closing. As promptly as practicable (and in any event within five business days) after the satisfaction or waiver of the conditions set forth in Article VII hereof, the parties hereto shall cause the Merger to be consummated by filing the Certificate

of Merger with the Secretary of State of the State of Delaware and by making all other filings or recordings required under the DGCL in connection with the Merger, in such form as is required by, and executed in accordance with the relevant provisions of, the DGCL. The Merger shall become effective at the Effective Time. The Closing shall be held at 10:00 a.m., local time, at the offices of King & Spalding, located at 191 Peachtree Street, Atlanta, Georgia

30303-1763, or at such other time and location as the parties hereto shall otherwise agree.

Section 2.3. Effect of the Merger. At the Effective Time, the effect of the Merger shall be as provided in the applicable provisions of the DGCL. 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 the Buyer shall vest in the Surviving Corporation, and all debts, liabilities, obligations, restrictions, disabilities and duties of the Company and the Buyer shall become the debts, liabilities, obligations, restrictions, disabilities and duties of the Surviving Corporation.

Section 2.4. Conversion of Capital Stock. At the Effective Time, by virtue of the Merger and without any action on the part of the Parent, the Buyer, the Company or the holders of any of the following securities:

(a) Each share of Company Common Stock issued and outstanding immediately prior to the Effective Time (other than shares canceled pursuant to Section 2.4(b)) shall be canceled and shall by virtue of the Merger and without any action on the part of the holder thereof be converted automatically into the right to receive a number of shares of Parent Class B Common Stock calculated in accordance with the Exchange Ratio upon the surrender of the Certificate representing such share in the manner set forth in Section 2.6. All such shares of Company Common Stock, when so converted, shall no longer be outstanding and shall automatically be canceled and retired and shall cease to exist, and each holder of a Certificate representing such shares shall cease to have any rights with respect thereto, except the right to receive that number of shares of Parent Class B Common Stock into which such shares of Company Common Stock have been converted, cash in lieu of fractional shares as provided in Section 2.6(c) and any dividends or other distributions payable pursuant to Section 2.7.

(b) Each share of Company Common Stock issued and outstanding immediately prior to the Effective Time that is owned by the Parent or the Buyer and each share of Company Common Stock that is owned by the Company as treasury stock shall be canceled and retired and cease to exist and no payment or distribution shall be made with respect thereto.

(c) Each share of common stock, par value $.01 per share, of the Buyer issued and outstanding immediately prior to the Effective Time shall be converted into and become one validly issued, fully paid and nonassessable share of common stock, par value $.01 per share, of the Surviving Corporation and shall constitute the only outstanding shares of capital stock of the Surviving Corporation.

(d) If after the date hereof and prior to the Effective Time, the Parent shall have declared a stock split (including a reverse split) of Parent Class B Common Stock or a dividend payable in Parent Class B Common Stock or effected any recapitalization or

reclassification of its common stock or any other similar transaction, then the Exchange Ratio shall be appropriately adjusted to reflect such stock split, dividend, recapitalization, reclassification or similar transaction.

Section 2.5. Stock Options. At the Effective Date, each Company Stock Option shall be assumed by the Parent in such manner that it is converted into an option to purchase shares of Parent Class A Common Stock, as provided below. Following the Effective Time, each Company Stock Option shall continue to have, and be subject to, the same terms and conditions set forth in the relevant Company Stock Plan and applicable award agreement immediately prior to the Effective Time; except that (i) each such Company Stock Option will be exercisable (or will become exercisable in accordance with its terms) for that number of whole shares of Parent Class A Common Stock equal to the product of the number of shares of Company Common Stock that were issuable upon exercise of such the Company Stock Option immediately prior to the Effective Time multiplied by the Exchange Ratio, rounded down to the nearest whole number of Shares of Parent Class A Common Stock and (ii) the per share exercise price for Parent Class A Common Stock issuable upon exercise of such Company Stock Option will be equal to the quotient determined by dividing the exercise price per share of the Company Common Stock at which such Company Stock Option was exercisable immediately prior to the Effective Time by the Exchange Ratio, rounded up to the nearest whole cent.

Section 2.6. Exchange of Certificates.

(a) Prior to the Effective Time, the Parent shall appoint the Exchange Agent for the purpose of exchanging Certificates. At or prior to the Effective Time, the Parent shall deposit with the Exchange Agent, for the benefit of the holders of shares of Company Common Stock, for exchange in accordance with this Article II through the Exchange Agent, certificates representing Parent Class B Common Stock issuable pursuant to Section 2.4 in exchange for outstanding shares of Company Common Stock. The Parent agrees to

make available to the Exchange Agent from time to time as needed, cash sufficient to pay cash in lieu of fractional shares pursuant to Section 2.6(c) and any dividends or other distributions payable pursuant to Section 2.7.

(b) As soon as reasonably practicable after the Effective Time, the Parent and the Surviving Corporation shall cause the Exchange Agent to mail to each holder of record of one or more Certificates (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the Certificates to the Exchange Agent accompanied by a properly executed letter of transmittal and shall be in such form and have such other provisions as the Parent may reasonably specify), and (ii) instructions for use in effecting the surrender of the Certificates in exchange for certificates representing shares of Parent Class B Common Stock. Upon the surrender to the Exchange Agent of one or more Certificates for cancellation, together with such letter of transmittal, duly executed, and such other documents as may reasonably be required by the Exchange Agent, the holder will be entitled to receive certificates representing that number of whole shares of Parent Class B Common Stock to be issued in respect of the aggregate number of such shares of Company Common Stock previously represented by the Certificates surrendered based upon the Exchange Ratio and cash in an amount equal to that which the holder is entitled to receive

pursuant to Section 2.6(c) or Section 2.7. No interest will be paid or will accrue on cash payable pursuant to Section 2.6(c) or 2.7.

(c) No certificate or scrip representing fractional shares of Parent Class B Common Stock shall be issued upon the surrender for exchange of Certificates, and such fractional share interests will not entitle the owner thereof to vote or to any rights as a stockholder of the Parent. All fractional shares of Parent Class B Common Stock that a holder of Company Common Stock would otherwise be entitled to receive as a result of the Merger shall be aggregated and if a fractional share results from such aggregation, such holder shall be entitled to receive, in lieu thereof, an amount in cash determined by multiplying (i) the per share closing price of Parent Class B Common Stock quoted on the NYSE on the date of the Closing by (ii) the fraction of a share of Parent Class B Common Stock to which such holder would otherwise have been entitled. The Parent shall timely make available to the Exchange Agent any cash necessary to make payments in lieu of fractional shares as aforesaid. No such cash in lieu of fractional shares of Parent Class B Common Stock shall be paid to any holder of Company Common Stock until Certificates are surrendered and exchanged in accordance with Section 2.6(a).

(d) If a certificate for Parent Class B Common Stock is to be sent to a Person other than the Person in whose name the Certificates for shares of Company Common Stock surrendered for exchange are registered, it shall be a condition of the exchange that the Person requesting such exchange shall pay to the Exchange Agent any transfer or other taxes required by reason of the delivery of such Certificate to a Person other than the registered holder of the Certificate surrendered, or shall establish to the satisfaction of the Exchange Agent that such tax has been paid or is not applicable.

(e) The cash paid and shares of Parent Class B Common Stock issued upon the surrender of Certificates in accordance with the terms hereof shall be deemed to have been paid and issued in full satisfaction of all rights pertaining to such shares of Company Common Stock.

Section 2.7. Dividends. No dividends or other distributions that are declared or made after the Effective Time with respect to Parent Class B Common Stock payable to holders of record thereof after the Effective Time shall be paid to a Company Stockholder entitled to receive certificates representing Parent Class B Common Stock until such stockholder has properly surrendered such stockholder's Certificates. Upon such surrender, there shall be paid to the stockholder in whose name the certificates representing such Parent Class B Common Stock shall be issued any dividends which shall have become payable with respect to such Parent Class B Common Stock between the Effective Time and the time of such surrender, without interest. After such surrender, there shall also be paid to the stockholder in whose name the certificates representing such Parent Class B Common Stock shall be issued any dividend on such Parent Class B Common Stock that shall have a record date subsequent to the Effective Time and prior to such surrender and a payment date after such surrender; provided that such dividend payments shall be made on such payment dates. In no event shall the stockholder entitled to receive such dividends be entitled to receive interest on such dividends.

Section 2.8. No Liability. None of the Parent, Buyer, the Company, the Surviving Corporation or the Exchange Agent shall be liable to any Person in respect of any Parent Class B Common Stock, any dividends or distributions with respect thereto or any cash in lieu of fractional shares of applicable Parent Class B Common Stock, in each case delivered to a public official pursuant to any applicable abandoned property, escheat or similar law. If any Certificate

shall not have been surrendered prior to six months after the Effective Time (or immediately prior to such earlier date on which any Parent Class B Common Stock, any dividends or distributions payable to the holder of such Certificate or any cash payable in lieu of fractional shares of Parent Class B Common Stock pursuant to this Article II, would otherwise escheat to or become the property of any Governmental Entity), any such Parent Class B Common Stock, dividends or distributions in respect thereof or such cash shall, to the extent permitted by applicable law, be delivered to the Parent, upon demand, and any holders of Company Common Stock who have not theretofore complied with the provisions of this Article II shall thereafter look only to the Parent for satisfaction of their claims for such Parent Class B Common Stock, dividends or distributions in respect thereof or such cash.

Section 2.9. Lost Certificates. If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by the Surviving Corporation, the posting by such Person of a bond in such reasonable amount as the Surviving Corporation may direct as indemnity against any claim that may be made against it with respect to such Certificate, the Exchange Agent will deliver in exchange for such lost, stolen or destroyed Certificate the Parent Class B Common Stock to be issued pursuant to Section 2.4 with respect to the shares of Company Common Stock formerly represented thereby, any cash in lieu of fractional shares of Parent Common Stock, and unpaid dividends and distributions on shares of Parent Class B Common Stock deliverable in respect thereof, pursuant to this Agreement.

Section 2.10. Withholding Rights. The Surviving Corporation shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any Company Stockholder such amounts as it is required to deduct and withhold with respect to the making of such payment under the Code and the rules and regulations promulgated thereunder, or any provision of state, local or foreign tax law. To the extent that amounts are so withheld by the Surviving Corporation, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Company Stockholder in respect of which such deduction and withholding was made by the Surviving Corporation.

Section 2.11. Shares held by the Company Affiliates. Anything to the contrary in this Agreement notwithstanding, no shares of Parent Class B Common Stock (or certificates therefor) shall be issued in exchange for any certificate to any Person who may be an "affiliate" of the Company (identified pursuant to Section 6.16) until the Person shall have delivered to Parent and the Company a duly executed letter as contemplated by Section 6.16.

Section 2.12. Closing of Company Transfer Books. At the Effective Time, the stock transfer books of the Company shall be closed and no transfer of Company Common Stock shall thereafter be made. If, after the Effective Time, Certificates are presented to the Surviving Corporation, they shall, when accompanied by proper documentation, be exchanged for Parent

Class B Common Stock in the manner provided in this Article II, any cash in lieu of fractional shares payable pursuant to Section 2.6(c) and any dividends or distributions payable pursuant to Section 2.7.

Section 2.13. Tax-Free Reorganization. The Merger is intended to be a reorganization within the meaning of Section 368(a) of the Code, and this Agreement is intended to be a "plan of reorganization" within the meaning of the regulations promulgated under Section 368(a) of the Code and for the purpose of qualifying as a tax-free transaction for federal income tax purposes. The parties hereto will agree to report the Merger as a tax-free reorganization under the provisions of Section 368(a) of the Code. None of the parties hereto will take or cause to be taken any action which would prevent the transactions contemplated by this Agreement from qualifying as a reorganization under Section 368(a) of the Code

ARTICLE III
THE SURVIVING CORPORATION

Section 3.1. Certificate of Incorporation. The Certificate of Incorporation of the Company as in effect immediately prior to the Effective Time shall be the Certificate of Incorporation of the Surviving Corporation, until the same shall thereafter be altered, amended or repealed in accordance with applicable law or such Certificate of Incorporation.

Section 3.2. Bylaws. The Bylaws of the Company as in effect immediately prior to the Effective Time shall be the Bylaws of the Surviving Corporation, until the same shall thereafter be altered, amended or repealed in accordance with applicable law, the Certificate of Incorporation of the Surviving Corporation or such Bylaws.

Section 3.3. Directors and Officers. From and after the Effective Time, until the earlier of their resignation or removal or until their

respective successors are duly elected or appointed and qualified in accordance with applicable law, (i) the directors of the Buyer at the Effective Time shall be the directors of the Surviving Corporation, and (ii) the officers of the Company at the Effective Time shall be the officers of the Surviving Corporation.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as disclosed in the Company Disclosure Letter delivered by the Company to the Parent prior to the execution of this Agreement, the Company represents and warrants to each of the other parties hereto as follows:

Section 4.1. Organization and Standing. The Company (i) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) has full corporate power and authority and all necessary governmental approvals to own, lease and operate its properties and assets and to conduct its business as presently conducted and (iii) is duly qualified or licensed to do business as a foreign corporation 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 where failure to be so qualified or licensed would not, individually or in the aggregate,

have a Company Material Adverse Effect. The Company has furnished or made available to the Parent true and complete copies of the Company Certificate of Incorporation and the Company Bylaws, each as amended to date. Such Company Certificate of Incorporation and Company Bylaws are in full force and effect, and the Company is not in violation of any provision therein.

Section 4.2. Authority for Agreement.

(a) The Company has all necessary power and authority to execute and deliver this Agreement and the Company Option Agreement and, subject to obtaining the Required Approval, to consummate the Merger and the other transactions contemplated by this Agreement and the Company Option Agreement. The execution, delivery and performance by the Company of this Agreement and the Company Option Agreement, and the consummation by the Company of the Merger and the other transactions contemplated by this Agreement and the Company Option Agreement, have been duly authorized by all necessary corporate action (including the unanimous approval of the Board of Directors of the Company) and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or the Company Option Agreement or to consummate the Merger or the other transactions contemplated herein or therein (other than, with respect to the Merger, the approval and adoption of this Agreement by the Required Vote and the filing and recordation of appropriate merger documents as required by the DGCL). Each of this Agreement and the Company Option Agreement has been duly executed and delivered by the Company and, assuming the due authorization, execution and delivery by the Parent and the Buyer, constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

(b) At a meeting duly called and held on January 9, 2001, the Board of Directors of the Company unanimously (i) determined that this Agreement, the Option Agreements and the transactions contemplated herein and therein, including the Merger, are advisable, fair to and in the best interests of the Company and the Company Stockholders, (ii) approved, authorized and adopted this Agreement, the Option Agreement, the Merger and the other transactions contemplated herein and therein and (iii) recommended approval and adoption of this Agreement and the Merger by the Company Stockholders.

