NAVTEQ CORP
Form DEF 14A
March 25, 2005

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

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Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to §240.14a-12

NAVTEQ CORPORATION

(Name of Registrant as Specified In Its Charter)

NOT APPLICABLE

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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April 1, 2005

Dear Stockholder:

It is my pleasure to invite you to attend our Annual Meeting of Stockholders. The meeting will be held on Wednesday, May 11, 2005 at 9 a.m. Central Daylight Time at the Holiday Inn Chicago Mart Plaza, Brio Ballroom, 15^{th} Floor, 350 North Orleans Street, Chicago, Illinois 60654. The Notice of Annual Meeting and Proxy Statement accompanying this letter describes the business to be conducted at the meeting and the requirements to gain admission to the meeting.

It is important that your shares be represented at the meeting, regardless of the number you may hold. Whether or not you plan to attend, if you hold your shares in registered form, please sign, date and return your proxy card as soon as possible or vote through the Internet in the manner described on the proxy card. If, on the other hand, you hold your shares through a bank, brokerage firm or other nominee, please sign, date and return to your bank, brokerage firm or other nominee the enclosed voting instruction form, or if you prefer, you may be able to vote by telephone or through the Internet in accordance with instructions set forth in the enclosed voting instruction form if available from your bank or brokerage firm.

I look forward to seeing you on May 11.

Sincerely,

Judson C. Green
President and Chief Executive Officer

NAVTEQ CORPORATION
222 Merchandise Mart, Suite 900
Chicago, Illinois 60654

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
May 11, 2005
9 a.m. Central Daylight Time

April 1, 2005

Dear Stockholder:

You are invited to the Annual Meeting of Stockholders of NAVTEQ Corporation. We will hold the meeting at 9 a.m. Central Daylight Time on May 11, 2005 at the Holiday Inn Chicago Mart Plaza, Brio Ballroom, 15th Floor, 350 North Orleans Street, Chicago, Illinois 60654. At the meeting, we will ask you to:

Elect seven directors to serve until the next Annual Meeting of Stockholders and until their respective successors are elected and qualified; and

Vote on any other business properly brought before the meeting.

Our Board of Directors recommends you vote "FOR" the election of each of the nominees to the Board.

The Board of Directors has fixed March 18, 2005 as the record date for determining stockholders entitled to receive notice of, and to vote at, the Annual Meeting or any adjournment or postponement thereof. Only stockholders of record at the close of business on that date will be entitled to notice of, and to vote at, the Annual Meeting.

Your vote is important. To be sure your vote counts and assure a quorum, please vote as soon as possible whether or not you plan to attend the meeting. If you hold your shares in registered form, please sign, date and return your proxy card or vote through the Internet in the manner described on the proxy card. If, on the other hand, you hold your shares through a bank, brokerage firm or other nominee, please sign, date and return to your bank, brokerage firm or other nominee the enclosed voting instruction form, or if you prefer, you may be able to vote by telephone or through the Internet in accordance with instructions set forth in the enclosed voting instruction form if available from your bank or brokerage firm.

By Order of the Board of Directors

Lawrence M. Kaplan
Senior Vice President, General Counsel and
Secretary

NAVTEQ CORPORATION
222 Merchandise Mart, Suite 900
Chicago, Illinois 60654

PROXY STATEMENT
FOR
ANNUAL MEETING OF STOCKHOLDERS
To be held on Wednesday, May 11, 2005

INFORMATION CONCERNING VOTING AND SOLICITATION

General

The enclosed proxy is solicited on behalf of the Board of Directors of NAVTEQ Corporation (the "Company"), a Delaware corporation, for use at the Annual Meeting of Stockholders (the "Annual Meeting") to be held on Wednesday, May 11, 2005 at 9 a.m. Central Daylight Time at the Holiday Inn Chicago Mart Plaza, Brio Ballroom, 15th Floor, 350 North Orleans Street, Chicago, Illinois 60654, or at any continuation, postponement or adjournment thereof, for the purposes discussed in this Proxy Statement and in the accompanying Notice of Annual Meeting and any business properly brought before the Annual Meeting. We first mailed this proxy statement and the accompanying form of proxy on or about April 1, 2005.

Agenda Items

The agenda for the Annual Meeting is to:

1. Elect seven directors; and

2. Conduct other business properly brought before the meeting.

Who Can Vote

You can vote at the Annual Meeting if you are a holder of our common stock, $.001 par value per share ("Common Stock"), on the record date. The record date is the close of business on March 18, 2005. You will have one vote for each share of Common Stock held on all matters to be voted upon at the meeting. As of March 18, 2005, there were 89,562,092 shares of Common Stock outstanding and entitled to vote.

How to Vote

For Shares Held Directly in the Name of the Stockholder

If you hold your shares in registered form and not through a bank, brokerage firm or other nominee, you may vote your shares in one of three ways:

In Person. If you choose to vote in person, you can come to the Annual Meeting and cast your vote in person; or

Voting By Mail. If you choose to vote by mail, complete the enclosed proxy card, date and sign it, and return it in the postage-paid envelope provided. If you sign your proxy card and return it without marking any voting instructions, your shares will be voted **FOR** the nominees for director set forth in this Proxy Statement. We do not now know of any other matters to come before the Annual Meeting. If they do, proxy holders will vote the proxies according to their best judgment.

Voting via the Internet. If you choose to vote via the Internet, you may vote at the following web address: *http://www.computershare.com/us/proxy*. Votes submitted through the Internet must be received by 1:00 a.m. (Central Daylight Time) on May 11, 2005.

For Shares Held Through a Bank, Brokerage Firm or Other Nominee

If you hold your shares through a bank, brokerage firm or other nominee, you may vote your shares in any one of three ways:

- *In Person.* If you choose to vote in person at the Annual Meeting, you must obtain a legal proxy from your bank, brokerage firm or other nominee authorizing you to vote at the Annual Meeting. You can then come to the Annual Meeting and cast your vote in person;
- *Voting By Mail.* If you choose to vote by mail, complete and return to your bank, brokerage firm or other nominee the voting instruction form provided to you by your bank, brokerage firm or other nominee; or
- *Voting By Telephone or Internet.* If you choose to vote by telephone or Internet and your bank or brokerage firm has arranged for such voting, vote in accordance with instructions set forth on the voting instruction form provided to you by your bank, brokerage firm or other nominee.

Use of Proxies

All shares entitled to vote and represented by properly executed proxies received before the polls are closed at the Annual Meeting, and not revoked or superseded, will be voted at the Annual Meeting in accordance with the instructions indicated on those proxies. Unless you tell us on the proxy card to vote differently, we plan to vote signed and returned proxies **"FOR"** the nominees for director. We do not now know of any other matters to come before the Annual Meeting. If they do, proxy holders will vote the proxies according to their best judgment.

