ALLSCRIPTS-MISYS HEALTHCARE SOLUTIONS, INC.
Form DEF 14A
August 27, 2009
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

Filed by the Registrant þ

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement. ¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)).**
þ Definitive Proxy Statement.
¨ Definitive Additional Materials.
¨ Soliciting Material Pursuant to §240.14a-12.

ALLSCRIPTS-MISYS HEALTHCARE SOLUTIONS, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

þ No fee required.

¨ Fee computed below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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222 Merchandise Mart Plaza, Suite 2024

Chicago, IL 60654

Telephone: (866) 358-6869

Facsimile: (312) 506-1201

August 26, 2009

Fellow Stockholder:

You are cordially invited to attend the Allscripts-Misys Healthcare Solutions, Inc. 2009 Annual Meeting of Stockholders on Thursday, October 8, 2009 at 10:00 a.m., Central Time. The meeting will be held at Allscripts principal offices located at 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654.

For the first time, we are pleased to take advantage of the Securities and Exchange Commission rule allowing companies to furnish proxy materials to their stockholders over the Internet. We believe that this e-proxy process expedites stockholders receipt of proxy materials, while also lowering the costs and reducing the environmental impact of our annual meeting. Today, we mailed to most of our stockholders a Notice containing instructions on how to access our 2009 proxy statement and annual report and vote online. All other stockholders will continue to receive a copy of the proxy statement and annual report by mail unless they elect to receive the annual meeting materials over the Internet. The Notice and proxy statement contain instructions on how you can (i) receive a paper copy of the proxy statement and annual report, if you only received a Notice by mail, or (ii) elect to receive your proxy statement and annual report over the Internet, if you received them by mail this year.

The accompanying Notice of Annual Meeting and Proxy Statement describe the business to be transacted at the annual meeting and provide other information concerning Allscripts of which you should be aware when you vote your shares. All stockholders are welcome to attend the annual meeting.

Your vote is important. Whether or not you plan to attend the annual meeting, I urge you to authorize your proxy as soon as possible. You may vote by proxy on the Internet or by telephone, or, if you received the proxy materials by mail, you may also vote by mail. Your vote will ensure your representation at the annual meeting regardless of whether you attend in person. In any event, please vote as soon as possible.

On behalf of the Allscripts Board of Directors and our management team, I would like to express our appreciation for your interest in Allscripts.

Sincerely,

Glen E. Tullman

Chief Executive Officer

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD OCTOBER 8, 2009

To the Stockholders of Allscripts-Misys Healthcare Solutions, Inc.:

This Proxy Statement is being furnished to holders of shares of Allscripts-Misys Healthcare Solutions, Inc. (Allscripts) common stock in connection with the solicitation of proxies by the Board of Directors of Allscripts for use at the annual meeting of stockholders to be held on Thursday, October 8, 2009 at 10:00 a.m., Central Time. The meeting will be held at Allscripts principal offices located at 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654. The annual meeting is being held for the following purposes:

1. to elect the nine director nominees named in the proxy statement to serve until the 2010 Annual Meeting of Stockholders;
2. to approve the Allscripts-Misys Healthcare Solutions, Inc. Incentive Plan;
3. to approve an amendment to the Allscripts Healthcare Solutions, Inc. Amended and Restated 1993 Stock Incentive Plan (the 1993 Stock Incentive Plan) to increase the number of shares available for grant thereunder by 7,140,209;
4. to approve an amendment to Section 9 of the 1993 Stock Incentive Plan, including the performance criteria set forth therein;
5. to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending May 31, 2010; and
6. to transact any and all other business that may properly come before the annual meeting or any adjourned session of the annual meeting.

The Allscripts board of directors recommends that Allscripts stockholders vote FOR all of the director nominees and FOR proposals 2 through 5 listed above.

Only stockholders who owned shares of Allscripts common stock at the close of business on August 17, 2009, the record date for the annual meeting, are entitled to notice of, and to vote at, the annual meeting and any adjournment or postponement of it.

Your vote is important. We urge you to vote your shares promptly, even if you plan to attend the annual meeting. You may vote over the Internet, by telephone or, if you received the proxy materials by mail, by returning the enclosed proxy card. Specific instructions on how to vote can be found on the proxy card.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be Held on October 8, 2009:

This Proxy Statement and the 2009 Annual Report on Form 10-K are Available at:

http://www.proxyvote.com

By Order of the Board of Directors,

Lee Shapiro

President and Secretary

August 26, 2009

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ALLSCRIPTS-MISYS HEALTHCARE SOLUTIONS, INC.