(c) The Independent Advisor has delivered to the Board of Directors of the Company its written opinion, dated as of the date of this Agreement, that, as of such date and based on the assumptions, qualifications and limitations contained therein, the Exchange Ratio is fair, from a financial point of view, to the Company Stockholders. A copy of such opinion has been provided to the Parent. The Board of Directors of the Company has received as of the date hereof from the Independent Advisor consent to the inclusion of its name in any documents to be delivered to the Company Stockholders in connection with the transactions contemplated by this Agreement.

Section 4.3. Capitalization. The authorized capital stock of the Company consists of 60,000,000 shares of Company Common Stock and 1,000,000 shares of Company Preferred Stock. As of the date hereof, (i) 36,708,991 Company Common Stock, all of which are validly issued, fully paid and nonassessable and free of preemptive rights, (ii) 87,100 of Company

Common Stock are held in the treasury of the Company and (iii) 3,555,397 Company Stock Options are outstanding pursuant to the Company Stock Plans, each such

option entitling the holder thereof to purchase one share of Company Common Stock, and 5,903,542 shares of Company Common Stock are authorized and reserved for future issuance pursuant to the exercise of such Company Stock Options and (iv) no shares of Company Preferred Stock are issued and outstanding. The Company Disclosure Letter sets forth a true and complete list of the outstanding Company Stock Options with the exercise prices and periods of exercisability. Except as set forth above or in the Company Disclosure Letter, there are no options, warrants, convertible securities, subscriptions, stock appreciation rights, phantom stock plans or stock equivalents or other rights, agreements, arrangements or commitments (contingent or otherwise) of any character issued or authorized by the Company relating to the issued or unissued capital stock of the Company or obligating the Company to issue or sell any shares of capital stock of, or options, warrants, convertible securities, subscriptions or other equity interests in, the Company. All shares of capital stock subject to issuance as aforesaid, upon issuance on the terms and conditions specified in the instruments pursuant to which they are issuable, will be duly authorized, validly issued, fully paid and nonassessable. Except as set forth in the Company Disclosure Letter, there are no outstanding contractual obligations of the Company to repurchase, redeem or otherwise acquire any shares of Company Stock or to pay any dividend or make any other distribution in respect thereof or to provide funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in, any Person. As of the date hereof, there are no voting trusts or other agreements or understandings to which the Company is a party with respect to the voting of stock of the Company.

Section 4.4. Subsidiaries.

(a) The Company Disclosure Letter sets forth the name and state or jurisdiction of incorporation of each Subsidiary. Each of the Subsidiaries (i) is a corporation or other business entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) has full corporate power and authority and all necessary government approvals to own, lease and operate its properties and assets and to conduct its business as presently conducted and (iii) is duly qualified or licensed to do business as a foreign corporation 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 where failure to be so qualified or licensed would not, individually or in the aggregate, have a Company Material Adverse Effect. The Company has furnished or made available to the Parent true and complete copies of the certificate of incorporation, bylaws or comparable organizational documents of each Subsidiary, each as amended to date. Such organizational documents are in full force and effect, and no Subsidiary is in violation of any provision therein.

(b) Except as set forth in the Company Disclosure Letter, the Company or its Subsidiaries own beneficially and of record all of the issued and outstanding capital stock or other securities of each Subsidiary and does not own an equity interest in any other corporation, partnership or entity, other than in the Subsidiaries. Each outstanding share of capital stock or other securities of each Subsidiary is duly authorized, validly issued, fully paid and nonassessable and each such share or other equity interest 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 4.5. No Conflict. The execution and delivery of this Agreement and the Company Option Agreement by the Company do not, and the performance of this Agreement and the Company Option Agreement by the Company and the consummation of the Merger (subject to the adoption of this Agreement by the Required Vote) and the other transactions contemplated by this Agreement and the Company Option Agreement will not, (i) conflict with or violate the Company Certificate of Incorporation or Company Bylaws or equivalent organizational documents of any of the Subsidiaries, (ii) subject to Section 4.6, conflict with or violate any Law applicable to the Company or any of the Subsidiaries or by which any property or asset of the Company or any of the Subsidiaries is bound or affected, or (iii) result in a breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, give to others any right of termination, amendment, acceleration or cancellation of, result in triggering any payment or other obligations, or result in the creation of a lien or other encumbrance on any property or asset of the Company or any of the Subsidiaries pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which the Company or any of the Subsidiaries is a party or by which the Company or any of the Subsidiaries or any property or asset of any of them is bound or affected, except in the case of clauses (ii) and (iii) above for any such conflicts, violations, breaches, defaults or other occurrences which could not, individually or in the aggregate, have a Company Material Adverse Effect.

Section 4.6. Required Filings and Consents. 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 Entity, except (i) for applicable requirements, if any, of the Securities Act, the Exchange Act, or state securities laws or "blue sky" laws and filing and recordation of appropriate merger documents as required by the DGCL, (ii) for those required by the HSR Act, (iii) where failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not reasonably be expected to prevent or materially delay consummation of the Merger or otherwise prevent or materially delay the Company from performing its material obligations under this Agreement, and would not otherwise reasonably be expected to have individually or in the aggregate, a Company Material Adverse Effect and (iv) for those which have heretofore been obtained by the Company.

Section 4.7. Compliance. Except as disclosed in the Company Reports filed by the Company with the SEC prior to the date of this Agreement, the businesses of the Company and the Subsidiaries are not being conducted in violation of any law, ordinance, regulation,

judgment, order, decree, writ, injunction, license or permit of any Governmental Entity, except for violations which have not had, and would not reasonably be expected to have, individually or in the aggregate a Company Material Adverse Effect. No investigation or review by any Governmental Entity with respect to the Company or any Subsidiary is pending or, to the knowledge of the Company threatened, nor has any Governmental Entity indicated to the Company or any Subsidiary an intention to conduct the same in each case other than those the outcome of which have not had, and would not reasonably be expected to have, either individually or in the aggregate, a Company Material Adverse Effect.

Section 4.8. Litigation. Except as set forth in the Company Disclosure Letter, there is no claim, suit, action, proceeding or investigation pending, or, to the knowledge of the Company, threatened, against or affecting the Company or any Subsidiary which, either individually or in the aggregate, has had, or would be reasonably expected to have, a Company Material Adverse Effect, nor is there any judgment, decree, injunction, rule or order of any Governmental Entity or arbitrator, outstanding against the Company or any Subsidiary, either individually or in the aggregate, which has had, or would be reasonably expected to have, a Company Material Adverse Effect.

Section 4.9. Company Reports; Financial Statements.

(a) The Company has filed all Company Reports, each of which has complied in all material respects with the applicable requirements of the Securities Act, and the rules and regulations promulgated thereunder, or the Exchange Act, and the rules and regulations promulgated thereunder, each as in effect on the date so filed. None of the Company Reports (including, but not limited to, any financial statements or schedules included or incorporated by reference therein) contained when filed any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(b) All of the Company Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto) and fairly present in all material respects the consolidated financial position of the Company and the Subsidiaries at the respective dates thereof and the consolidated results of its operations and changes in cash flows for the periods indicated except that the unaudited interim financial statements are subject to normal recurring year-end adjustments consistent with past practices and not material in amount.

(c) There are no liabilities of the Company or any of the Subsidiaries of any kind whatsoever, whether or not accrued and whether or not contingent or absolute, that are material to the Company and the Subsidiaries, taken as a whole, other than (i) liabilities disclosed or provided for in the consolidated balance sheet of the Company and the Subsidiaries at May 31, 2000, including the notes thereto, (ii) liabilities disclosed in the Company Reports, (iii) liabilities incurred on behalf of the Company under this Agreement and the contemplated Merger, and (iv) liabilities incurred in the ordinary course of business consistent with past practice since May 31, 2000, none of which in the case of clause (iv) are, individually or in the aggregate, reasonably likely to have a Company Material Adverse Effect.

(d) The Company has heretofore furnished or made available to the Parent a complete and correct copy of any amendments or modifications, which have not yet been filed with the SEC, to agreements, documents or other instruments which previously had been filed by the Company with the SEC as exhibits to the Company Reports pursuant to the Securities Act and the rules and regulations promulgated thereunder or the Exchange Act and the

rules and regulations promulgated thereunder.

Section 4.10. Absence of Certain Changes or Events. Except for any Subsidiary liabilities incurred in connection with this Agreement or the transactions contemplated hereby, since May 31, 2000, the Company and its Subsidiaries have conducted their business only in the ordinary course or as disclosed in any Company Reports, and there has not been (i) any change or event having, or that would reasonably be expected to have, a Company Material Adverse Effect, (ii) any declaration, setting aside or payment of any dividend or other distribution (whether in cash, stock or property) with respect to any of the Company's capital stock, (iii) any split, combination or reclassification of any of the Company's capital stock or any substitution for shares of the Company's capital stock, except for issuances of Company Common Stock upon the exercise of options awarded prior to the date hereof in accordance with the Company Stock Plans, (iv) except as set forth in the Company Disclosure Letter (a) any granting by the Company or any Subsidiary, to any current or former director, executive officer or other key employee of the Company or any Subsidiary of any increase in compensation, bonus or other benefits, except for increases in the ordinary course of business or as was required under any employment agreements in effect as of the date of the most recent audited financial statements included in the Company Reports filed and publicly available prior to the date of this Agreement which have been disclosed to Parent in the manner described in Section 4.15, (b) any granting by the Company or any Subsidiary, to any such current or former director, executive officer or key employee of any increase in severance or termination pay or (c) any entry by the Company or any Subsidiary, into, or any amendment of, any employment, deferred compensation, consulting, severance, termination or indemnification agreement with any such current or former director, executive officer or key employee, (v) except insofar as may have been disclosed in the Company Reports or required by a change in GAAP, any change in accounting methods, principles or practices by the Company or any Subsidiary, materially affecting its assets, liabilities or business or (vi) except insofar as may have been disclosed in the Company Reports, any tax election that individually or in the aggregate would reasonably be expected to have a Company Material Adverse Effect.

Section 4.11. Taxes.

(a) Each of the Company and the Subsidiaries has filed all material Tax Returns that it was required to file. All such Tax Returns were correct and complete in all material respects. All Taxes owed by any of the Company and the Subsidiaries (whether or not shown on any Tax Return) have been paid, except where the failure to pay such Taxes does not exceed, in the aggregate, $250,000. None of the Company and the Subsidiaries currently is the beneficiary of any extension of time within which to file any Tax Return. No claim has ever been made by an authority in a jurisdiction where the Company or any Subsidiary does not file Tax Returns that it is or may be subject to taxation in that jurisdiction. There are no security

interests on any of the assets of any of the Company and the Subsidiaries that arose in connection with any failure (or alleged failure) to pay any Tax.

(b) Each of the Company and the Subsidiaries has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party, except where the failure to pay such Taxes does not exceed, in the aggregate, $50,000.

(c) There is no audit, dispute or claim concerning any Tax liability of any of the Company or the Subsidiaries either (i) claimed or raised by any authority in writing or (ii) as to which any of the directors, officers and employees responsible for Tax matters of the Company and the Subsidiaries has knowledge based upon personal contact with any agent of such authority. The Company Disclosure Letter lists all United States domestic income, franchise, sales, use, business license, and personal property Tax Returns filed with respect to any of the Company and the Subsidiaries for the current taxable periods, indicates those Tax Returns that have been audited, and indicates those Tax Returns that currently are the subject of audit. The Company and the Subsidiaries have provided to the Parent access to correct and complete copies of all income Tax Returns, examination reports, and statements of deficiencies assessed against or agreed to by any of the Company and the Subsidiaries since the taxable year ended May 31, 1998 with respect to federal and state income Tax Returns, since the taxable year ended May 31, 1996 with respect to federal income Tax notice of deficiencies, since the taxable year ended May 31, 1995 with respect to federal income Tax audit reports and since the taxable year ended May 31, 1996 with respect to federal income Tax closing documents.

(d) None of the Company and the Subsidiaries has waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency that remains in effect.

(e) None of the Company and the Subsidiaries has filed a

consent under Section 341(f) of the Code concerning collapsible corporations. None of the Company and the Subsidiaries has made any payments, is obligated to make any payments, or is a party to any agreement that under certain circumstances could obligate it to make any payments that will not be deductible under Sections 280G and 162(m) of the Code. None of the Company and the Subsidiaries has been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code. Each of the Company and the Subsidiaries has disclosed on its federal income Tax Returns all information necessary to avoid the imposition of a penalty for substantial understatement of federal income Tax within the meaning of Section 6662 of the Code. None of the Company and the Subsidiaries is a party to any Tax allocation or sharing agreement (other than by and between the Company and the Subsidiaries). None of the Company and the Subsidiaries (A) has been a member of an affiliated group filing a consolidated federal income Tax Return (other than a group the common parent of which was the Company) or (B) has knowledge of any liability for the Taxes of any Person (other than any of the Company and the Subsidiaries) under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign law), as a transferee or successor, by contract, or otherwise.

(f) The Company Disclosure Letter sets forth the following information with respect to each of the Company and the Subsidiaries as of the most recent practicable date: (i) the amount of any excess loss account; (ii) the amount of any net operating loss, net capital loss, unused investment or other credit, unused foreign tax, or excess charitable contribution allocable to the Company or the Subsidiaries; and (iii) the amount of any deferred gain or loss allocable to the Company or the Subsidiaries arising out of any deferred intercompany transaction.

(g) The unpaid Taxes of the Company and the Subsidiaries did not, as of August 31, 2000, exceed the reserve for Tax liability (rather than any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the face of the balance sheet (disregarding any notes thereto) included in the Company's unaudited interim financial statements as of and for the three months ended August 31, 2000 included in the Form 10-Q as filed with the SEC.