Broker Non-Votes

A broker non-vote occurs when banks or brokerage firms holding shares on behalf of a stockholder do not receive voting instructions from the stockholder by a specified date before the Annual Meeting and are not permitted to vote those undirected shares on specified matters under applicable stock exchange rules. We believe that since the only matter being voted upon at the Annual Meeting is the election of directors, which is not among the specified matters that banks and brokerage firms are prohibited from voting undirected shares, there will be no broker non-votes at the Annual Meeting.

Revoking a Proxy or Changing Your Vote

For Shares Held Directly in the Name of the Stockholder

If you hold your shares in registered form and not through a bank, brokerage firm or other nominee, you may revoke your proxy at any time before it is exercised. You can revoke a proxy by any of the following:

- Submitting a later-dated proxy by mail or via the Internet;
- Sending a written notice to the Secretary of NAVTEQ. You must send any written notice of a revocation of a proxy so as to be delivered before the taking of the vote at the Annual Meeting to:

NAVTEQ Corporation
222 Merchandise Mart, Suite 900
Chicago, Illinois 60654
Attention: Lawrence M. Kaplan
Senior Vice President, General Counsel and Secretary

- Attending the Annual Meeting and voting in person. Your attendance at the Annual Meeting will not in and of itself revoke your proxy. You must also vote your shares at the Annual Meeting in order to effectively revoke your previously delivered proxy.

For Shares Held Through a Bank, Brokerage Firm or Other Nominee

If you hold your shares through a bank, brokerage firm or other nominee, you may change your vote at any time by:

Submitting a later-dated voting instruction form by mail to your bank, brokerage firm or other nominee;

Submitting a later-dated telephone or Internet vote, to the extent available, in accordance with instructions set forth on the voting instruction form provided to you by your bank, brokerage firm or other nominee; or

Attending the Annual Meeting and voting in person. Your attendance at the Annual Meeting will not in and of itself revoke your voting instructions to your bank, brokerage firm or other nominee. You must also vote your shares at the Annual Meeting in order to effectively revoke your previously delivered voting instructions. In order, however, to vote your shares at the Annual Meeting, you must obtain a legal proxy, executed in your favor, from your bank, brokerage firm or other nominee to be able to vote at the Annual Meeting.

Quorum Requirement

We need a quorum of stockholders to hold a valid Annual Meeting. A quorum will be present if the holders of at least a majority of the outstanding Common Stock entitled to vote at the Annual Meeting either attend the Annual Meeting in person or are represented by proxy. Broker non-votes and votes withheld are counted as present for the purpose of establishing a quorum.

Vote Required for Action

Directors are elected by a plurality of the vote of shares present in person or represented by proxy at the Annual Meeting and entitled to vote. Votes that are withheld from a director nominee will be excluded entirely from the vote for such nominee and will have no effect on the election of directors. Under our by-laws, the affirmative vote of shares representing a majority of the voting power present at the meeting in person or by proxy is required for all other items. For this purpose, abstentions have the same effect as votes cast against a particular proposal and broker non-votes are not considered to be shares entitled to vote (other than for quorum purposes), and therefore have no effect on the outcome of any proposal. **In the absence of specific direction, shares represented by a proxy will be voted "FOR" the election of all director nominees.**

Attendance at the Annual Meeting

In order to attend the Annual Meeting, you will need an admittance ticket or proof of ownership of Common Stock as of the close of business on March 18, 2005. If you hold your shares in registered form and not through a bank, brokerage firm or other nominee, you may use the top portion of the proxy card as your admissions ticket along with appropriate photo identification. You will also be admitted to the meeting if you are listed as a stockholder of record as of March 18, 2005 and bring proof of identification. If you hold your shares through a bank, brokerage firm or other nominee, you will need to bring a copy of the voting instruction card or you will need to provide proof of identification and proof of ownership by bringing a copy of a brokerage or bank statement showing your share ownership as of the record date. We can also admit anyone else to the meeting upon our discretion.

PROPOSAL NO. 1 ELECTION OF DIRECTORS

General

The names of persons who are nominees for director and their age, positions and offices with NAVTEQ are set forth in the table below. The proxy holders intend to vote all proxies received by them for the nominees listed below unless otherwise instructed. The authorized number of directors is currently seven. Each of the current directors has been nominated by our Board of Directors based on the recommendation Nominating and Corporate Governance Committee for election and has decided to stand for re-election. Mr. Miller, Mr. Galvin and Mr. Kimsey, three of our current directors, were appointed by the Board of Directors since our last annual meeting of stockholders to fill vacancies on the Board. Mr. Miller and Mr. Galvin were recommended by investment banking firms. Mr. Kimsey was recommended by a third party search firm which identified and interviewed potential candidates, checked references and presented candidates.

Proxies may not be voted for more than seven directors. In the event any nominee is unable or declines to serve as a director at the time of the meeting, the proxies will be voted for any nominee, if any, who may be designated by the Board of Directors to fill the vacancy or the size of the Board of Directors may be reduced. As of the date of this Proxy Statement, the Board of Directors is not aware that any nominee is unable or will decline to serve as a director. The seven nominees receiving the highest number of affirmative votes of the shares entitled to vote at the meeting will be elected to the Board of Directors to serve until the next annual meeting of stockholders and until their successors have been elected and qualified. Stockholders may not cumulate votes in the election of directors.

The Board of Directors recommends a vote FOR the election of all the nominees set forth below.

Name	Age	Positions and Offices Held with NAVTEQ	
Richard J. A. de Lange	59	Director	
Christopher Galvin	54	Director	Chairman of the Board
Judson C. Green(1)	52	Director	President and Chief Executive Officer
Wilhelmus C. M. Groenhuysen(2)	47	Director	
William Kimsey	62	Director	
Scott D. Miller	52	Director	
Dirk-Jan van Ommeren	54	Director	

(1) Serves as a member of the Board of Directors pursuant to the terms of his employment agreement.

(2) NavPart I B.V., one of our stockholders, has agreed that so long as Philips Electronic Services B.V. holds 25% or more of our common stock, NavPart I B.V. will vote its shares in support of electing three Philips designated directors to our Board of Directors. Currently, Mr. Groenhuysen is the only Philips-designated director.

Business Experience of Nominees

Richard J. A. de Lange has served as a member of our Board of Directors since June 1996 and was the Chairman of our Board of Directors from October 1999 until October 2004. He joined Philips Electronics Nederland B.V. in 1970 and held various positions of increasing responsibility within Philips until June 2002. Mr. de Lange was Chairman and Chief Executive Officer of the board of management of Philips Electronics Nederland B.V. from October 1998 to June 2002. Beginning September 2003, Mr. de Lange has served as an advisor to the Board of United Pan-Europe Communications Inc. From March 1996 until September 2003, he was a member of the Supervisory Board of United Pan-Europe Communications N.V. Mr. de Lange is also Chairman of the Dutch Society of Industry and Commerce and acting Chairman of EnergieNed, the federation of energy companies in The Netherlands.

Christopher Galvin has served as a member and the non-executive chairman of our Board of Directors since October 2004. From 1999 to 2003, Mr. Galvin was Chairman of the Board and CEO of Motorola Inc. Mr. Galvin joined Motorola Inc. in 1973 and served that company in numerous senior executive positions over three decades. He was appointed to the role of senior vice president and the chief corporate staff officer at Motorola in January 1988, and became a member of the Policy and Operating Committees of the corporation. He was elected President and Chief Operating Officer in 1993 and was promoted to Chief Executive Officer in 1997. Mr. Galvin serves on Bechtel Corporation's Board of Counselors; Northwestern University Board of Trustees Executive Committee; Advisory Committee to the Chief Executive of Hong Kong and Tienjin, China; American Enterprise Institute Board; member of the Legion D'honneur, Business Council (US); American Society of Corporate Executives; Past Chair of the US-China Business Council; former member of US Department of Defense Science Board; and former Director of the Rand Corporation.

Judson C. Green has served as our President and Chief Executive Officer and as a member of our Board of Directors since joining us in May 2000. Previously, Mr. Green was the President of Walt Disney Attractions, the theme park and resort segment of The Walt Disney Company, from August 1991 until December 1998, and Chairman from December 1998 until April 2000. Prior to his positions at Walt Disney Attractions, he served as Chief Financial Officer of The Walt Disney Company from December 1989 until August 1991. Mr. Green is also currently a director of Harley-Davidson, Inc.

Wilhelmus C.M. Groenhuysen has served as a member of our Board of Directors since September 2003. Since August 2002, he has been Senior Vice President and Chief Financial Officer of Philips Electronics North America Corporation. From September 1997 until August 2002, Mr. Groenhuysen was Senior Vice President and Chief Financial Officer of Philips Lighting's Lighting Electronics Business Group. From September 1994 until

September 1997, he was Chief Financial Officer of Philips Electronics Thailand Ltd. Before that, Mr. Groenhuysen had various responsibilities within the Philips Electronics Group since joining Philips in the Netherlands in 1987.

William L. Kimsey has served as a member of our Board of Directors since October 2004. From 1998 to 2002, Mr. Kimsey was Global Chief Executive Officer and a member of the Global Executive Board of the public accounting firm of Ernst & Young. Mr. Kimsey has more than 30 years of experience, all gained at Ernst & Young and its predecessor, Arthur Young & Company. Mr. Kimsey is also a director of Accenture Ltd., Parsons Corporation, Royal Caribbean Cruises, Ltd. and Western Digital Corporation. Mr. Kimsey is a certified public accountant and is a member of the American Institute of Certified Public Accountants.

Scott D. Miller has served as a member of our Board of Directors since August 2004. Since March 2004, Mr. Miller has concurrently served as the President and CEO of the Six Sigma Academy, the original Six Sigma deployment firm providing progressive Six Sigma training and implementation to companies worldwide, and as Chief Executive Officer of G100, a membership organization providing a forum for CEOs to discuss timely issues with their peers. Previously, Mr. Miller served as Non-Executive Vice Chairman of Hyatt Hotels Corporation, an international hospitality and real estate company based in Chicago, Illinois, from May 2003 through September 2003, as President from December 1999 to April 2003 and as Executive Vice President from August 1997 to December 1999. Prior to joining Hyatt, Mr. Miller was a founding partner and CEO of United Infrastructure, an infrastructure operating and development company in partnership with Peter Kiewit Sons and Bechtel Enterprises. Mr. Miller currently serves on the boards of Schindler Holding Ltd. and Axa Financial, Inc.

Dirk-Jan van Ommeren has served as a member of our Board of Directors since March 1999. Mr. van Ommeren is also the Chairman of the Board of Managing Directors of Oranje-Nassau Groep B.V. Previously, Mr. van Ommeren was the Managing Director of Oranje-Nassau Groep B.V. from 1996 to 1999. Mr. van Ommeren has also held management positions with Amsterdam Investeringsbank N.V., Westland/Utrecht Hypotheekbank N.V. and Amsterdam-Rotterdam Bank N.V. Mr. van Ommeren also holds positions with VVAA Groep B.V. (member of the Supervisory Board) and Stallergenes S.A. (member of the Supervisory Board).

INFORMATION ABOUT THE BOARD OF DIRECTORS

Meetings

During 2004, the Board of Directors held 12 regular and special meetings. All directors attended at least 75% of the aggregate of the total number of meetings of the Board of Directors and all committees of the Board of Directors on which they served except Scott Weisenhoff, one of our former directors. While we encourage all members of the Board of Directors to attend annual meetings of our stockholders, there is no formal policy as to their attendance. Five of the six members of the Board of Directors at that time attended the 2004 Annual Meeting of Stockholders.

Independence

In accordance with the listing standards of the New York Stock Exchange ("NYSE"), a majority of the members of a listed company's board of directors must qualify as "independent," as affirmatively determined by the board of directors. Our Board of Directors has affirmatively determined that Mssrs. Galvin, Kimsey, Miller and van Ommeren, representing a majority of the Company's directors, are independent within the meaning of the New York Stock Exchange listing standards. In making this determination, the Board concluded that there were no relevant transactions or relationships between any of these directors, or any of his or her family members, and the Company, its senior management and its independent auditors. The Company's independent directors meet in regularly scheduled executive sessions at which only independent directors are present.

The presiding director of the executive sessions of non-management directors is our Chairman of the Board (if he or she is independent). If the Chairman of the Board is not independent, then one of the chairs of the standing Board committees who is an independent director presides over such executive sessions. If not otherwise specified by the non-management directors, the director presiding as chair at such meetings rotates among the chair of the Audit, Compensation and Nominating and Corporate Governance committees. Interested parties may communicate with any such director by sending a letter to such director to our corporate headquarters as set forth under "Stockholder Communications" below.