Section 4.12. Title to Personal Property. Except as set forth in the 10-K or in the Company Disclosure Letter, the Company and each of the Subsidiaries have good and marketable title to, or a valid leasehold interest in, all of their tangible personal properties and assets reflected in the 10-K or acquired after May 31, 2000 (other than assets disposed of since May 31, 2000 in the ordinary course of business consistent with past practice), in each case free and clear of all mortgages, liens, pledges, security interests, charges, claims, restrictions and encumbrances of any nature whatsoever, except for (i) liens, encumbrances or restrictions which secure indebtedness and which are properly reflected in the 10-K; (ii) liens for Taxes accrued but not yet payable; (iii) liens arising as a matter of law in the ordinary course of business with respect to obligations incurred after May 31, 2000, provided that the obligations secured by such liens are not delinquent; and (iv) such other liens, encumbrances and restrictions, if any, as individually or in the aggregate are not reasonably likely to have a Company Material Adverse Effect. The Company and the Subsidiaries either own, or have valid leasehold interests in, all tangible personal properties and assets used by them in the conduct of their business, except where the absence of such ownership or leasehold interest could not individually or in the aggregate have a Company Material Adverse Effect. Each of the Company and the Subsidiaries has on hand the items of Customer Inventory it is required to have on hand pursuant to the terms and conditions of the applicable agreement between the Company and its customers subject to immaterial shrinkage. Neither the Company nor any of the Subsidiaries has any legal obligation, absolute or contingent, to any other Person to sell or otherwise dispose of any of its tangible personal properties or assets with an individual value of $500,000 or an aggregate value in excess of $1,000,000.

Section 4.13. Real Property. Except as set forth in the 10-K or in the Company Disclosure Letter, the Company and the Subsidiaries have good and marketable title to, or a valid leasehold interest in, all of their real properties reflected in the 10-K or acquired after May 31, 2000, in each case free and clear of all title defects, liens, encumbrances and restrictions, except for (i) liens, encumbrances or restrictions which secure indebtedness and which are properly reflected in the 10-K; (ii) liens for Taxes accrued but not yet payable; (iii) liens arising as a matter of law in the ordinary course of business with respect to obligations incurred after May 31, 2000, provided that the obligations secured by such liens are not delinquent; and (iv) such

other title defects, liens, encumbrances and restrictions, if any, as individually or in the aggregate are not reasonably likely to have a Company Material Adverse Effect. The Company Disclosure Letter sets forth a true, correct and complete list of all real property owned by the Company or a

Subsidiary at any time during the past three years and a true and correct list of all real property leased by each of the Company and the Subsidiaries identifying with respect to each lease of such real property the date of, the parties to, and any amendments, modifications, extensions or other supplements to such lease. Each of the real properties owned by the Company or any Subsidiary as of the date hereof or leased by the Company or any of its Subsidiaries and in either case listed in the Company Disclosure Letter, and each building and improvement located thereon, is, and has at all times been, in compliance with all applicable federal, state and local laws, rules, regulations, ordinances and statutes, including those relating to zoning, building, land use, health and safety, fire, air sanitation and noise control except as would not have a material impact on the Company's ability to maintain its operations at such real property. The improvements on the real properties owned by the Company as of the date hereof or leased by the Company and in either case listed in the Company Disclosure Letter are adequate and suitable for the purposes for which they are presently being used. Since January 1, 2000, neither the Company nor any Subsidiary has sent or received any written notice of any material default under any of the leases of real property to which it is party. Neither the Company nor any Subsidiary has breached or is in default in any material respect under any covenant, agreement, term or condition of or contained in any material lease of real property to which it is a party and there has not occurred any event that with the lapse of time or the giving of notice or both would constitute such a default or breach.

Section 4.14. Environmental Compliance and Disclosure. Except as set forth in the Company Disclosure Letter,

(a) each of the Company and the Subsidiaries possesses, and is in compliance in all material respects with, all material permits, licenses and government authorizations and has filed all notices that are required under Environmental Laws applicable to the Company and the Subsidiaries, and each of the Company and the Subsidiaries is in material compliance with all applicable limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in those laws or contained in any Law, regulation, code, plan, order, decree, judgment, notice, permit or demand letter issued, entered, promulgated or approved thereunder;

(b) neither the Company nor any Subsidiary has received notice of actual or threatened liability under CERCLA or any similar state or local statute or ordinance from any governmental agency or any third party and, to the knowledge of the Company, there are no facts or circumstances which could reasonably be expected to form the basis for the assertion of any claim against the Company or any Subsidiary under any Environmental Laws including CERCLA or any similar local, state or foreign Law with respect to any on-site or off-site location;

(c) neither the Company nor any Subsidiary has entered into or agreed to, or does it contemplate entering into any consent decree or order, and neither the Company nor any Subsidiary is subject to any judgment, decree or judicial or administrative order relating to

compliance with, or the cleanup of Hazardous Materials under, any applicable Environmental Laws;

(d) neither the Company nor any Subsidiary has been subject to any administrative or judicial proceeding pursuant to and, to the knowledge of the Company, neither the Company nor any Subsidiary has been alleged to be in violation of applicable Environmental Laws or regulations either now or any time during the past five years;

(e) neither the Company nor any Subsidiary has received notice that it is subject to any claim, obligation, liability, loss, damage or expense of whatever kind or nature, contingent or otherwise, incurred or imposed or based upon any provision of any Environmental Law and arising out of any act or omission of the Company or any Subsidiary, its employees, agents or representatives or, to the knowledge of the Company, arising out of the ownership, use, control or operation by the Company or any Subsidiary of any plant, facility, site, area or property (including any plant, facility, site, area or property currently or previously owned or leased by the Company or any Subsidiary) from which any Hazardous Materials were released into the environment (the term "release" meaning any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment, and the term "environment" meaning any surface or ground water, drinking water supply, soil, surface or subsurface strata or medium, or the ambient air);

(f) the Company has heretofore provided the Parent with true, correct and complete copies of all files of the Company and the Subsidiaries relating to environmental matters (or an opportunity to review such files) that have arisen in the last five years;

(g) neither the Company nor any Subsidiary has paid any fines, penalties or assessments within the last five years with respect to environmental matters;

(h) to the knowledge of the Company, none of the owned or leased real property, improvements and equipment of the Company and the Subsidiaries contain any asbestos, PCBs, underground storage tanks, open or closed pits, sumps or other containers on or under any such real property, improvements or equipment; and

(i) none of the Company and the Subsidiaries has imported, manufactured, stored, used, operated, transported, treated or disposed of any Hazardous Materials other than in compliance with all Environmental Laws.

Section 4.15. Officers and Employees. The Company Disclosure Letter contains a true and complete list of all of the (a) executive officers the Company and the Subsidiaries and (b) all other key employees of the Company and the Subsidiaries with annual salary for calendar year 2000 in excess of $200,000, and with respect to individuals identified in clause (b), specifying, by individual, their position, current annual base salary, bonus plans and for U.S. employees only, Company Benefit Plans in which they are currently eligible to participate. Except as set forth in the Company Disclosure Letter, none of the Company and the Subsidiaries is a party to or bound by any Employee/Consulting Agreement. The Company has provided to the Parent true, correct and complete copies of each such Employee/Consulting Agreement. The

Company has provided the Parent with true, correct and complete copies of each written consent by an officer, employee or former employee, consultant or independent contractor to background checks or drug testing by the Company or any Subsidiary and any arbitration agreements or confidentiality agreements between the Company or any Subsidiary and an officer, employee, or former employee, consultant or independent contractor of the Company or any Subsidiary. None of the Company and the Subsidiaries has received a claim from any Governmental Entity to the effect that the Company or any Subsidiary has improperly classified as an independent contractor any person named in the Company Disclosure Letter. None of the Company and the Subsidiaries has made any written, or to the knowledge of the Company, oral commitments to any such officers, employees or former employees, consultants or independent contractors with respect to compensation, promotion, retention, termination, severance or similar matters in connection with the transactions contemplated by this Agreement or otherwise.

Section 4.16. Employee Benefit Plans.

(a) The Company Disclosure Letter contains a true and complete list of each Company Benefit Plan sponsored, maintained or contributed to by the Company or any Subsidiary within the last six calendar years. Each Company Benefit Plan currently in effect is identified as a "current plan" on the Company Disclosure Letter and any special tax status enjoyed by such plan is noted on the Company Disclosure Letter.

(b) With respect to each Company Benefit Plan identified on the Company Disclosure Letter, the Company has heretofore delivered or made available to the Parent true and complete copies of (i) the plan documents and any amendments thereto (or if the plan is not written, a written description thereof), (ii) any related trust or other funding vehicle, (iii) annual reports required to be filed with any Governmental Entity with respect to such plan, (iv) actuarial reports, (v) funding and financial information returns and statements, (vi) all contracts with any parties providing services or insurance to such plan, (vii) copies of material correspondence with all Governmental Entities, (viii) plan summaries or summary plan descriptions, (ix) summary annual reports, (x) booklets and personnel manuals, (xi) any other reports or summaries required under Applicable Benefit Laws, each of the documents described in (i) through (xi) only to the extent effective in or with respect to the last six years of the date hereof, (xii) the most recent determination letter received from the Internal Revenue Service with respect to each such plan intended to qualify under Section 401 of the Code, and (xiii) such other documentation with respect to any Company Benefit Plan as is reasonably requested by the Parent, including all professional opinions (whether or nor internally prepared) and all material internal memoranda regarding any compliance issues identified by Parent.

(c) The Company and the Subsidiaries have maintained all employee data necessary to administer each Company Benefit Plan, including data required to be maintained under Sections 107 and 209 of ERISA, and such data is true and correct and is maintained in a usable form.

(d) No Company Benefit Plan or ERISA Affiliate Plan is or was subject to Title IV of ERISA or Section 412 of the Code, nor is any Company Benefit Plan or ERISA Affiliate Plan a "multiemployer pension plan", as defined in Section 3(37) of ERISA, or subject

to Section 302 of ERISA. Neither the Company, any Subsidiary, an ERISA Affiliate nor a predecessor in interest of any of them has or has had an obligation to make contributions or reimburse another employer, either directly or indirectly, including through indemnification or otherwise, for making contributions to a plan that is or was subject to Title IV of ERISA. Neither the Company nor any Subsidiary has incurred, and no facts exist which reasonably could be expected to result in, liability to the Company or any Subsidiary as a result of a termination, withdrawal or funding waiver with respect to any ERISA Affiliate Plan or Company Benefit Plan.

(e) Each Company Benefit Plan has been established, registered, qualified, invested, operated and administered in all respects in accordance with its terms in compliance with all Applicable Benefit Laws and in accordance with all understandings, written or oral, between the Company and each Subsidiary and their respective current or former employees, directors, officers, consultants, independent contractors, contingent workers or leased employees, as applicable. None of the Company and the Subsidiaries has incurred, and no facts exist which reasonably could be expected to result in any liability to the Company or any Subsidiary with respect to any Company Benefit Plan or any ERISA Affiliate Plan, including any liability, tax, penalty or fee under ERISA, the Code or any Applicable Benefit Law (other than to pay premiums, contributions or benefits in the ordinary course).

(f) All obligations to pay premiums, contributions or benefits under each Company Benefit Plan have been satisfied, and there are no outstanding defaults or violations by any party to any Company Benefit Plan. No taxes, penalties or fees are owed by any Company Benefit Plan.

(g) No fact or circumstance exists that could adversely affect the tax-exempt status of a Company Benefit Plan that is intended to be tax-exempt. Further, each Company Benefit Plan intended to be "qualified" within the meaning of Section 401(a) of the Code and the trusts maintained thereunder that are intended to be exempt from taxation under Section 501(a) of the Code has received a favorable determination or other letter indicating that it is so qualified, or is otherwise within the remedial amendment period under Section 401(b) of the Code and revenue rulings, procedures, announcements or notices of the Internal Revenue Service.

(h) The assets of each Company Benefit Plan are reported at their fair market value on the financial statements of each such plan.

(i) No Company Benefit Plan provides medical, surgical, hospitalization, death or similar benefits (whether or not insured) for current or former employees, directors, officers, consultants, independent contractors, contingent workers or leased employees (or any of their dependents, spouses or beneficiaries) of the Company or any Subsidiary or any predecessor in interest of such Company or Subsidiary for periods extending beyond their retirement or other termination of service, other than continuation coverage mandated by any Applicable Benefit Law and only to the extent required under such law.

(j) All contributions or premiums required to be made by the Company or any Subsidiary under the terms of each Company Benefit Plan or by Applicable Benefit Laws have been made in a timely fashion in accordance with Applicable Benefit Laws and the terms of the Company Benefit Plan. Contributions or premiums will be paid by the Company or a Subsidiary for the period up to the Closing even though not otherwise required to be made until a later date.

(k) No insurance policy or any other contract or agreement affecting any Company Benefit Plan requires or permits a retroactive increase in premiums or payments due thereunder.

(l) There have been no improper withdrawals, applications or transfers of assets from any Company Benefit Plan or the trusts or other funding media relating thereto, and neither the Company, any Subsidiary nor any of their agents has been in breach of any fiduciary obligation with respect to the administration of any Company Benefit Plan or the trusts or other funding media relating thereto.

(m) The Company or a Subsidiary has the right under the terms of each Company Benefit Plan and under Applicable Benefit Law to amend, revise, merge or terminate such plan (or its participation in such plan) or transfer the assets of such plan to another arrangement, plan or fund at any time exclusively by action of the Company or such Subsidiary, and no additional contributions would be required to properly effect such termination.

(n) Except as disclosed in the Company Disclosure Letter, the execution, delivery and performance of, and consummation of the transactions contemplated by, this Agreement will not (i) entitle any current or former employee, director, officer, consultant, independent contractors, contingent worker or leased employee (or any of their dependents, spouses or beneficiaries)

of the Company or any Subsidiary to severance pay, unemployment compensation or any other payment, (ii) accelerate the time of payment or vesting or (iii) increase the amount of compensation due any such individual.

(o) None of the Company and the Subsidiaries has made any payments, is obligated to make any payments, or is a party to any agreement that under certain circumstances could obligate the Company or any Subsidiary to make any payments that will not be deductible for federal income tax purposes by reason of Section 280G of the Code.

(p) There are no pending, anticipated or to knowledge of the Company, threatened claims, investigations, examinations, audits or other proceedings or actions against or involving any Company Benefit Plan, by any current or former employee, director, officer, consultant, independent contractors, contingent worker or leased employee (or any of their dependents, spouses or beneficiaries) of the Company or any Subsidiary or any predecessor in interest covered under such Company Benefit Plan, by any Governmental Entities or otherwise involving any such Company Benefit Plan (other than routine claims for benefits) and to the knowledge of the Company after due inquiry, there exists no state of facts which after notice or lapse of time or both reasonably could be expected to give rise to any such claim, investigation,

examination, audit or other proceeding or to affect the registration of any Company Benefit Plan required to be registered.