Stockholder Communications

The Board of Directors provides a process by which stockholders may communicate with the Board, including non-management members. Stockholders who wish to communicate with the Board may do so by sending written communications addressed to any member or the entire Board of Directors of NAVTEQ, c/o Corporate Secretary, 222 Merchandise Mart, Suite 900, Chicago, Illinois 60654. We will forward all mail received at our corporate office that is addressed to the Board of Directors or any member of the Board. On a periodic basis, all such communications will be compiled by the Secretary of the Company and submitted to the Board of Directors or the specific Board member to whom the communications are addressed.

Committees

The Board of Directors has three standing committees: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee.

Audit Committee

The Board of Directors has adopted a written charter that outlines the duties of the Audit Committee. A copy of this charter is attached as Appendix A to this Proxy Statement and is available on our web site at *www.navteq.com* under "Investor Relations Corporate Governance." A hard copy of the charter is also available upon written request to the Corporate Secretary, 222 Merchandise Mart, Suite 900, Chicago, Illinois 60654. The Audit Committee is primarily concerned with the accuracy and effectiveness of the audits of our financial statements by our internal audit staff and by our independent auditors. Its duties include:

- selecting independent auditors;
- reviewing the scope of the audit to be conducted by them and the results of their audit;
- approving non-audit services provided to us by the independent auditor;
- reviewing the integrity, adequacy and effectiveness of our financial reporting process and internal controls;
- assessing our financial reporting practices, including the disclosures in our annual and quarterly reports and the accounting standards and principles followed; and
- conducting other reviews relating to compliance by our employees with our policies and applicable laws.

Members: Mr. Kimsey (Chairman), Mr. Miller and Mr. van Ommeren. The Board of Directors has determined that all of the members of the Audit Committee are "independent" as defined by the applicable rules and regulations of the New York Stock Exchange and the SEC and that Mr. Kimsey and Mr. van Ommeren are each "audit committee financial experts" as that term is defined in the SEC's rules and regulations. In addition, the Board has determined that Mr. Kimsey's service on the audit committees of three other public companies will not impair Mr. Kimsey's ability to serve on our Audit Committee.

Number of Meetings in 2004: 7

Compensation Committee

The Board of Directors has adopted a written charter that outlines the duties of the Compensation Committee. A copy of this charter is available on our web site at *www.navteq.com* under "Investor Relations Corporate Governance." A hard copy of the charter is also available upon written request to the Corporate Secretary, 222 Merchandise Mart, Suite 900, Chicago, Illinois 60654. This committee's primary responsibility is to discharge our Board's responsibilities relating to compensation of our senior executives. Its duties include:

- developing guidelines and reviewing the compensation and performance of our executive officers, setting the compensation of the Chief Executive Officer and evaluating his performance based on corporate goals and objectives;

making recommendations to the Board with respect to incentive compensation plans, equity-based plans and deferred compensation plans; and reviewing director compensation levels and practices, and recommending, from time to time, changes in such compensation levels and practices to the Board.

Members: Mr. de Lange (Chairman), Mr. Galvin and Mr. Miller. All of the members of the Compensation Committee are "independent" as defined by the applicable rules and regulations of the New York Stock Exchange except Mr. de Lange.

Number of Meetings in 2004: 9

Nominating and Corporate Governance Committee

Our Board of Directors formed the Nominating and Corporate Governance Committee effective upon completion of our initial public offering in August 2004. Prior to our initial public offering, we did not have a specific process to consider director candidates recommended by security holders although Philips Consumer Electronics Services B.V. had rights to designate certain members of the Board. A copy of the charter for the Nominating and Corporate Governance Committee as well as our Corporate Governance Guidelines are available on our web site at *www.navteq.com* under "Investor Relations Corporate Governance." A hard copy of the charter and our Corporate Governance Guidelines are also available upon written request to the Corporate Secretary, 222 Merchandise Mart, Suite 900, Chicago, Illinois 60654. The principal duties of the Nominating and Corporate Governance Committee include, among other things, the selection of potential candidates for our Board of Directors and the development and annual review of our governance principles. This committee also oversees the annual self-evaluations of our Board and its committees and makes recommendations to our Board of Directors concerning the structure and membership of the other Board committees.

Members: Mr. Galvin (Chairman), Mr. de Lange and Mr. Miller. All of the members of the Nominating and Corporate Governance Committee are "independent" as defined by the applicable rules and regulations of New York Stock Exchange except Mr. de Lange.

Number of Meetings in 2004: 2

The Nominating and Corporate Governance Committee will consider nominees for director based on various factors, which include judgment, skill, diversity, experience with businesses and other organizations of comparable size, the interplay of the candidate's experience with the experience of other Board members, the extent to which the candidate would be a desirable addition to the Board and any committees of the Board and other qualifications set forth in our Corporate Governance Guidelines. There are no minimum qualifications that must be met by a Nominating and Corporate Governance Committee-recommended nominee. Candidates may come from current Board members, management or professional search firms. The Nominating and Corporate Governance Committee will also consider director candidates that are recommended by stockholders, provided that a complete description of the nominees' qualifications, experience and background, together with a statement signed by each nominee in which he or she consents to act as such, accompany the recommendations. Any such recommendations must be submitted to the Nominating and Corporate Governance Committee in the manner set forth under "Stockholder Communications" above. The Nominating and Corporate Governance Committee applies the same criteria to nominees recommended by stockholders as discussed above. Stockholders may also nominate candidates by submitting such nominees to the Corporate Secretary in writing in compliance with the procedures outlined under the heading "Stockholder Proposals for the 2006 Annual Meeting" and should not include self-nominations.

Code of Ethics

We have adopted a code of ethics, known as our Code of Ethics and Business Conduct, that applies to all directors and employees including our principal executive officer, principal financial officer, principal accounting officer and controller and persons performing similar functions. This code of ethics can be found on our web site at *www.navteq.com* by completing the following steps:

First, Click on Investor Relations;

Click on Corporate Governance; and

Finally, click on either Code of Conduct NA, or Code of Conduct EU, for our North America and European codes of ethics, respectively.

Stockholders may also obtain a copy of the Code of Ethics and Business Conduct by submitting a request for such copy to NAVTEQ, c/o Corporate Secretary, 222 Merchandise Mart, Suite 900, Chicago, Illinois 60654.

Board of Directors Compensation

We pay each member of our Board of Directors, other than those who are our employees or employees of our affiliates, an annual retainer of $40,000 for service on the Board and $1,500 for each Board meeting attended by the member in excess of four meetings each year. Each member of our Board of Directors serving on one of our committees receives an additional annual fee of $6,000 for each committee upon which the member serves. In addition, the Audit Committee chairman receives an additional annual fee of $10,000 and the chairman of any other committee receives an additional annual fee of $5,000. We also annually award stock options valued at an amount of $60,000 and restricted stock units valued at an amount of $30,000 to each member of our Board of Directors, other than those who are our employees or employees of our affiliates. The exercise price of options granted to members of our Board have been and will be equal to the closing price of our common stock on the date of grant, except for the options that were granted on the date of our initial public offering which had an exercise price equal to the initial public offering price. We also reimburse members of our Board of Directors for travel, lodging and other reasonable out-of-pocket expenses incurred in attending Board and committee meetings.

SECURITY OWNERSHIP OF NAVTEQ

The following table sets forth information regarding the beneficial ownership of our common stock as of March 1, 2005, by the following individuals, entities or groups:

each person or entity who we know beneficially owns more than five percent of our outstanding common stock;

each of the named executive officers;

each director and nominee; and

all directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and includes voting or investment power with respect to the shares. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to options and restricted stock units held by that person that are currently exercisable, or will become exercisable or vested, within 60 days after March 1, 2005 are deemed outstanding, while the shares are not deemed outstanding for purposes of computing percentage ownership of any other person. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock held by them.

Applicable percentage ownership in the following table is based on 89,296,408 shares of common stock outstanding as of March 1, 2005. Unless otherwise indicated, the address for each stockholder listed in the table is c/o NAVTEQ Corporation, 222 Merchandise Mart Plaza, Suite 900, Chicago, Illinois 60654.

NAME OF BENEFICIAL OWNER	NUMBER OF SHARES BENEFICIALLY OWNED	PERCENTAGE OF SHARES BENEFICIALLY OWNED
Five Percent Stockholders:		
Philips	33,101,305(1)	37.1%
FMR Corp. 82 Devonshire Street Boston, Massachusetts 02109	5,884,396(2)	6.6%
Prudential Financial Inc. 751 Broad Street Newark, New Jersey 07102-3777	4,975,253(3)	5.6%
Directors and Named Executive Officers:		
Richard J. A. de Lange	1,614(4)	*
Christopher Galvin	0	*
Judson C. Green	2,693,514(5)	2.9%
Wilhelmus C. M. Groenhuysen	1,500(6)	*
William Kimsey	0	*
Scott D. Miller	20,000	*
Dirk-Jan van Ommeren	1,614(7)	*
David B. Mullen	172,826(8)	*
M. Salahuddin Khan	148,401(9)	*
John K. MacLeod	202,485(10)	*
Denis M. Cohen	189,416(11)	*
Total of all Directors and Executive Officers	3,661,716(12)	4.0%

* Less than 1%.

(1)

These shares are held of record by Philips Consumer Electronics Services B.V. ("Philips B.V."), an indirect wholly-owned subsidiary of Koninklijke Philips Electronics N.V. ("Royal Philips Electronics" or "Philips"). See "Related Party Transactions" for information regarding material relationships between us and Philips.

(2)

Beneficial ownership information is based on information contained in a report on Schedule 13G filed with the SEC on February 14, 2005 by FMR Corp. with respect to its ownership of our common stock as of December 31, 2004 According to the schedule, FMR Corp. has the sole power to vote or to direct the vote of 1,749,670 shares and sole power to dispose or direct the disposition of 5,884,396 shares. According to the schedule, (i) Fidelity Management & Research Company, a wholly-owned subsidiary of FMR Corp., is the beneficial owner of 4,135,156 shares of our common stock as a result of acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940, (ii) Fidelity Management Trust Company, a wholly-owned subsidiary of FMR Corp., is the beneficial owner of 976,530 shares of our common stock as a result of its serving as investment manager of the institutional accounts, (iii) Strategic Advisers, Inc. is the beneficial owner of 10 shares of our common stock and (iv) Fidelity International Limited is the beneficial owner of 772,700 shares of our common stock.

(3)

Beneficial ownership information is based on information contained in a report on Schedule 13G filed with the SEC on February 14, 2005 by Prudential Financial Inc. with respect to ownership of our common stock as of December 31, 2004. According to the schedule, Prudential Financial Inc. has sole voting and dispositive power with respect to 376,000 shares and shared voting and dispositive power with respect to 4,599,253 shares. According to the schedule, Prudential Financial Inc. may be deemed to be the beneficial owner of these shares of our common stock by virtue of being the direct or indirect parent of various Registered Investment Advisers and Broker Dealers as detailed in their filing.

(4)

Includes options to purchase 1,273 shares of our common stock exercisable within 60 days of March 1, 2005 and 341 restricted stock units vesting within 60 days of March 1, 2005. Does not include 9,000 shares of common stock of Royal Philips Electronics owned by Mr. de Lange and options to purchase 42,250 shares of common stock of Royal Philips Electronics exercisable within 60 days of March 1, 2005.

(5)

Includes options to purchase 2,439,546 shares of common stock held by Mr. Green exercisable within 60 days of March 1, 2005 and 154,833 restricted stock units vesting within 60 days of March 1, 2005.

(6)

Does not include 1,751 shares of common stock of Royal Philips Electronics, options to purchase 21,850 shares of Royal Philips Electronics common stock exercisable as of February 1, 2005 and bonds convertible into 1,886 shares of common stock of Royal Philips Electronics convertible within 60 days of February 1, 2005 held by Mr. Groenhuysen. Mr. Groenhuysen is an officer of a subsidiary of Philips and disclaims beneficial ownership with respect to the shares owned by or for the benefit of Philips.

(7)

Includes options to purchase 1,273 shares of our common stock held by Mr. van Ommeren exercisable within 60 days of March 1, 2005 and 341 restricted stock units vesting within 60 days of March 1, 2005. Mr. van Ommeren is an officer and director of NavPart I B.V., which owns 2.9% of our common stock as of March 1, 2005, and a director of Stichting Navpart, a foundation organized under the laws of The Netherlands that is the record owner of NavPart I B.V. Mr. van Ommeren disclaims beneficial ownership with respect to the shares of common stock beneficially owned by NavPart I B.V. or Stichting Navpart.

(8)

Includes options to purchase 165,826 shares of common stock held by Mr. Mullen exercisable within 60 days of March 1, 2005.

(9)

Includes options to purchase 148,401 shares of common stock held by Mr. Khan exercisable within 60 days of March 1, 2005.

(10)

Includes options to purchase 199,485 shares of common stock held by Mr. MacLeod exercisable within 60 days of March 1, 2005.

(11)

Includes options to purchase 188,237 shares of common stock held by Mr. Cohen exercisable within 60 days of March 1, 2005.