Section 4.17. Labor Relations. Except as set forth in the Company Disclosure Letter, with respect to the three (3) year period ending on the date hereof:

(a) the employees of the Company and the Subsidiaries have not been, and currently are not, represented by a labor organization or group which was either certified or voluntarily recognized by any labor relations board, including the NLRB or certified or voluntarily recognized by any other Governmental Entity;

(b) neither the Company nor any Subsidiary has been, or is, a signatory to a collective bargaining agreement with any trade union, labor organization or group;

(c) no representation election petition or application for certification has been filed by employees of the Company or any Subsidiary or is pending with the NLRB or any other Governmental Entity and no union organizing campaign or other attempt to organize or establish a labor union, employee organization or labor organization or group involving employees of the Company or any Subsidiary has occurred, is in progress or, to the knowledge of the Company, is threatened;

(d) neither the Company nor any Subsidiary has engaged in any unfair labor practice and neither the Company nor any Subsidiary is aware of any pending or threatened labor board proceeding of any kind, including any such proceeding against the Company, any Subsidiary or any trade union, labor union, employee organization or labor organization representing the employees of the Company or any Subsidiary;

(e) no grievance or arbitration demand or proceeding, whether or not filed pursuant to a collective bargaining agreement, has been filed or is pending, or, to the knowledge of the Company, threatened, against the Company or any Subsidiary;

(f) no labor dispute, walk out, strike, slowdown, hand billing, picketing, work stoppage (sympathetic or otherwise), or other "concerted action" involving the employees of the Company or any Subsidiary has occurred, is in progress or, to the knowledge of the Company, has been threatened;

(g) no breach of contract and/or denial of fair representation claim has been filed or is pending or, to the knowledge of the Company, threatened against the Company, any Subsidiary and/or any trade union, labor union, employee organization or labor organization representing the employees of the Company or any Subsidiary;

(h) no claim, complaint, charge or investigation for unpaid wages, bonuses, commissions, employment withholding taxes, penalties, overtime or other compensation, benefits, child labor or record keeping violations is pending or, to the knowledge of the Company, threatened under the FLSA, Davis-Bacon Act, Walsh-Healey Act, or Service Contract Act or any other federal, state, local, provincial or foreign law, regulation or ordinance;

(i) no discrimination and/or retaliation claim, complaint, charge or investigation is pending or, to the knowledge of the Company, threatened against the Company or any Subsidiary under the 1866 or 1964 Civil Rights Acts, the Equal Pay Act, the ADEA, the ADA, the FMLA, the FLSA, ERISA or any other

federal law or comparable state fair employment practices act or foreign law, including any provincial law regulating discrimination in the workplace;

(j) if the Company or any Subsidiary is a federal or state contractor obligated to develop and maintain an affirmative action plan, no discrimination claim, show cause notice, conciliation proceeding, sanction or debarment proceeding has been, to the knowledge of the Company, threatened or is pending with the Office of Federal Contract Compliance Programs or any other federal agency or any comparable state or foreign agency or court and no desk audit or on-site review is in progress;

(k) no citation has been issued by OSHA against the Company or any Subsidiary and no notice of contest, claim, complaint, charge, investigation or other administrative enforcement proceeding involving the Company is pending or, to the knowledge of the Company, threatened against the Company or any Subsidiary under OSHA or before any provincial or federal occupational health and safety ministry or department pursuant to any other applicable law relating to occupational safety and health;

(l) no workers' compensation or retaliation claim, complaint, charge or investigation the liability for which, individually, is reasonably expected to exceed $75,000 is pending against the Company or any Subsidiary and the aggregate liability under all other pending workers' compensation or retaliation claims, complaints, charges or investigations would not have a Material Adverse Effect;

(m) no investigation or citation of the Company or any Subsidiary has occurred and no enforcement proceeding has been initiated or is pending or, to the knowledge of the Company, threatened under federal or foreign immigration law;

(n) neither the Company nor any Subsidiary has taken any action that would constitute a "mass layoff", "mass termination" or "plant closing" within the meaning of WARN or otherwise trigger notice requirements or liability under any federal, local, state or foreign plant closing notice or collective dismissal law;

(o) no wrongful discharge, retaliation, libel, slander or other claim, complaint, charge or investigation that arises out of the employment relationship between the Company or any Subsidiary and its respective employees is pending or, to the knowledge of the Company, threatened against the Company or any Subsidiary under any applicable law;

(p) each of the Company and the Subsidiaries has maintained and currently maintains adequate insurance as required by applicable law with respect to workers' compensation claims and unemployment benefits claims;

(q) each of the Company and the Subsidiaries is in compliance with all applicable laws, regulations and orders and all contracts or collective bargaining agreements

governing or concerning labor relations, union and collective bargaining, conditions of employment, employment discrimination and harassment, wages, hours or occupations safety and health, including the Labor Laws;

(r) neither the Company nor any Subsidiary is liable for any liabilities, judgments, decrees, orders, arrearage of wages or taxes, fines or penalties for failure to comply with any of the Labor Laws;

(s) the Company has provided the Parent with a copy of the policy of each of the Company and the Subsidiaries for providing leaves of absence under the FMLA; and

(t) each of the Company and the Subsidiaries has paid or accrued all current assessments under workers' compensation legislation, and neither the Company nor any Subsidiary has been subject to any special or penalty assessment under such legislation which has not been paid.

Section 4.18. Contracts and Commitments. Except as set forth in the Company Disclosure Letter or disclosed in the Company Reports, neither the Company nor any Subsidiary is a party to, or is bound or affected by, or receives benefits under any (a) contracts of employment providing for total annual base salary in excess of $200,000; (b) contracts or agreements containing covenants limiting the freedom of the Company, or any Subsidiary, to engage in any line of business or to compete with any entity; (c) any joint venture, partnership or similar agreement; (d) exchange traded or over-the-counter swap, forward, future, option, cap, floor or collar financial contract, or any other interest rate or foreign currency protection contract; (e) agreement providing for aggregate payments to any director, officer or consultant of the Company or any Subsidiary in any calendar year in excess of $200,000; (f) any agreement providing rights of indemnification in favor of any Indemnified Party; or (g) other contract or agreement or amendment thereto that would be required to be filed as an exhibit to a Form 10-K filed by the Company with the SEC as of the

date of this Agreement. Neither the Company nor any Subsidiary is in breach or default under any such contracts, agreements, instruments or arrangements, which default or breach has had or would reasonably be expected to have, either individually or in the aggregate, a Company Material Adverse Effect, and there has not occurred any event that with the lapse of time or the giving of notice or both would constitute such a default.

Section 4.19. Information Supplied.

(a) None of the information supplied or to be supplied by the Company for inclusion or incorporation by reference in (A) the Form S-4 to be filed with the SEC by the Parent in connection with the issuance of the Parent Class B Common Stock in the Merger will, at the time the Form S-4 becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and (B) the Proxy Statement/Prospectus included in the Form S-4 related to the Stockholders' Meeting and the Parent Class B Common Stock to be issued in the Merger will, on the date it is first mailed to the Company Stockholders or at the time of the Stockholders' Meeting, contain any untrue statement of a material fact or

omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Proxy Statement/Prospectus will comply as to form in all material respects with the requirements of the Exchange Act.

(b) Notwithstanding the foregoing provisions of this Section 4.19, no representation or warranty is made by the Company with respect to statements made or incorporated by reference in the Form S-4 or the Proxy Statement/Prospectus based on information supplied by the Parent or Buyer for inclusion or incorporation by reference therein.

Section 4.20. Intellectual Property.

(a) The Company Disclosure Letter sets forth a true and correct list of all Intellectual Property that is the subject of registration or of an application for a registration and the jurisdictions where each is registered (if any). The Company and the Subsidiaries have good and marketable title to or possesses adequate licenses or other valid rights to use such Intellectual Property, free and clear of all Liens and has paid all maintenance fees, renewals or expenses related to such Intellectual Property that the Company owns. Neither the use of such Intellectual Property nor the present conduct of the Company and the Subsidiaries misappropriates, infringes upon or conflicts with any copyright, trade name, trade secret or trademark rights of any third party or, to the knowledge of the Company, any patent or any other intellectual property rights of any third party. No party has filed a claim, or, to the knowledge of the Company, threatened to file a claim, against the Company or any Subsidiary alleging that it has violated, infringed on or otherwise improperly used the intellectual property rights of such party and neither the Company nor any Subsidiary has violated or infringed any trademark, trade name, service mark, service name, copyright or trade secret held by others, or, to the knowledge of the Company, violated or infringed any patent.

(b) The Company Disclosure Schedule sets forth a true and complete list of: (i) all Company Proprietary Software; and (ii) all Company Licensed Software constituting the Company's Global Business System, or any other Company Licensed Software material to the operations of the Company as presently conducted.

(c) The Company and the Subsidiaries have all right, title and interest in and to all intellectual property rights in the Company Proprietary Software. The Company and the Subsidiaries have developed the Company Proprietary Software through their own efforts, as described in Section 4.20(e), and for their own account, and the Company Proprietary Software is free and clear of all Liens. The use of the Company Licensed Software and the use of the Company Proprietary Software does not breach any terms of any license or other contract between the Company or any Subsidiary and any third party. Each of the Company and the Subsidiaries is in compliance with the terms and conditions of all license agreements in favor of the Company and the Subsidiaries relating to the Company Licensed Software.

(d) The Company Proprietary Software does not infringe any copyright or trade secret right of any third party or, to the knowledge of the Company, any patent or other intellectual property rights of the any third party.

(e) The Company Proprietary Software was: (i) developed by the employees of the Company and the Subsidiaries working within the scope of their employment at the time of such development; (ii) developed by agents, consultants, contractors or others who have executed appropriate instruments of

assignment in favor of the Company or a Subsidiary as assignee that have conveyed to the Company or such Subsidiary ownership of all of its intellectual property rights in the Company Proprietary Software; or (iii) acquired by the Company or a Subsidiary in connection with acquisitions in which the Company or such Subsidiary obtained appropriate representations, warranties and indemnities from the transferring party relating to the title to such Company Proprietary Software. Neither the Company nor any Subsidiary has received notice from any third party claiming any right, title or interest in the Company Proprietary Software.

(f) Neither the Company nor any Subsidiary has granted rights in Company Software to any third party.

Section 4.21. Insurance Policies. The Company and the Subsidiaries maintain insurance with reputable insurers for the business and assets of the Company and the Subsidiaries against all risks normally insured against, and in amounts normally carried, by corporations of similar size engaged in similar lines of business and such coverage is sufficient. The Company and each Subsidiary maintain all insurance with respect to the inventory of each customer in the possession of the Company or a Subsidiary which insurance is required pursuant to any contract, agreement or other arrangement with such customer to be maintained. All insurance policies and bonds with respect to the business and assets of the Company and the Subsidiaries are in full force and effect and will be maintained by the Company and the Subsidiaries in full force and effect as they apply to any matter, action or event relating to the Company and the Subsidiaries occurring through the Closing Date and neither the Company nor any Subsidiary has reached or exceeded its policy limits for any insurance policies in effect at any time during the past five years.

Section 4.22. Notes and Accounts Receivable.

(a) Except as disclosed in the Company Disclosure Letter, there are no notes receivable for amounts in excess of $500 of the Company or any Subsidiary owing by any director, officer, stockholder or employee of the Company or any Subsidiary.

(b) Except as disclosed in the Company Disclosure Letter, all material accounts receivable of the Company and any Subsidiary are current or covered by reserves for uncollectability which the Company believes to be adequate, and there are no material disputes regarding the collectibility of any such accounts receivable that would reasonably be expected to have a Company Material Adverse Effect.

Section 4.23. Transactions with Affiliates. Except as set forth in the Company Disclosure Letter (other than compensation and benefits received in the ordinary course of business as an employee or director of the Company or the Subsidiaries), no director, officer or other "affiliate" or "associate" (as such terms are defined in Rule 12b-2 under the Exchange Act) of the Company or any Subsidiary or any entity in which, to the knowledge of the Company, any

such director, officer or other affiliate or associate, owns any beneficial interest (other than a publicly held corporation whose stock is traded on a national securities exchange or in the over-the-counter market and less than 1% of the stock of which is beneficially owned by any such Persons), has any interest in: (i) any contract, arrangement or understanding with, or relating to the business or operations of the Company or any Subsidiary; (ii) any loan, arrangement, understanding, agreement or contract for or relating to indebtedness of the Company or any Subsidiary; or (iii) any property (real, personal or mixed), tangible, or intangible, used or currently intended to be used in, the business or operations of the Company or any Subsidiary.

Section 4.24. Customer and Supplier Relations. Since May 31, 2000, no customer of the Company or any Subsidiary has canceled, terminated, or made any threat to cancel or otherwise terminate its contract, or in writing to decrease its usage of the Company's or any Subsidiary's services or products that would result in a Company Material Adverse Effect. Neither the Company nor any Subsidiary has received any notice, and the Company has no knowledge, to the effect that any current customer or supplier may terminate or materially alter its business relations with the Company or any Subsidiary, either as a result of the transactions contemplated herein or otherwise that would result in a Company Material Adverse Effect.

Section 4.25. Certain Practices. Other than actions taken that do not violate the Foreign Corrupt Practices Act or any other applicable laws, none of the Company, the Subsidiaries and any Representative of the Company or any Subsidiary has offered or given, and the Company has no knowledge of any Person that has offered or given on its behalf, anything of value to: (i) any official of a Governmental Entity, any political party or official thereof, or any candidate for political office; (ii) any customer or member of a government; or (iii) any other Person, in any such case while knowing or having reason to know that all or a portion of such money or thing of value may be offered, given or promised, directly or indirectly, to any customer, member of the government or candidate for political office for the purpose of the following: (x) influencing

any action or decision of such Person, in such Person's official capacity, including a decision to fail to perform such Person's official function; (y) inducing such Person to use such Person's influence with any government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality to assist the Company or any Subsidiary in obtaining or retaining business for, or with, or directing business to, any Person; or (z) where such payment would constitute a bribe, kickback or illegal or improper payment to assist the Company or any Subsidiary in obtaining or retaining business for, or with, or directing business to, any Person. The Company represents and warrants that neither the Company nor any of its Subsidiaries has, within the last five years, taken any actions that would violate United States Laws against cooperation with unsanctioned foreign boycotts, including 15 C.F.R. ss. 760 and 26 U.S.C. ss. 999. The Company further represents and warrants that the Company and its Subsidiaries are in compliance in all material respects with all Laws of the United States that require the reporting of requests to cooperate with unsanctioned foreign boycotts. The Company represents and warrants that neither the Company nor any of its Subsidiaries has, within the last five years, taken any actions that would violate Laws of the United States regarding the exporting of goods and technology, including the licensing, use, resale, reexport, or deemed export of such goods and technology. The Company further represents and warrants that the Company and its Subsidiaries are in compliance in all material respects with all Laws of the United States regarding the importing of goods into the customs

territory of the United States, whether as a licensed customs broker or as the importer of record. The Company represents and warrants that neither the Company nor any of its Subsidiaries has, within the last five years, taken any actions that would violate Laws of the United States regarding United States embargoes of Afghanistan, Angola, Cuba, Iran, Iraq, Libya, North Korea, Serbia, and Sudan. The Company further represents and warrants that neither the Company nor any of its Subsidiaries owns, in whole or in part, manages, operates, uses, or benefits from property in Cuba that was nationalized by the Cuban Government after January 1, 1959.