(12)

Does not include shares beneficially owned by Philips for which Mr. Groenhuysen disclaims beneficial ownership and shares beneficially owned by NavPart I B.V. for which Mr. van Ommeren disclaims beneficial ownership.

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Stockholder Return Performance Presentation

The graph that follows shall not be deemed to be incorporated by reference into any filing made by us under the Securities Act of 1933, as amended ("Securities Act") or the Securities Exchange Act of 1934, as amended ("Exchange Act"), notwithstanding any general statement contained in any such filing incorporating this proxy statement by reference, except to the extent we incorporate such graph by specific reference. The following Stockholder Return Performance Graph compares the cumulative total stockholder return of our Common Stock against the Russell 1000 Index and the Dow Jones US Technology Index for the period from August 6, 2004, the date of our initial public offering, to December 31, 2004. The comparison assumes $100 was invested on August 6, 2004 in our Common Stock and in each of the Indices and assumes reinvestment of dividends. The historical stock price performance of our Common Stock shown in the performance graph below is not necessarily indicative of future performance.

COMPARISON OF CUMULATIVE TOTAL RETURN*

AMONG NAVTEQ CORPORATION, THE RUSSELL 1000 INDEX
AND THE DOW JONES US TECHNOLOGY INDEX

	Cumulative Total Return	
	8/6/04	12/31/04
NAVTEQ Corporation	$ 100	$ 210.73
Russell 1000 Index	$ 100	$ 115.75
Dow Jones US Technology Index	$ 100	$ 118.90

EXECUTIVE COMPENSATION

The following table summarizes the compensation earned in the fiscal years ended December 31, 2004, 2003 and 2002 by our president and chief executive officer and the other four most highly paid executive officers whose total salary and bonus awards exceeded $100,000 for the fiscal year ended December 31, 2004. In this document, we refer to these individuals as our "named executive officers."

Summary Compensation Table

		Annual Compensation			Long-Term Compensation Awards	
Name and Principal Position	**Year**	**Salary**	**Bonus(1)**	**Other Compensation**	**Restricted Stock Unit Awards(2)**	**Shares Underlying Options**
Judson C. Green	2004	$ 618,462	$ 950,000	$ 55,246(3)	$ 13,612,939	
President and Chief	2003	600,000	720,000	36,000(3)		
Executive Officer	2002	600,000	660,000	36,000(3)		2,500,000(4)
David B. Mullen	2004	$ 330,000	$ 350,000	$ 12,000(5)	$ 123,860	19,400
Executive Vice President and	2003	330,000	200,000			285,714
Chief Financial Officer	2002(6)	19,038	55,000			
John K. MacLeod	2004	$ 330,000	$ 200,000	$ 12,000(5)	$ 144,540	22,630
Executive Vice President,	2003	342,692	200,000			
Global Marketing and Strategy	2002	330,000	180,000			214,286(4)
M. Salahuddin Khan	2004	$ 320,000	150,000	$ 12,000(5)	$ 140,140	21,950
Senior Vice President,	2003	320,000	200,000			
Technology & Development and Chief Technology Officer	2002	322,868	180,000	101		250,000(4)
Denis M. Cohen	2004	$ 312,115	$ 186,383	$ 4,626(5)	$ 113,960	17,840
Executive Vice President,	2003	261,084	122,450			214,286(7)
Sales Europe	2002	230,971	108,322			

(1) Represents amounts earned in the year indicated, but paid in the following year.

(2) Restricted stock units are securities that require us to deliver one share of our common stock to the holder for each vested unit. Restricted stock units granted to the named executive officers other than Mr. Green, vest in four equal installments beginning on the anniversary of February 2, 2004. The restricted stock units granted to Mr. Green vest in four equal annual installments beginning on the anniversary of April 30, 2004. Mr. Green's restricted stock units were granted prior to our shares being publicly traded, and as such, the value of Mr. Green's restricted stock units set forth above is based on our initial public offering price of $22.00 per share. The aggregate number of restricted stock units outstanding as of December 31, 2004 was 643,083 with an aggregate value of $29,813,328 based on the closing price of our common stock at the close of business on December 31, 2004. To the extent we pay dividends to holders of our common stock, we will also pay dividends to holders of restricted stock units which will be credited to the holder's account and reinvested in restricted stock units based on the fair market value at that time.

(3)

Represents an allowance for business expenses in all years and life insurance premiums in 2004.

(4) Represents options to purchase common stock granted in connection with the cancellation of options pursuant to our stock option exchange in 2001.

(5) Represents an allowance for automobiles.

(6) Mr. Mullen's compensation for 2002 was based on a partial year of employment as he joined us in December 2002.

(7) Includes options to purchase 107,143 shares of common stock granted in connection with the cancellation of options pursuant to our stock option exchange in 2001.

The target level of bonuses for each of the named executive officers is initially set forth in each of their respective employment agreements and is based on competitive market data by position and internal comparable position. Our Compensation Committee is responsible for determining and approving the bonus for our President and Chief Executive Officer. Our President and Chief Executive Officer determines and recommends to the Compensation Committee for approval the actual amounts of the bonuses for each of the other named executive officers each year. The bonus for each of the named executive officers is based primarily on:

- our performance for the applicable year with respect to revenues, operating income and operating expenses, both overall and versus the budgeted amounts for the year, as well as any major accomplishments by us for the year; and

- the respective named executive officer's individual performance in terms of achieving designated corporate and divisional initiatives, driving the overall performance of such officer's area of responsibility, satisfying financial goals and demonstrating expected leadership qualities.

The bonuses for each of the named executive officers for each of the last three fiscal years were between 55% and 125% of the targeted amounts, not including bonuses for partial years or a one-time bonus payable to each of Mr. Green and Mr. Mullen of $200,000 and $150,000, respectively, in connection with the successful completion of the initial public offering.

Option Grants

The following table contains information concerning the grant of options to purchase shares of our common stock to each of the named executive officers during the fiscal year ended December 31, 2004. The percentage of total options granted to employees set forth below is based on an aggregate of 507,770 shares subject to options granted in 2004.

Option Grants In Last Fiscal Year

	Individual Grants(1)				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term	
Name	**Number of Securities Underlying Options Granted**	**Percent of Total Options Granted to Employees in 2004**	**Exercise or Base Price ($/Share)**	**Expiration Date**	**5%(2)**	**10%(2)**
David B. Mullen	19,400	3.8%	$ 22.00	8/6/14	$ 268,412	$ 680,209
John MacLeod	22,630	4.5%	$ 22.00	8/6/14	$ 313,101	$ 793,461
M. Salahuddin Khan	21,950	4.3%	$ 22.00	8/6/14	$ 303,693	$ 769,618
Denis M. Cohen	17,840	3.5%	$ 22.00	8/6/14	$ 246,829	$ 625,512

(1) Each option becomes exercisable as to 25% of the underlying shares on February 1, 2005 and as to approximately 2.08% of the underlying shares per month thereafter until February 1, 2008. Upon a change of control, these options will terminate and become fully vested and exercisable prior to the closing of the transaction unless provision is made in the transaction for continuation or assumption of the options or the substitution of equivalent awards are granted.

(2) Based upon exercise price of option.

Aggregated Options Exercised During 2004 and Options Values at December 31, 2004

The following table contains information regarding options exercised during 2004 and unexercised options held at December 31, 2004, by the named executive officers.

			Number of unexercised options at December 31, 2004 (#)	Value of unexercised in-the-money options at December 31, 2004 ($)(1)
Name	**Shares acquired on exercise(#)**	**Value realized($)**	**Exercisable/ Unexercisable**	**Exercisable/ Unexercisable**
Judson C. Green	15,000	$ 654,750	2,485,000/0	$ 111,725,600/0
David B. Mullen	None	None	142,857/162,257	$ 5,802,851/$6,275,435
John K. MacLeod	None	None	214,285/22,630	$ 9,634,254/$551,267
M. Salahuddin Khan	None	None	249,999/21,950	$ 11,239,955/$534,702
Denis M. Cohen	None	None	174,106/58,018	$ 7,827,806/$2,240,985

(1) Based upon the closing price of our common stock on December 31, 2004, which equaled $46.36 per share.

Report of the Compensation Committee on Executive Compensation

The Report of the Compensation Committee on Executive Compensation that follows shall not be deemed to be incorporated by reference into any filing made by us under the Securities Act or the Exchange Act, notwithstanding any general statement contained in any such filing incorporating this proxy statement by reference except to the extent we incorporate such Report by specific reference.

The Compensation Committee of the Board of Directors has furnished the following report on executive compensation:

The Compensation Committee of the Board of Directors administers the Company's executive officer compensation program, including determining the nature and amount of compensation to be paid to the Company's executive officers, establishing performance-based criteria and goals related to compensation and evaluating the performance of the Company's Chief Executive Officer and other executive officers in light of the criteria and goals. In addition, the Compensation Committee administers the Company's stock plans with respect to the Company's officers (as defined by Rule 16a-1 of the rules and regulations of the Exchange Act).

Prior to the Company's initial public offering in August 2004, the Company's Compensation Committee was comprised of Richard de Lange, Dirk-Jan van Ommeren and Wilhelmus Groenhuysen. Mr. Groenhuysen was elected to the Committee shortly after William Curran's resignation from the Board of Directors and the Compensation Committee in January 2004. Upon the closing of the initial public offering, Mr. Groenhuysen resigned from the Committee, and Scott Miller was elected to fill the vacancy. In October 2004, Christopher Galvin was elected to the Board as Chairman and, at that time, Mr. van Ommeren resigned from the Compensation Committee, and Mr. Galvin was elected to fill the vacancy.

Compensation Philosophy

The primary goals of the Committee in implementing the Company's executive compensation program and assessing compensation alternatives are:

- to provide competitive levels of overall compensation to Company executive officers in order to enable the Company to attract and retain highly-qualified executives;

- to motivate executive officers to achieve the Company's short-term and long-term business objectives and reward those executive officers for their achievements of these objectives;

to meaningfully relate executive compensation to the Company's performance, including aligning executive compensation with long-term increases in stockholder value.

The executive officer compensation program consists primarily of three integrated elements:

- base salary;
- bonus awards; and
- equity-based awards (including stock options and restricted stock units).

The Committee reviews the executive compensation program annually to ensure that each component and the overall package are competitive. The Committee believes that a competitive compensation program is necessary to attract and retain the executive talent required to lead the Company. Industry, peer group and other public-company survey results are considered in making compensation decisions to align the Company's practices with other companies in the industry. The Committee looks beyond the competitive data in its deliberations on executive officers and places great weight on individual job performance. The Committee also considers the financial performance of the Company and the yearly evaluations of the executive officers presented to the Committee by Mr. Green, the President and Chief Executive Officer.

Base Salary

The Committee reviews officers' base salaries annually and in connection with promotions. The Committee takes into consideration the market data discussed above and Mr. Green's evaluations and recommendations regarding salary, including factors such as the executive's individual performance during the past fiscal year, the individual executive's duties and responsibilities (including any changes thereto from prior years), the individual executive officer's level of experience and the Company's overall financial performance. The Committee then approves, with any modifications it considers appropriate, the annual salary for the next fiscal year.

In connection with the evaluation made at the end of fiscal year 2003, salary increases were given to six executive officers in fiscal year 2004. These salary increases were the first increases given to executive officers in two years. Total salaries paid in fiscal year 2004 to the named executive officers is shown in the Summary Compensation Table under "Salary."

Bonus Awards

The parameters of the Company's bonus award program are intended to reflect the Committee's belief that a material portion of the annual compensation of each executive officer should be contingent upon the Company's achievement of its financial performance and strategic goals and the individual executive officer's contribution to the achievement of those goals. The executive officers' goals are set yearly based upon management's operating plan and budget for the coming fiscal year as approved by the Board of Directors as well as specific performance requirements for the individual executive officer.

The Committee sets targeted bonus payments for each executive officer. Such targets normally are a percentage of the executive's base salary and the percentage is based primarily on the executive officer's level of responsibility. In addition to establishing a bonus pool with bonus payments tied to the achievement of these financial and strategic performance goals, the Committee may also authorize the payment of additional bonuses to executive officers on a discretionary basis, with such payments based on other financial and non-financial achievements of the Company and/or individual executive officers. The amount of the bonus awards paid to the named executive officers is shown in the "Bonus" column in the Summary Compensation Table.

Equity-Based Awards

The Committee has authorized the grant and award of stock options and restricted stock units to each of the officers in 2004 in accordance with the Company's 2001 Stock Incentive Plan. The Committee's goal in authorizing such grants to the officers is to create an important link between executive compensation and long-term increases in the value of the Company. The Committee determined the number of options and restricted stock units to be granted based on a variety of factors, including the individual officer's contributions and expected future contributions to the Company's success, prior equity grants and current equity ownership, the perceived need to provide an incentive for the officer to continue service with the Company over the long-term and option and restricted share awards made by competitors and peer companies. All grants are subject to periodic vesting provisions intended to encourage officers to remain employed by the Company. The Committee also considered the potential dilutive effect on the Company's stockholders of the issuance of options and restricted stock units that may be exercised for or converted into shares of Company common stock.