Section 4.26. No Existing Discussions. As of the date hereof, the Company is not engaged, directly or indirectly, in any negotiation, discussion or exchange of information with any other party with respect to or in contemplation of an Acquisition Proposal.

Section 4.27. Merger. Neither the Company nor any Subsidiary has taken any action or failed to take any action which action or failure to take action would jeopardize the Merger as a reorganization within the meaning of Section 368(a) of the Code.

Section 4.28. Antitakeover Statutes; Absence of Dissenters' Rights. Each of the Company and the Board of Directors of the Company has taken all action required to be taken by it to exempt this Agreement and the Option Agreements and the transactions contemplated hereby and thereby from, and this Agreement and the Option Agreements and the transactions contemplated hereby and thereby are exempt from the requirements of, any "moratorium", "control share", "fair price", "affiliate transaction", "business combination" or other antitakeover laws and regulations of any state, including the provisions of Section 203 of the DGCL. No holder of any capital stock of the Company or any other securities of the Company is entitled to any dissenters' rights, appraisal rights or similar rights by virtue of this Agreement, the Merger or any of the other transactions contemplated hereby (including those contemplated by the Option Agreements).

Section 4.29. Brokers. No broker, finder or investment banker (other than the Independent Advisor) is entitled to any brokerage, finder's or other fee or commission in connection with this Agreement, the Merger or the other transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Company. The Company Disclosure Letter includes a complete and correct copy of all agreements between the Company and the Independent Advisor pursuant to which such firm would be entitled to any payment relating to this Agreement, the Merger or the other transactions contemplated by this Agreement.

Section 4.30. Vote Required. The affirmative vote of the holders of shares representing a majority of the shares of Company Common Stock entitled to vote on the approval and adoption of this Agreement and the Merger (the "Required Vote") is the only vote or approval of the holders of any class or series of capital stock of the Company necessary to adopt this Agreement and to approve the transactions contemplated hereby.

Section 4.31. Customs Matters. The Company and its Subsidiaries are licensed to conduct the businesses currently conducted by them. The Company and the Subsidiaries possess all valid permits, licenses and authorizations from Government Entities (the "Permits") required

to conduct their businesses in accordance with 19 U.S.C. ss. 1641 and 19 C.F.R.

ss. 111. All such Permits are currently in full force and effect and no misrepresentations were made by the Company or the Subsidiaries of any material fact in obtaining such licenses. No administrative or judicial proceedings have been instituted or, to the Company's knowledge, threatened or are contemplated seeking the suspension, termination, modification, revocation, alteration or amendment of any such Permits or to declare any of them invalid in any respect. The Company and each of its Subsidiaries are in material compliance with all applicable laws and regulations enforced by the United States Customs Service governing the operation of the business of the Company and the Subsidiaries, including those contained in 19 C.F.R. ss. 111. In particular, the Company and its Subsidiaries maintain records of customs transactions in accordance with 19 C.F.R. ss.ss. 111.21 and 111.23. The officers of the Company that are licensed under 19 U.S.C. ss. 1641(b) exercise responsible supervision and control over the transaction of customs business by the Company as required by 19 C.F.R. ss. 111.28. The Company has submitted a list of employees to the Customs authority in each port in which it conducts customs business, as required by 19 C.F.R. ss. 111.28(b), and has complied with all applicable reporting requirements. The Company exercises reasonable due diligence in making financial settlements, answering correspondence, and in preparing and assisting in the preparation and filing of records relating to its business as those activities are described in 19 C.F.R. ss. 111.29. Neither the Company nor any of its Subsidiaries is engaged in any activities that could result in the cancellation, suspension, or revocation of its licenses or permits, or the imposition of a material monetary penalty, including:

(a) filing documents that contain false information, as prohibited by 19 C.F.R. ss. 111.32;

(b) the procurement of information from government sources to which access is not granted by proper authority, as prohibited by 19 C.F.R. ss. 111.33;

(c) the exertion of undue influence on any representative of the Department of Treasury by threat, false accusation, or offer of special inducement, gift, or anything of value, as prohibited by 19 C.F.R. ss. 111.34;

(d) demanding or accepting from an attorney fees in excess of an amount commensurate with the time, effort and skill expended by the Company in performing its services, as prohibited by 19 C.F.R. ss. 111.35;

(e) an improper relationship with an unlicensed person, as prohibited by 19 C.F.R. ss. 111.36;

(f) the use of any Permits or the Company name by persons, other than employees authorized to act on behalf of the Company, in the solicitation, promotion or performance of any customs business, as prohibited by 19 C.F.R. ss. 111.37;

(g) the knowing use of false or misleading representations to procure employment in any customs matter, as prohibited by 19 C.F.R. ss. 111.38;

(h) the withholding of information from a client regarding any customs

transaction to which that client is entitled, as prohibited by 19 C.F.R. ss. 111.39;

(i) the suggestion to a client or potential client of an illegal plan for evasion of any duty, tax, or other debt or obligation owing to the U.S. government, as prohibited by 19 C.F.R. ss. 111.39;

(j) the endorsement or acceptance, without the authority of the client, of any U.S. Government draft, check or warrant drawn to the order of the client, as prohibited by 19 C.F.R. ss. 111.41;

(k) relations with persons, other than bona fide importers or exporters for whom the Company is conducting customs business, who are notoriously disreputable or whose licenses are under suspension, cancelled with prejudice, or revoked, as prohibited by 19 C.F.R. ss. 111.42;

(l) the conviction of any officer of a felony or misdemeanor that arose out of the conduct of the business of the Company, or involved larceny, theft, robbery, extortion, forgery, counterfeiting,

fraudulent concealment, embezzlement, fraudulent conversion, or misappropriation of funds, as prohibited by 19 C.F.R. ss. 111.53;

(m) employment of any person who has been convicted of a felony without written approval of that employment from the appropriate Assistant Commissioner of the Customs Service, as prohibited by 19 C.F.R. ss. 111.53; or

(n) counseling any person to violate the Customs Service laws or regulations, as prohibited by 19 C.F.R. ss. 111.53.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF BUYER AND PARENT

Except as disclosed in the Parent Disclosure Letter delivered by the Parent to the Company prior to the execution of this Agreement, each of the Parent and the Buyer represents and warrants to the Company as follows:

Section 5.1. Organization and Standing. Such Person (a) is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, (b) has full corporate power and authority to own, lease and operate its properties and assets and to conduct its business as presently conducted and (c) is duly qualified or licensed to do business as a foreign corporation 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 where the failure to be so qualified or licensed would not, individually or in the aggregate, have a Parent Material Adverse Effect.

Section 5.2. Authority for Agreement. Such Person has all necessary corporate power and authority to execute and deliver this Agreement and the Option Agreements, to perform its obligations hereunder and to consummate the Merger and the other transactions contemplated by this Agreement and the Option Agreements. The execution, delivery and performance by such Person of this Agreement and the Option Agreements, and the consummation by each such Person of the Merger and the other transactions contemplated by this Agreement and the Option Agreements, have been duly authorized by all necessary corporate action and no other corporate proceedings on the part of such Person are necessary to authorize this Agreement or the Option Agreements or to consummate the Merger or the other transactions contemplated by this Agreement and the Option Agreements (other than, with respect to the Merger, the filing and recordation of appropriate merger documents as required by the DGCL). Each of this Agreement and the Option Agreements has been duly executed and delivered by such Person and, assuming due authorization, execution and delivery by the Company, constitutes a legal, valid and binding obligation of each of such Person enforceable against such Person in accordance with its terms.

Section 5.3. No Conflict. The execution and delivery of this Agreement and the Option Agreements by such Person do not, and the performance of this Agreement and the Option Agreements by such Person and the consummation of the Merger and the other transactions contemplated by this Agreement and the Option Agreements will not, (i) conflict with or violate the certificate of incorporation or bylaws of such Person, (ii) subject to Section 5.4, conflict with or violate any Law applicable to such Person or by which any property or asset of such Person 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, give to others any right of termination, amendment, acceleration or cancellation of, or result in the creation of a lien or other encumbrance on any property or asset of such Person pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which such Person is a party or by which such Person or any property or asset of either of them is bound or affected, except in the case of clauses (ii) and (iii) for any such conflicts, violations, breaches, defaults or other occurrences which would not, individually or in the aggregate, prevent or materially delay the performance by such Person of its respective obligations under this Agreement or the Option Agreements or the consummation of the Merger or the other transactions contemplated by this Agreement and the Option Agreements.

Section 5.4. Required Filings and Consents. The execution and delivery of this Agreement by such Person do not, and the performance of this Agreement by such Person will not, require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Entity, except (i) for applicable requirements, if any, of the Securities Act, Exchange Act, state securities laws or "blue sky" laws and filing and recordation of appropriate merger documents as required by the DGCL, (ii) for those required by the HSR Act, (iii) where failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not, reasonably be expected to prevent or materially delay consummation of the Merger or otherwise prevent or materially delay such Person from performing its

material obligations under this Agreement and (iv) for those which have heretofore been obtained by such Person.

Section 5.5. Capitalization. As of the date hereof, the authorized capital stock of the Parent consists of 4,600,000,000 shares of Parent Class A Common Stock and 5,600,000,000 shares of Parent Class B Common Stock and 200,000,000 shares of Parent preferred stock. All of the shares of Parent Class B Common Stock to be issued in exchange for Company Common Stock at the Effective Time in accordance with this Agreement will be, when so issued, duly authorized, validly issued, fully paid and nonassessable and, except as set forth in the Parent Disclosure Letter, free of preemptive rights. As of the close of business on December 31, 2000, (i) 935,873,745 shares of Parent Class A Common Stock were duly authorized, validly issued and outstanding, fully paid and nonassessable; (ii) 198,819,384 shares of Parent Class B Common Stock were duly authorized, validly issued and outstanding, fully paid and nonassessable; (iii) no shares of preferred stock of the Parent were issued and outstanding; (iv) no shares of Parent Class A Common Stock, Parent Class B Common Stock or Parent preferred stock were held in the Parent's treasury; and (v) 29,314,802 shares of Parent Class A Common Stock were reserved for issuance upon exercise of employee stock options under the Parent's stock option plans. Except as set forth in the Parent Reports, there are no outstanding options, warrants or rights to purchase or acquire from the Parent any capital stock of the Parent, and there are no convertible securities or other contracts, commitments, agreements, understandings, arrangements or restrictions by which the Parent is bound to issue any additional shares of its capital stock or other equity securities.

Section 5.6. Parent Reports; Parent Financial Statements.

(a) The Parent has filed all Parent Reports, each of which has complied in all material respects with the applicable requirements of the Securities Act, and the rules and regulations promulgated thereunder, or the Exchange Act, and the rules and regulations promulgated thereunder, each as in effect on the date so filed. None of the Parent Reports (including, but not limited to, any financial statements or schedules included or incorporated by reference therein) contained when filed any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(b) All of the Parent Financial Statements, have been prepared in accordance with GAAP applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto) and fairly present in all material respects the consolidated financial position of the Parent and its subsidiaries at the respective date thereof and the consolidated results of its operations and changes in cash flows for the periods indicated except that the unaudited interim financial statements are subject to normal recurring year-end adjustments consistent with past practices and not material in amount.

Section 5.7. Absence of Certain Changes or Events. Except as disclosed in the Parent Disclosure Letter and the Parent Reports and except for the transactions contemplated by this Agreement, since September 30, 2000, there has not been (i) any change in the business, financial condition or results of operations of the Parent and its subsidiaries which has or would reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect, or (ii) any split, combination or reclassification of any of the Parent's outstanding capital

stock or any issuance or the authorization of any issuance of any other securities in respect of, in lieu of or in substitution for shares of the Parent's outstanding capital stock.

Section 5.8. Information Supplied.

(a) None of the information supplied or to be supplied by the Parent for inclusion in the Form S-4 will, at the time the Form S-4 becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading. The Form S-4 will comply as to form in all material respects with the requirements of the Securities Act.

(b) Notwithstanding the foregoing provisions of this Section 5.8, no representation or warranty is made by the Parent or Buyer with respect to statements made or incorporated by reference in the Form S-4 based on information supplied by the Company for inclusion or incorporation by reference therein.

Section 5.9. No Violation of Law. Except as set forth in the Parent Reports, the business and operations of the Parent and its subsidiaries

have been conducted in compliance with all applicable Laws, except where the failure to be in compliance does not have and would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect. Except as set forth in the Parent Reports or in the Parent Disclosure Letter, (i) neither the Parent nor any subsidiary of the Parent has been charged with or, to the knowledge of the Parent, is now under investigation with respect to, a violation of any applicable Law that has or would reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect, and (ii) the Parent has filed all reports required to be filed with any governmental entity or other regulatory body on or before the date hereof, except where the failure to do so does not and would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

Section 5.10. Merger. Neither the Parent nor any of its subsidiaries has taken any action or failed to take any action which action or failure to take action would jeopardize the Merger as a reorganization within the meaning of Section 368(a) of the Code.

Section 5.11. Certificate of Incorporation and Bylaws. Parent has heretofore made available to the Company a complete and correct copy of its Restated Certificate of Incorporation and Bylaws as amended to date (the "Parent Charter Documents"). Such Parent Charter Documents are in full force and effect. Parent is not in violation of any of the provisions of Parent Charter Documents, except for violations of Parent Charter Documents which do not and are not reasonably likely to have a Parent Material Adverse Effect.

Section 5.12. Ownership of Buyer; No Prior Activities.

(a) Buyer was formed solely for the purpose of engaging in the transactions contemplated by this Agreement.

(b) Except for obligations or liabilities incurred by Buyer in connection with its incorporation or organization and the transactions contemplated by this Agreement and

except for this Agreement and any other agreements or arrangements contemplated by this Agreement, Buyer has not incurred, directly or indirectly, through any subsidiary or affiliate, any obligations or liabilities or engaged in any business activities of any type or kind whatsoever or entered into any agreements or arrangements with any Person.

Section 5.13. Ownership Interest in the Company. Other than by reason of this Agreement or the transactions contemplated hereby, neither Parent nor any of its Affiliates is, or has been for the previous three years, an "interested stockholder" of the Company, as that term is defined in Section 203 of the DGCL.

Section 5.14. Brokers and Finders. No broker, finder or investment banker (other than Salomon Smith Barney Inc.) is entitled to any brokerage, finder's or other fee or commission payable by such Person in connection with this Agreement, the Merger or the other transactions contemplated by this Agreement based upon arrangements made by or on behalf of such Person.

ARTICLE VI
COVENANTS

Section 6.1. Conduct of the Business Pending the Merger.

(a) The Company covenants and agrees that between the date of this Agreement and the Effective Time, unless the Parent shall otherwise agree in writing (and except as expressly contemplated, permitted or required by this Agreement), (i) the business 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 prior practice, (ii) the Company and the Subsidiaries shall use all commercially reasonable efforts to preserve substantially intact their business organizations, to keep available the services of their current officers and employees and to preserve the current relationships of the Company and the Subsidiaries with customers, suppliers and other Persons with which the Company or the Subsidiaries has significant business relations, and (iii) the Company will comply in all material respects with all applicable Laws and regulations wherever its business is conducted, including the timely filing of all reports, forms or other documents with the SEC required pursuant to the Securities Act or the Exchange Act.

(b) Except as set forth in the Company Disclosure Letter, the Company covenants and agrees that between the date of this Agreement and the Effective Time, the Company shall not, nor shall the Company permit any of the Subsidiaries to, (i) declare or pay any dividends on or make other distributions (whether in cash, stock or property) in respect of any of its capital stock, except for dividends by a wholly owned Subsidiary of the Company to the Company or another wholly owned Subsidiary of the Company; (ii) execute or cause to be

executed any transactions that may result in a deemed dividend under the Code; (iii) split, combine or reclassify any of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock; (iv) repurchase or otherwise acquire any shares of its capital stock; (v) issue, deliver or sell, or authorize or propose the issuance, delivery or sale of, any shares of its capital stock or any

securities convertible into any such shares of its capital stock, or any rights, warrants or options to acquire any such shares or convertible securities or any stock appreciation rights, phantom stock plans or stock equivalents, other than the issuance of shares of Company Common Stock pursuant to (A) the exercise of Company Stock Options outstanding as of the date of this Agreement, (B) employee deferrals, after tax contributions and matching contributions under the Fritz Companies, Inc. Salary Investment and Retirement Plan or the Fritz Companies, Inc. Employee Stock Purchase Plan as in effect on the date hereof, (C) new Company Stock Options granted at fair market value and consistent with past practices under the Fritz Companies, Inc. 1992 Omnibus Equity Incentive Plan in the ordinary course, which shall not exceed in the aggregate options to purchase 1,000,000 shares of Company Common Stock, (D) new Company Stock Options granted at fair market value and in the ordinary course consistent with past practices to new employees, which shall not exceed in the aggregate per month options to purchase 25,000 shares of Company Common Stock or 10,000 shares to any individual, or (E) the Rights Plan; (vi) take any action that would make the Company's representations and warranties set forth in Article III not true and correct in all material respects; (vii) take any action that would, or could reasonably be expected to, result in any of the conditions set forth in Article VII not being satisfied; (viii) amend its certificate of incorporation (including any certificate of designations attached thereto) or bylaws or other equivalent organizational documents; (ix) incur any indebtedness for borrowed money or guaranty any such indebtedness of another Person, other than (A) borrowings under existing lines of credit (or under any refinancing of such existing lines) or (B) indebtedness owing to, or guaranties of indebtedness owing to, the Company; (x) make any loans or advances to any other Person other than loans or advances between the Company and any Subsidiary and other than loans or advances less than $100,000 made in the ordinary course of business consistent with past practice; (xi) merge or consolidate with any other entity in any transaction, or sell any business or assets in a single transaction or series of transactions in which the aggregate consideration is $1,000,000 or greater; (xii) change its accounting policies except as required by GAAP; (xiii) make any change in employment terms for any of its directors or officers; (xiv) alter, amend or create any obligations with respect to compensation, severance, benefits, change of control payments or any other payments to employees, directors or Affiliates of the Company or the Subsidiaries, other than with respect to alterations or amendments made with respect to non-officers and non-directors in the ordinary course of business consistent with past practice or as expressly contemplated by this Agreement or consented to in writing by the Parent; (xv) make any change to the Company Benefit Plans, except those changes required by applicable Laws; (xvi) sell, license, mortgage or otherwise encumber or subject to any lien or otherwise dispose of any material properties or assets, other than in the ordinary course of business consistent with past practice; or (xvii) commit or agree to take any of the actions described in this Section 6.1(b).

Section 6.2. Access to Information; Confidentiality.

(a) From the date hereof to the Effective Time, the Company shall, and shall cause the Representatives of the Company to, afford the Representatives of the Parent and the Buyer, upon reasonable notice, reasonable access at all reasonable times to the officers, employees, agents, properties, offices and other facilities, books and records, including Tax Returns of the Company and the Subsidiaries, and shall furnish the Parent and the Buyer with all financial, operating and other data and information as the Parent or the Buyer, through its

Representatives, may reasonably request. The Parent will remain subject to the terms of the Confidentiality Agreement.

(b) No investigation pursuant to this Section 6.2 shall affect any representation or warranty in this Agreement of any party hereto or any condition to the obligations of the parties hereto.

(c) The Company shall cooperate in Parent's determination and calculation of Subsidiaries' tax basis.

Section 6.3. Notification of Certain Matters. The Company shall give prompt notice to the Parent, and the Parent shall give prompt notice to the Company, of (i) the occurrence, or nonoccurrence, of any event which would be likely to cause any representation or warranty contained in this Agreement to be untrue or inaccurate and (ii) any failure by such party (or the Buyer, in the

case of the Parent) 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 6.3 shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice. If any event or matter arises after the date of this Agreement which, if existing or occurring at the date of this Agreement, would have been required to be set forth or described in the Company Disclosure Letter or which is necessary to correct any information in the Company Disclosure Letter which has been rendered inaccurate thereby, then the Company shall promptly supplement, or amend, and deliver to the Parent the Company Disclosure Letter which it has delivered pursuant to this Agreement.

Section 6.4. Company Stockholders' Meeting. The Company shall, as promptly as practicable following the execution of this Agreement, duly call, give notice of, convene and hold the Stockholders' Meeting for the purpose of obtaining the Required Vote with respect to the Merger and this Agreement, shall use its reasonable best efforts to solicit the approval of this Agreement by the Required Vote (regardless of whether the Board of Directors of the Company modifies its recommendation of the Merger and this Agreement) and, subject to Section 6.5, the Board of Directors of the Company shall recommend the approval of this Agreement by the Company Stockholders. Without limiting the generality of the foregoing but subject to its rights pursuant to Sections 6.5 and 8.1(e), the Company agrees that its obligations pursuant to the first sentence of this Section 6.4 shall not be affected by the commencement, public proposal, public disclosure or communication to the Company of any Acquisition Proposal.

Section 6.5. Board Recommendations.

(a) Neither the Board of Directors of the Company nor any committee thereof shall (i) withdraw, or propose publicly to withdraw, in a manner adverse to the Parent, the approval or recommendation of such Board of Directors or such committee of the Merger or this Agreement, (ii) subject to Section 6.5(b), modify, or propose publicly to modify in a manner adverse to the Parent, the approval or recommendation of such Board of Directors or such committee of the Merger or this Agreement, (iii) approve or recommend, or propose publicly to approve or recommend, any Acquisition Proposal or (iv) approve or recommend or propose to approve or recommend, or execute or enter into any Acquisition Agreement related to any

Acquisition Proposal. Notwithstanding the foregoing, if, prior to the date that is the earlier of the 60th day following the date of execution of this Agreement and the date of the Stockholders' Meeting, in response to a Superior Proposal that did not result from a breach of Section 6.9, the Board of Directors of the Company, in exercise of its fiduciary duties, reasonably determines in good faith, based upon the written advice of independent outside legal counsel, that the Board of Directors of the Company is required to do so to comply with its fiduciary duties to the Company Stockholders under applicable Law, the Board of Directors of the Company may, after providing the Parent with at least 72 hours advance written notice of its decision to take such action, modify or propose publicly to modify, in a manner adverse to the Parent, the approval or recommendation of the Merger or this Agreement by the Board of Directors of the Company.

(b) Nothing contained in this Section 6.5 or any other provision hereof shall prohibit the Company or the Board of Directors of the Company from (A) taking and disclosing to the Company Stockholders pursuant to Rules 14d-9 and 14e-2 promulgated under the Exchange Act a position with respect to a tender or exchange offer by a third party, which is consistent with its obligations hereunder or (B) making such disclosure to the Company Stockholders as, in the reasonable good faith judgment of the Board of Directors of the Company, after receiving advice from independent outside legal counsel, is consistent with its obligations hereunder and is required by applicable law; provided, that the Company may not, except as provided by this Section 6.5, modify, or propose publicly to modify, in a manner adverse to the Parent, the approval or recommendation of such Board of Directors of the Merger or this Agreement or approve or recommend an Acquisition Proposal, or propose publicly to approve or recommend an Acquisition Proposal.

Section 6.6. Stockholder Litigation. The Company shall give the Parent the opportunity to participate in the defense or settlement of any stockholder Litigation against the Company and its directors relating to the transactions contemplated by this Agreement or the Merger; provided, however, that no such settlement shall be agreed to without the Parent's consent, which consent will not be unreasonably withheld; and, provided, further, that to the extent Parent seeks Company's cooperation in the defense or settlement of such Litigation, Parent shall enter into an appropriate joint defense agreement with the Company.

Section 6.7. Indemnification.

(a) It is understood and agreed that all rights to indemnification by the Company now existing in favor of the Indemnified Parties shall survive the Merger and the Parent shall (i) cause the Surviving

Corporation to continue in full force and effect for a period of at least six years from the Effective Time and (ii) perform, or cause the Surviving Corporation to perform, in a timely manner, the Surviving Corporation's obligation with respect thereto. The Parent and the Buyer agree that any claims for indemnification hereunder as to which they have received written notice prior to the sixth anniversary of the Effective Time shall survive, whether or not such claims shall have been finally adjudicated or settled.

(b) The Parent shall cause the Surviving Corporation to, and the Surviving Corporation shall, maintain in effect for six years from the Effective Time, if available, the D&O Insurance (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 6.7(b) more than an amount per year equal to two hundred percent (200%) of current annual premiums paid by the Company for such insurance. In the event that, but for the proviso to the immediately preceding sentence, the Surviving Corporation would be required to expend more than two hundred percent (200%) of current annual premiums, the Surviving Corporation shall obtain the maximum amount of such insurance obtainable by payment of annual premiums equal to two hundred percent (200%) of current annual premiums. If the Surviving Corporation elects to reduce the amount of insurance coverage pursuant to the preceding sentence, it will furnish to the officers and directors currently covered by such D&O Insurance reasonable notice of such reduction in coverage and shall, to the extent additional coverage is available, afford such Persons the opportunity to pay such additional premiums as may be necessary to maintain the existing level of D&O Insurance coverage. Parent shall cause the Surviving Corporation to honor and perform the obligations of the Company with respect to rights of indemnification existing in favor of the Indemnified Parties pursuant to indemnification agreements and employment agreements with the Company's directors and officers existing on or before the Effective Time and which are set forth on the Company Disclosure Schedule.

(c) If the Surviving Corporation or any of its successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers 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 Surviving Corporation shall assume the obligations set forth in this Section 6.7.

(d) From and after the Effective Time, Parent shall unconditionally guarantee the timely performance of all obligations of the Surviving Corporation under this Section 6.7.

(e) The provisions of this Section 6.7 are intended to be for the benefit of, and shall be enforceable by, each Indemnified Party, his or her heirs and his or her representatives.

Section 6.8. Public Announcements. The 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 the Merger 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 or trading system to which the Parent or the Company is a party.

Section 6.9. Acquisition Proposals. The Company shall not, nor shall it authorize or permit any of the Subsidiaries or Representatives of the Company to, directly or indirectly through another Person, (a) solicit, initiate or encourage (including by way of furnishing information) or otherwise take any action to facilitate, the making of any proposal that constitutes an Acquisition Proposal or (b) participate in any discussions or negotiations

regarding, any proposal that constitutes, or may reasonably be expected to lead to, any Acquisition Proposal; provided, however, that if, at any time prior to the date that is the earlier of the 60th day following the date of execution of this Agreement and the date of the Stockholders' Meeting, the Board of Directors of the Company, in exercise of its fiduciary duties, reasonably determines in good faith, based upon the written advice of independent outside legal counsel, that the Board of Directors of the Company is required to do so to comply with its fiduciary duties to the Company Stockholders under applicable Law, the Board of Directors of the Company and its Representatives may, in response to a Superior Proposal that did not result in a breach of this Section 6.9, and subject to providing contemporaneous notice of its decision to take such action to the Parent, (i) furnish information with respect to the Company and the Subsidiaries to any Person making a Superior Proposal pursuant to a customary confidentiality agreement and (ii) participate in discussions or negotiations

regarding such Superior Proposal. The Company shall provide immediate oral and written notice to the Parent of (a) the receipt of any such Acquisition Proposal or any inquiry which could reasonably be expected to lead to any Acquisition Proposal, (b) the material terms and conditions of such Acquisition Proposal or inquiry, and (c) the identity of such Person or entity making any such Acquisition Proposal or inquiry. The Company shall continue to keep the Parent informed of the status and details of any such Acquisition Proposal or inquiry, as well as any related discussions or negotiations permitted under this Section 6.9.