In fiscal year 2004, option grants to officers were granted at the fair market price on date of grant, and options and restricted stock units generally expire ten years after the date of the grant. For options, 25% of the options vest after one year from February 1, 2004, and the remainder of the options vest in equal portions over the subsequent thirty-six months. For the restricted stock units, 25% of the restricted stock units vest one year from February 1, 2004 (April 30, 2004 for Mr. Green) and on each of the three subsequent anniversaries thereof. Options granted in fiscal year 2004 to the named executive officers are shown in the Summary Compensation Table under "Shares Underlying Options" and "Restricted Stock Unit Awards."

CEO Compensation

Judson C. Green has served as President and Chief Executive Officer of the Company since May 8, 2000. Mr. Green's original employment agreement with the Company provided for a base salary of not less than $600,000, a target bonus of 100% of his base salary and a grant of 2,500,000 stock options vesting over a four-year period. The Board of Directors had the right under Mr. Green's original employment agreement to increase his base salary from time to time, but did not do so. In 2004, the original employment agreement was replaced with an amended and restated employment agreement which became effective April 30, 2004. The amended and restated employment agreement, which was approved by the Compensation Committee and the Board of Directors, provides for a base salary of $630,000, a target bonus of 100% of base salary, and an award of 619,335 restricted stock units vesting ratably over four years. In arriving at the terms of Mr. Green's Amended and Restated Employment Agreement, the Committee adhered to the same general compensation principles described above, and also took into consideration input from independent compensation consultants retained by the Committee.

Mr. Green's Amended and Restated Employment Agreement provides that one half of his bonus is subject to Mr. Green's achievement of applicable Company milestones and objectives established annually by the Compensation Committee, and the other half is subject to his achievement of personal objectives established annually by the Committee. The Committee set Mr. Green's fiscal year 2004 bonus amount based on these criteria. The Committee determined that Mr. Green achieved or exceeded all of his Company milestones and objectives and personal objectives established by the Committee for fiscal year 2004. The Committee also considered Mr. Green's contribution during 2004 to the Company's initial public offering. The Committee in its discretion awarded Mr. Green an annual bonus award of $750,000, plus an additional one-time bonus award of $200,000 to reward him for the Company's performance in executing the initial public offering.

Limitation on Deductibility of Certain Compensation for Federal Income Tax Purposes

The Internal Revenue Code precludes the Company from taking a deduction for compensation in excess of $1 million for the officers named in the Summary Compensation Table. Certain performance-based compensation is specifically exempt from the deduction limit. The Company's policy is to qualify, to the extent deemed reasonable by the Committee, the compensation of executive officers for deductibility under applicable tax laws and the Company's incentive plans and awards are designed accordingly. Nonetheless, a portion of Mr. Green's bonus for fiscal year 2004 may not qualify for deductibility under the Internal Revenue Code. The Committee felt Mr. Green's bonus was appropriate to reward him for his performance which should lead to longer term success and profitability.

The Compensation Committee
Richard J.A. de Lange (Chairman)
Christopher Galvin
Scott D. Miller

Compensation Committee Interlocks and Insider Participation

The current members of our Compensation Committee are Mr. de Lange, Mr. Galvin and Mr. Miller. None of these individuals were at any time during fiscal year 2004 an officer or employee of ours. In addition, none or our executive officers serves as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our Board of Directors or Compensation Committee. Mr. de Lange was employed by Philips until June 2002. In addition, Mr. Groenhuysen, an employee of Philips, served on our Compensation Committee until our initial public offering in August 2004. See "Related Party Transactions" for information regarding transactions between us and Philips.

Employment Agreements

We have entered into written employment agreements with our named executive officers, the terms of which are summarized below.

President and Chief Executive Officer

Judson C. Green, our President and Chief Executive Officer, has an employment agreement with us which was amended and restated as of April 30, 2004. The new employment agreement will continue until Mr. Green's death or disability or until otherwise terminated by either party. The new employment agreement provides Mr. Green a base salary of $630,000 per annum with a targeted annual bonus of 100% of his base salary. One-half of his bonus is subject to Mr. Green's achievement of applicable corporate milestones and objectives established by the Board of Directors and the other half is subject to Mr. Green's achievement of personal objectives established by the Board of Directors. Mr. Green is also entitled to reimbursement for his travel expenses and an allowance of $3,000 per month for certain business-related expenses, additional term life insurance protection and certain post-termination medical coverage. Mr. Green is subject to a non-compete and non-solicitation provision, which will continue for a period of one year beyond the termination of his employment agreement.

Mr. Green's new employment agreement provides that in the event that Mr. Green's employment is terminated at any time prior to the date Mr. Green attains age 65 by us without cause or by Mr. Green as a result of our breach of the employment agreement or by Mr. Green as a result of good cause (defined as a significant diminution of his duties and/or a reduction in his base annual compensation and/or target bonus) or for any reason during the seventh month after a change of control, Mr. Green will be entitled to certain severance benefits equal to two years base salary and bonus and accelerated vesting of his equity and incentive awards. The failure of Mr. Green to be elected and continue as a director on our Board of Directors, other than as a result of his voluntary resignation, will constitute a breach of the employment agreement by us.

In connection with his employment, Mr. Green was granted an option on May 1, 2000 to acquire 2,500,000 shares of our common stock at an exercise price of $11.90 per share, subject to vesting at a rate of 25% per year, commencing with 25% of the shares subject to the option vesting on the date of grant. Pursuant to our offer to exchange the options granted to Mr. Green and others in 2001, these options were canceled on October 1, 2001, and new options for the same number of shares were granted on May 15, 2002. The exercise price of the new options granted on May 15, 2002 equaled $1.40 per share, which was determined by our Board of Directors to be the fair market value of our common stock on the date of the grant. The options Mr. Green received in exchange for his tendered options have the same vesting as his tendered options. Mr. Green's vested options will be exercisable for the full 10-year term, regardless of any termination of his employment, except in the following case: if Mr. Green, prior to a change of control, terminates his employment other than as a result of a breach of his employment agreement by us and/or for good cause, then the vested options will be exercisable for a period of 60 days following the date of employment termination.

On April 30, 2004, Mr. Green was granted 619,335 restricted stock units in connection with the execution of his new employment agreement. These restricted stock units are generally subject to vesting at a rate of 25% per year, commencing with 25% of the units vesting on April 30, 2005. Mr. Green also has the right under his new employment agreement to purchase up to $5 million of our common stock in connection with an offering by us of shares to the public at the public offering price.

Executive Vice President, Global Marketing and Strategy