Section 6.10. Proxy Statement/Prospectus. As promptly as practicable following the date hereof, the Parent and the Company shall jointly prepare and file with the SEC preliminary proxy materials and any amendments or supplements thereof which shall constitute the proxy statement/prospectus (such proxy statement/prospectus, and any amendments or supplements thereto, the "Proxy Statement/Prospectus") and the Parent shall prepare and file with the SEC the Form S-4 and take any action required to be taken under applicable state securities laws with respect to the issuance of Parent Class B Common Stock in the Merger in which the Proxy Statement/Prospectus will be included as a prospectus. The Form S-4 and the Proxy Statement/Prospectus shall comply as to form in all material respects with the applicable provisions of the Securities Act and the Exchange Act. Each of the Parent and the Company shall use all reasonable efforts to have the Form S-4 declared effective under the Securities Act as promptly as practicable after filing it with the SEC and to keep the Form S-4 effective as long as is necessary to consummate the Merger. The Parties shall promptly provide copies, consult with each other and prepare written responses with respect to any written comments received from the SEC with respect to the Form S-4 and the Proxy Statement/Prospectus and promptly advise the other party of any oral comments received from the SEC. The Parent agrees that none of the information supplied or to be supplied by the Parent for inclusion or incorporation by reference in the Proxy Statement/Prospectus and each amendment or supplement thereto, at the time of mailing thereof and at the time of the Stockholders' Meeting, will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements

therein, in light of the circumstances under which they were made, not misleading. The Company agrees that none of the information supplied or to be supplied by the Company for inclusion or incorporation by reference in the Proxy Statement/Prospectus and each amendment or supplement thereto, at the time of mailing thereof and at the time of the Stockholders' Meeting, will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. For purposes of the foregoing, it is understood and agreed that information concerning or related to the Parent will be deemed to have been supplied by the Parent and information concerning or related to the Company and the Stockholders' Meeting shall be deemed to have been supplied by the Company.

Section 6.11. Further Assurances.

(a) Subject to the terms and conditions of this Agreement, each party hereto will use its commercially reasonable efforts to (i) take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable Laws to consummate the Merger and the other transactions contemplated by this Agreement as soon as practicable after the date hereof and (ii) obtain and maintain all approvals, consents, waivers, registrations, permits, authorizations, clearances and other confirmations required to be obtained from any third party and/or any Governmental Entity that are necessary, proper or advisable to consummate the Merger and the transactions contemplated hereby (each a "Necessary Approval"). In furtherance and not in limitation of the foregoing, each party hereto agrees to make as promptly as practicable, to the extent it has not already done so, (i) an appropriate filing of a Notification and Report Form pursuant to the HSR Act with respect to the transactions contemplated hereby (which filing shall be made in any event within five Business Days of the date hereof), and (ii) all necessary filings with other Governmental Entities relating to the Merger, and, in each case, to supply as promptly as practicable any additional information and documentary material that may be requested pursuant to the such laws and to use its commercially reasonable efforts to cause the expiration or termination of the applicable waiting periods under the HSR Act and the receipt of Necessary Approvals under such other laws as soon as practicable. Notwithstanding the foregoing, nothing in this Section 6.11 shall require, or be deemed to require, the Parent to agree to or effect any divestiture (including divestitures of assets of the Parent or the Company) or take any other action which would reasonably be expected to impair the Parent's ability to achieve in any material respect the overall benefits expected, as of the date hereof, to be realized from the consummation of the Merger.

(b) Each of the Parent and the Company shall, in connection with the efforts referenced in Section 6.11(a) to obtain all Necessary Approvals, use its commercially reasonable efforts to (i) cooperate in all respects with each other in connection with any filing or submission and in

connection with any investigation or other inquiry, including any proceeding initiated by a private party, (ii) promptly inform the other party of any communication received by such party from, or given by such party to, the FTC or any other Governmental Entity and of any material communication received or given in connection with any proceeding by a private party, in each case regarding any of the transactions contemplated hereby, and (iii) permit the other party to review any communications given by it to the FTC or any such other Governmental Entity or, in connection with any proceeding by a private party, with any other Person.

(c) In furtherance and not in limitation of the covenants of the parties contained in Sections 6.11(a) and 6.11(b), if any administrative or judicial action or proceeding, including any proceeding by a private party, is instituted (or threatened to be instituted)

challenging any transaction contemplated by this Agreement as violative of any Regulatory Law (as hereinafter defined), or if any statute, rule, regulation, executive order, decree, injunction or administrative order is enacted, entered, promulgated or enforced by a Governmental Entity which would make the Merger or the transactions contemplated hereby illegal or would otherwise prohibit or materially impair or delay the consummation of the Merger or the transactions contemplated hereby, each of the Parent and the Company shall cooperate in all respects with each other and use its respective commercially reasonable efforts to contest and resist any such action or proceeding and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other action or order, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents or restricts consummation of the Merger or the transactions contemplated by this Agreement and to have such statute, rule, regulation, executive order, decree, injunction or administrative order repealed, rescinded or made inapplicable. Notwithstanding any provision of this Agreement to the contrary, neither the Parent nor the Surviving Corporation shall be required under the terms of this Agreement to dispose of or hold separate all or any portion of the businesses or assets of the Parent or any of its subsidiaries or of the Company or any Subsidiary in order to remedy or otherwise address the concerns (whether or not formally expressed) of any Governmental Entity under the HSR Act or any other antitrust statute or regulation.

(d) In connection with, and without limiting the foregoing, the Company shall (i) take all actions necessary to ensure that no antitakeover statute or similar statute or regulation is or becomes operative with respect to this Agreement, the Merger, the Option Agreements or any other transactions contemplated by this Agreement and (ii) if any antitakeover statute or similar statute or regulation of any jurisdiction is or becomes operative with respect to this Agreement, the Merger, the Option Agreements or any other transaction contemplated by this Agreement, take all actions necessary to ensure that this Agreement, the Merger and any other transactions contemplated by this Agreement and the Option Agreements may be consummated as promptly as practicable on the terms contemplated by this Agreement and the Option Agreements and otherwise to minimize the effect of such statute or regulation on the Merger and the other transactions contemplated by this Agreement.

(e) Each party hereto agrees to consider efficient integration of business operations. Each party hereto further agrees to cooperate with each other in connection with efficiently integrating the business operations.

Section 6.12. NYSE Listing. The Parent will use commercially reasonable efforts to cause to be approved for listing on the NYSE, subject to official notice of issuance, a sufficient number of shares of Parent Class B Common Stock to be issued in the Merger.

Section 6.13. Tax Treatment.

(a) Each of the Parent and the Company and their respective subsidiaries shall use reasonable efforts to cause the Merger to qualify as a "reorganization" under the provisions of Section 368(a) of the Code and to obtain the opinion of counsel referred to in Section 7.1(f), including the execution of the letters of representation containing representations that are customarily given in similar merger transactions, updated as necessary. The Company

and the Parent (and their subsidiaries) shall treat the Parent Class B Common Stock received in the Merger by Company Stockholders as property permitted to be received by Section 354 of the Code without the recognition of gain. Each of the Company and the Parent covenants and agrees to, and agrees to cause its affiliates to, vigorously and in good faith defend all challenges to the treatment of the reorganization as described in this Section 6.13. Each of the Company and the Parent agrees that if it becomes aware of any such fact or circumstance that is reasonably likely to prevent the Merger from qualifying as a reorganization described in Section 368(a) of the Code, it will promptly notify the other party in writing.

(b) The Parent, in its sole discretion, may make an election under Section 338 of the Code, in which case the Company will cooperate in facilitating such election, and shall grant all consents, waivers and authorizations necessary to effect such election by the Parent.

(c) The Company and the Subsidiaries will not waive any statute of limitations in respect of Taxes or agree to any extension of time beyond 90 days with respect to a Tax assessment or deficiency without the consent of the Parent.

Section 6.14. Undertakings of Parent. The Parent shall perform, or cause to be performed, when due all obligations of the Buyer and, following the Closing, the Surviving Corporation, under this Agreement.

Section 6.15. Director Resignations. The Company shall cause to be delivered to the Parent resignations of all the directors of the Company and the Subsidiaries to be effective upon the consummation of the Merger. The Company shall cause such directors, prior to resignation, to appoint new directors nominated by the Parent to fill such vacancies.

Section 6.16. Company Affiliates. The Company shall deliver to the Parent a letter identifying all Persons who are, at the time the Merger is submitted to a vote of the stockholders of the Company, Affiliates of the Company for purposes of Rule 145 under the Securities Act. The Company shall use its commercially reasonable efforts to cause each Person who is identified as a possible Affiliate in such letter to deliver to the Parent on or prior to the Effective Time an Affiliate Letter. The Parent shall be entitled to place legends on any certificates of Parent Class B Common Stock issued to such possible Affiliates to restrict transfer of such shares.

Section 6.17. Purchase of Company Stock. The Company shall in no way prohibit the Parent or any of its affiliates from purchasing shares of Company Stock or entering into option, lock-up, voting or proxy agreements or any other similar agreements with respect to Company Stock at any time prior to the consummation of the Merger.

Section 6.18. Rights Plan. The Board of Directors of the Company shall as promptly as practicable, and in any event prior to 5:00 p.m., California time, on the third Business Day following the date hereof, adopt the Rights Plan providing that a Person will become an "Acquiring Person" (as such term is defined in the Rights Plan) if they become the "Beneficial Owner" (as such term is defined in the Rights Plan) of at least 15% of Company

Common Stock and shall approve the appropriate resolutions so that (i) neither the Parent nor the Buyer will become an Acquiring Person as a result of the consummation of the transactions contemplated herein or in the Option Agreements or the Merger, (ii) no "Stock Acquisition Date" or "Distribution Date" (as such terms are defined in the Rights Plan) will occur as a result of this Agreement, the Option Agreements or the Merger or the consummation of the transactions contemplated herein or in the Option Agreements and (iii) all outstanding rights to purchase issued and outstanding Company Common Stock under the Rights Plan will expire at the Effective Time.

Section 6.19. Employee Matters.

(a) The Company shall (i) take all commercially reasonably actions necessary to correct any compliance deficiencies identified to the Company by the Parent with respect to any Company Employee Benefit Plan in a manner reasonably satisfactory to the Parent and provide evidence reasonably satisfactory to the Parent of such corrections; (ii) take all appropriate corporate action to cease, effective upon Closing, all benefit accruals under and terminate the Fritz Companies, Inc. Salary Investment and Retirement Plan; (iii) take all appropriate corporate action to terminate, effective prior to the Closing, the Fritz Companies, Inc. Employee Stock Purchase Plan ("Company Employee Stock Purchase Plan") and all outstanding options under such plan; and (iv) take all appropriate action to prevent any adjustment of stock options under any Company Stock Plan or under the Company Employee Stock Purchase Plan in anticipation of the transactions contemplated by this Agreement (other than as expressly described in this Agreement).

(b) The Company will provide to the Parent as promptly as practicable after the date hereof (and in any event, for individuals employed in the United States within 30 days hereof and for all other individuals within 45 days hereof) a true and complete list of all of the (a) officers, (b) employees (whether full-time, part-time or otherwise) and (c) consultants or independent contractors of each of the Company and the Subsidiaries, in each case, specifying, by individual, their position, annual salary, hourly wages, consulting or other independent contractor fees, date of birth, date of hire, social security number, home address, work location, length of service, hours of service, tax withholding history for the current calendar year, other amounts paid, benefits provided and any other information reasonably requested by the Parent, together with an appropriate notation next to the name of any officer or

other employee on such list who is subject to any written employment agreement or any other written term sheet or other document describing the terms and/or conditions of employment of such employee or of the rendering of services by such consultant or independent contractor and any other information reasonably requested by the Parent.

(c) The Parent and the Company shall take such action as is necessary, including action under the relevant Company Stock Plan, to effect the provisions of Section 2.5 hereof.

(d) The Parent shall (i) provide those employees of the Company who become employees of the Parent (or a business unit of the Parent) 401(k), medical, group life insurance and accidental death and dismemberment benefits on such terms and conditions as are

substantially similar and not substantially less favorable in the aggregate to similarly situated employees of the business unit of the Parent which employs such employees and (ii) recognize prior service with the Company for such employees for the purpose of eligibility to participate in the vacation and other paid time off, flexible benefits (including medical, dental, life insurance and disability) and 401(k) benefit plans provided to similarly situated employees of such business unit.

(e) The Company will provide to the Parent as promptly as practicable after the date hereof (and in any event within 30 days hereof) a true and complete list of each employee who as of the date hereof is eligible to request FMLA leave and the amount of FMLA leave utilized by each such employee during the current leave year; each employee who prior to the date hereof has requested FMLA leave to commence on or after the date hereof , his or her job title and description, salary and benefits; a description of the leave requested; and a copy of all notices provided to such employee regarding that leave.

(f) The Company will provide to the Parent as promptly as practicable after the date hereof (and in any event within 14 days hereof) a true and complete list of any information that would have been disclosed in the Company Disclosure Letter if the representations in Section 4.17 (h), (i), (k), (l) and (o) had been drafted so as to request information with respect to any matter that "has been filed or is pending or threatened" within the United States during 1999 and 2000.

(g) The Company will provide to the Parent as promptly as practicable after the date hereof (and in any event within 45 days thereof) (i) a complete listing on a country by country basis of each Company Benefit Plan that provides benefits to employees, former employees, directors, officers, consultants, independent contractors, contingent workers or leased employees of the Company or any Subsidiary (or the dependents of any of them) whose principal workplace is outside the United States ("Foreign Employees"), (ii) with respect to each plan described in (i), the information described in Section 4.16(b) of this Agreement and (iii) with respect to each workplace or operation of the Company or a Subsidiary that is located outside the United States (a "Foreign Workplace"), updated disclosures under Section 4.17 regarding such Foreign Workplace, any Foreign Employee or the dependents of such Foreign Employee. The Company shall take all appropriate corporate actions necessary to provide the information requested in (i)--(iii) above, shall correct any compliance or funding deficiencies identified to the Company by Parent with respect to any Company Benefit Plan that provides benefits to Foreign Employees or their dependents and shall provide evidence of such corrections reasonably satisfactory to Parent before the Closing.

Section 6.20. Customer Visits. Between the date hereof and the Closing, and subject to such reasonable limitations as the Company shall deem reasonable and necessary, the Company shall permit, and shall cause each Subsidiary to permit, the Parent to discuss and meet, and shall cooperate in such discussions and meetings, with any customer of the Company and the Subsidiaries that the Parent so requests. A senior executive of the Company, reasonably satisfactory to the Parent, shall accompany the Parent's representative to such meetings and shall participate with the Parent's representative in any such discussions. Furthermore, the Company

shall cooperate with the Parent in the preparation of a presentation to such customers with respect to the Merger.

Section 6.21. Insurance. The Company shall use its commercially reasonable efforts to purchase and maintain the insurance specified in Schedule 6.21 of the Company Disclosure Schedule from a nationally recognized carrier to insure against the potential liability set forth on Schedule 6.21 of the Company Disclosure Schedule.

ARTICLE VII
CONDITIONS

Section 7.1. Conditions to the Obligation of Each Party. The respective obligations of the Parent, the Buyer and the Company to effect the Merger are subject to the satisfaction of the following conditions, unless waived in writing by all parties:

(a) This Agreement and the Merger shall have been approved and adopted by the Required Vote.

(b) All consents, authorizations, orders and approvals of (or filings or registrations with) any Governmental Entity required in connection with the execution, delivery and performance of this Agreement, the failure to obtain which would prevent the consummation of the Merger or have, individually or in the aggregate, a Company Material Adverse Effect or Parent Material Adverse Effect, shall have been obtained without the imposition of any condition (i) having, individually or in the aggregate, a Company Material Adverse Effect or Parent Material Adverse Effect or (ii) requiring the Parent or the Surviving Corporation to effect, or agree to effect, any divestiture (including divestitures of assets of the Parent or the Company) or to take any other action which would reasonably be expected to impair the Parent's ability to achieve in any material respect the overall benefits expected, as of the date hereof, to be realized from the consummation of the Merger.

(c) All authorizations, consents, waivers and approvals from parties to contracts or other agreements to which any of the Company or the Parent (or their respective subsidiaries) is a party, or by which either is bound, as may be required to be obtained by them in connection with the performance of this Agreement, the failure to obtain which would prevent the consummation of the Merger or have, individually or in the aggregate, a Company Material Adverse Effect or Parent Material Adverse Effect, shall have been obtained without the imposition of any condition (i) having, individually or in the aggregate, a Company Material Adverse Effect or Parent Material Adverse Effect or (ii) requiring the Parent or the Surviving Corporation to effect, or agree to effect, any divestiture (including divestitures of assets of the Parent or the Company) or to take any other action which would reasonably be expected to impair the Parent's ability to achieve in any material respect the overall benefits expected, as of the date hereof, to be realized from the consummation of the Merger.

(d) Early termination shall have been granted or applicable waiting periods shall have expired under the HSR Act and any other Regulatory Law that imposes such waiting period.

(e) No Governmental Entity 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 illegal, materially restricting or in any way preventing or prohibiting the Merger.

(f) The Parent and the Company each shall have obtained the Tax Opinion.

(g) The shares of Parent Class B Common Stock to be issued pursuant to this Agreement shall have been authorized for listing on the NYSE, subject to official notice of issuance.

(h) The Form S-4 shall have been declared effective by the SEC under the Securities Act and no stop order suspending the effectiveness of the Form S-4 shall have been issued by the SEC and no proceedings for that purpose shall have been initiated or threatened by the SEC.

Section 7.2. Conditions to Obligations of Parent and Buyer to Effect the Merger. The obligations of the Parent and the Buyer to effect the Merger are further subject to satisfaction or waiver at or prior to the Effective Time of the following conditions:

(a) (i) The representations and warranties of the Company in this Agreement that are qualified by Company Material Adverse Effect shall be true and correct as so qualified in all respects as of the date of this Agreement and as of the Effective Time, and (ii) the representations and warranties of the Company in this Agreement that are not qualified by Company Material Adverse Effect shall be true and correct in all respects as of the date of this Agreement and as of the Effective Time, except in the case of this clause (ii), where the failure of such representations and warranties to be so true and correct would not have, individually or in the aggregate, a Company Material Adverse Effect.

(b) The Company shall have performed in all material respects all covenants and agreements required to be performed by it under this Agreement at or prior to the Closing.

(c) The Company shall furnish the Parent with a certificate of its appropriate officers as to compliance with the conditions set

forth in Sections 7.2(a) and (b).

(d) The Parent shall have received an Affiliate Letter from each Affiliate in accordance with Section 6.16.

(e) No suit, investigation, action or other proceeding shall be overtly threatened or pending against the Parent, the Company or any Subsidiary before any Governmental Entity which (i) would result in the restraint or prohibition of any such party, or the obtaining of damages or other relief from any such party, in connection with this Agreement or the consummation of the transactions contemplated hereby or thereby which would in any such case, individually or in the aggregate, have a Parent Material Adverse Effect or a Company Material Adverse Effect, or (ii) any orders restricting the Company or any Subsidiary or the

Parent from conducting its business as now being conducted which, individually or in the aggregate, would have a Company Material Adverse Effect or a Parent Material Adverse Effect.

(f) There shall not have occurred any change, condition, event or development that has resulted in a Company Material Adverse Effect.

Section 7.3. Conditions to Obligations of Company to Effect the Merger. The obligations of the Company to effect the Merger are further subject to satisfaction or waiver at or prior to the Effective Time of the following conditions:

(a) (i) The representations and warranties of the Parent and the Buyer in this Agreement that are qualified by Parent Material Adverse Effect shall be true and correct as so qualified in all respects as of the date of this Agreement and as of the Effective Time, and (ii) the representations and warranties of the Parent and the Buyer in this Agreement that are not qualified by Parent Material Adverse Effect shall be true and correct in all respects as of the date of this Agreement and as of the Effective Time, except in the case of this clause (ii), where the failure of such representations and warranties to be so true and correct would not have, individually or in the aggregate, a Parent Material Adverse Effect.

(b) The Parent and the Buyer each shall have performed in all material respects all covenants and agreements required to be performed by them under this Agreement at or prior to the Closing.

(c) The Parent shall furnish the Company with a certificate of its appropriate officers as to compliance with the conditions set forth in Sections 7.3(a) and (b).

(d) There shall not have occurred any change, condition, event or development that has resulted in, or would reasonably be expected to result in, a Parent Material Adverse Effect.

ARTICLE VIII
TERMINATION, AMENDMENT AND WAIVER

Section 8.1. Termination. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time, whether before or after approval of matters presented in connection with the Merger by the Company Stockholders:

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

(b) By any of the Parent, the Buyer or the Company if any court of competent jurisdiction or other Governmental Entity shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting the Merger and such order, decree, ruling or other action shall have become final and nonappealable; provided however, that the party terminating this Agreement pursuant to this Section 8.1(b) shall have used all commercially reasonable efforts to have such order, decree, ruling or action vacated;

(c) By any of the Parent, the Buyer or the Company if the Merger shall not have been consummated on or before November 30, 2001; provided, however, that the right to terminate this Agreement under this Section 8.1(c) shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the primary cause of, or resulted in, the failure to consummate the Merger on or before such date;

(d) By the Parent if the Board of Directors of the Company takes any of the actions set forth in the second sentence of Section 6.5(a);

(e) By any of the Company, the Parent or the Buyer, if the approval of the Company Stockholders required for consummation of the Merger shall not have been obtained by reason of the failure to obtain the Required Vote at the Stockholders' Meeting or at any adjournment or postponement thereof;

(f) By the Parent or the Buyer, if (i) any of the conditions set forth in Section 7.2 shall have become incapable of fulfillment and shall not have been waived by the Parent and the Buyer, (ii) the Company shall breach in any material respect any of its covenants or other obligations hereunder or (iii) the Company shall breach (A) the representations or warranties hereunder that are qualified by Company Material Adverse Effect or (B) the representations and warranties hereunder that are not qualified by Company Material Adverse Effect where, for purposes of this clause (B), such breach, individually or in the aggregate, has a Company Material Adverse Effect. The foregoing notwithstanding, if in the case of clauses (ii) or (iii), the breach giving rise to the right of termination is capable of being cured, neither Parent nor Buyer shall exercise its right of termination with respect to such breach unless within ten days after written notice of such breach to the Company from the Parent, such breach shall not have been cured in all material respects or waived by the Parent or the Buyer and the Company shall not have provided reasonable assurance to the Parent and the Buyer that such breach will be cured in all material respects on or before the Effective Time; or

(g) By the Company, if (i) any of the conditions set forth in Section 7.3 shall have become incapable of fulfillment and shall not have been waived by the Company, (ii) the Parent or the Buyer shall breach in any material respect any of its covenants or other obligations hereunder or (iii) the Parent or the Buyer shall breach (A) the representations or warranties hereunder that are qualified by Parent Material Adverse Effect or (B) the representations and warranties hereunder that are not qualified by Parent Material Adverse Effect where, for purposes of this clause (B), such breach, individually or in the aggregate, has a Parent Material Adverse Effect. The foregoing notwithstanding, if in the case of clauses (ii) or (iii), the breach giving rise to the right of termination is capable of being cured, the Company shall not exercise its right of termination with respect to such breach unless within ten days after written notice of such breach to the Parent from the Company, such breach shall not have been cured in all material respects or waived by the Company and the Parent or the Buyer, as the case may be, shall not have provided reasonable assurance to the Company that such breach will be cured in all material respects on or before the Effective Time.

Notwithstanding anything else contained in this Agreement, the right to terminate this Agreement under this Section 8.1 shall not be available to any party that (i) is in material breach

of its obligations hereunder or (ii) whose failure to fulfill its obligations or to comply with its covenants under this Agreement has been the cause of, or resulted in, the failure to satisfy any condition to the obligations of either party hereunder.

Section 8.2. Effect of Termination.

(a) In the event of the termination of this Agreement pursuant to Section 8.1 hereof, this Agreement shall forthwith be terminated and have no further effect except as specifically provided herein and in Section 9.10 and, except as provided in this Section 8.2 and in Section 9.11, there shall be no liability on the part of any party hereto, provided that nothing herein shall relieve any party from liability for any willful breach hereof.

(b) If the Parent exercises its right to terminate this Agreement under Section 8.1(d), the Company shall pay to the Parent the Termination Fee, payable in same-day funds, as liquidated damages and not as a penalty to reimburse the Parent for its time, expense and lost opportunity costs of pursuing the Merger, upon entering into any agreement relating to such Acquisition Proposal.

(c) If within nine months after termination of this Agreement, the Company shall enter into any agreement relating to, or consummate, an Acquisition Proposal with a Person other than the Parent or the Buyer, then immediately upon entering into such agreement, the Company shall pay to the Parent upon demand the Termination Fee, payable in same-day funds, as liquidated damages and not as a penalty, to reimburse the Parent for its time, expense and lost opportunity costs of pursuing the Merger; provided that no such amount shall be payable if the Termination Fee shall have become payable or have been paid in accordance with Section 8.2(b) of this Agreement or if this Agreement shall have been terminated by the Company in accordance with clause (ii) of Section 8.1(g).

(d) Notwithstanding anything to the contrary set forth in this Agreement, if the Company fails promptly to pay to the Parent any amounts

due under this Section 8.2, the Company shall pay the costs and expenses (including reasonable legal fees and expenses) in connection with any action, including the filing of any lawsuit or other legal action, taken to collect payment, together with interest on the amount of any unpaid fee or obligation at the publicly announced prime rate of Citibank, N.A. in effect from time to time from the date such fee or obligation was required to be paid.

Section 8.3. Amendments. This Agreement may not be amended except by action taken or authorized by the board of directors of each of the parties hereto set forth in an instrument in writing signed on behalf of each of the parties hereto; provided, however, that after approval of the Merger by the Company Stockholders, no amendment may be made without the further approval of the Company Stockholders if such further approval is required by Law or the rules of any relevant stock exchange or other trading system.

Section 8.4. Waiver. At any time prior to the Effective Time, whether before or after the Stockholders' Meeting, any party hereto, by action taken by its board of directors, may (i) extend the time for the performance of any of the covenants, obligations or other acts of any

other party hereto or (ii) waive any inaccuracy of any representations or warranties or compliance with any of the agreements, covenants or conditions of any other party or with any conditions to its own obligations. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party by its duly authorized officer. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights. 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.

ARTICLE IX
GENERAL PROVISIONS

Section 9.1. No Third Party Beneficiaries. Other than the provisions of Sections 6.7 hereof, nothing in this Agreement shall confer any rights or remedies upon any Person other than the parties hereto.

Section 9.2. Entire Agreement. This Agreement and the Confidentiality Agreement constitute the entire Agreement among the parties with respect to the subject matter hereof and supersedes any prior understandings, agreements or representations by or among the parties, written or oral, with respect to the subject matter hereof.

Section 9.3. Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties named herein and their respective successors. No party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the other parties; provided, however, that the Buyer may freely assign its rights to another wholly owned subsidiary of the Parent without such prior written approval but no such assignment shall relieve the Buyer of any of its obligations hereunder.

Section 9.4. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Section 9.5. Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 9.6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to principles of conflicts of law thereof.

Section 9.7. Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction declares that any term or provision hereof is invalid or unenforceable, the parties agree that the court making the determination of invalidity or

unenforceability shall have the power to reduce the scope, duration, or area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with 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, and this Agreement shall be

enforceable as so modified after the expiration of the time within which the judgment may be appealed.

Section 9.8. Specific Performance. Each of the parties acknowledges and agrees that the other party would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, each of the parties agrees that the other party shall be entitled to seek an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having jurisdiction over the parties and the matter, in addition to any other remedy to which it may be entitled, at law or in equity.

Section 9.9. Construction. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

Section 9.10. Non-Survival of Representations and 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 8.1, as the case may be, except that (i) the agreements set forth in Articles II and IX and Sections 6.11, 6.6 and 6.7 shall survive the Effective Time and (ii) the agreements set forth in Sections 6.6 and 8.2 and in Article IX shall survive the termination of this Agreement.

Section 9.11. Fees and Expenses. Subject to Sections 8.2(b), (c) and (d), each party hereto shall pay its own costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby, except that costs and expenses incurred in connection with the filing, printing and mailing of the Form S-4 and the Proxy Statement/Prospectus (including SEC filing fees) and the filing fees for the premerger notification and report forms under the HSR Act shall be shared equally by the Parent and the Company.

Section 9.12. 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 UPS Next Day Air 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 9.12:

If to the Parent or the Buyer	United Parcel Service, Inc. 55 Glenlake Parkway, N.E. Atlanta, Georgia 30328 Attention: Thomas W. Delbrook
with a copy to:	United Parcel Service, Inc. 55 Glenlake Parkway, N.E. Atlanta, Georgia 30328 Attention: Cathy A. Harper
with a copy to:	King & Spalding 191 Peachtree Street Atlanta, Georgia 30303 Attention: Bruce N. Hawthorne, Esq.
If to the Company:	Fritz Companies, Inc. 706 Mission Street San Francisco, California 94103 Attention: Lynn C. Fritz
with a copy to:	Orrick, Herrington & Sutcliffe LLP 400 Sansome Street San Francisco, California 94111 Attention: John F. Seegal, Esq.

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

FRITZ COMPANIES, INC.

By: /s/ Lynn Fritz

Name: Lynn Fritz

Title: President

UNITED PARCEL SERVICE, INC.

By: /s/ Thomas W. Delbrook

Name: Thomas W. Delbrook
Title: Assistant Treasurer

VND MERGER SUB, INC.

By: /s/ Thomas W. Delbrook

Name: Thomas W. Delbrook
Title: Assistant Treasurer