Proxy Statement

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Annual Report on Form 10-K

We have enclosed with this proxy statement a copy of our Annual Report to Stockholders, which includes our Annual Report on Form 10-K for the fiscal year ended May 31, 2009, without exhibits. You may access the exhibits described in the Form 10-K through our

website at *www.allscripts.com* or obtain a copy of the exhibits for a fee upon request. Please contact Lee Shapiro, Secretary, Allscripts-Misys Healthcare Solutions, Inc., 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654.

This proxy statement and form of proxy are first being sent to stockholders on or about August 27, 2009.

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PROXY STATEMENT

GENERAL

This proxy statement contains information related to the annual meeting of stockholders of Allscripts-Misys Healthcare Solutions, Inc. (Allscripts) to be held on October 8, 2009, beginning at 10:00 a.m., Central Time. The meeting will be held at Allscripts principal offices located at 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654 and at any postponements or adjournments of the annual meeting. The proxy statement was prepared under the direction of Allscripts board of directors to solicit your proxy for use at the annual meeting. It will be made available and mailed to stockholders on or about August 27, 2009.

On October 10, 2008, the transactions (the Transactions) contemplated by the Agreement and Plan of Merger by and among Allscripts, Misys plc (Misys), Misys Healthcare Systems, LLC (Misys Healthcare) and Patriot Merger Company, LLC, were consummated. In connection with the consummation of the Transactions, Allscripts Healthcare Solutions, Inc. was renamed Allscripts-Misys Healthcare Solutions, Inc. and we changed our fiscal year end from December 31st to May 31st. For accounting purposes, the Transactions are treated as a reverse acquisition, with Misys Healthcare deemed to be the acquirer. As a result of the reverse acquisition accounting, Misys Healthcare s financial statements became our historical financial statements. (Please refer to our Form 10-K for the fiscal year ended May 31, 2009 for more information). However, much of the information contained in this proxy statement, including compensation related disclosure, is derived from the historical financial statements of legacy Allscripts Healthcare Solutions, Inc. for periods prior to the consummation of the Transactions.

QUESTIONS AND ANSWERS ABOUT THE 2009 ANNUAL MEETING

When and where is the annual meeting?

The 2009 Annual Meeting of Allscripts Stockholders will be held on October 8, 2009, at 10:00 a.m., local time, at Allscripts principal offices located at 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654.

What am I voting on?

We are soliciting your vote on the following:

1. to elect the nine director nominees named in the proxy statement to serve until the 2010 Annual Meeting of Stockholders;
2. to approve the Allscripts-Misys Healthcare Solutions, Inc. Incentive Plan (the Bonus Plan);
3. to approve an amendment to the Allscripts Healthcare Solutions, Inc. Amended and Restated 1993 Stock Incentive Plan, as amended (the 1993 Stock Incentive Plan), to increase the number of shares available for grant thereunder by 7,140,209;
4. to approve an amendment to Section 9 of the 1993 Stock Incentive Plan, including the performance criteria set forth therein;
5. to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending May 31, 2010; and

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6. to transact any and all other business that may properly come before the annual meeting or any adjourned session of the annual meeting.

How does the Allscripts board of directors recommend that stockholders vote?

Allscripts board of directors has recommended that Allscripts stockholders vote **FOR** the election of each director nominee, **FOR** the approval of the Bonus Plan, **FOR** the approval of the amendment to our 1993 Stock Incentive Plan to increase the number of shares available for grant thereunder, **FOR** the approval of the amendment to Article 9 of the 1993 Stock Incentive Plan, **FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2010 and **FOR** or **AGAINST** any other properly raised matters, at the discretion of Messrs. Tullman and Shapiro.

Who may vote?

Allscripts stockholders at the close of business on August 17, 2009, the record date for the 2009 annual meeting, are entitled to vote. On that date, there were 144,901,267 shares of Allscripts common stock outstanding.

How many votes do I have?

Each share that you own of Allscripts common stock entitles you to one vote.

How do I vote?

Your shares can be voted at the annual meeting only if you are present in person or represented by proxy. Even if you plan to attend the meeting, we urge you to authorize your proxy in advance. We encourage you to authorize your proxy electronically by going to the http://www.proxyvote.com website or by calling the toll-free number (for residents of the United States and Canada) listed on your proxy card. Please have your proxy card in hand when going online or calling. If you authorize your proxy electronically, you do not need to return your proxy card. If you received proxy materials by mail and choose to authorize your proxy by mail, simply mark your proxy card, and then date, sign and return it in the postage-paid envelope provided.

If you hold your shares beneficially in street name, i.e., through a nominee (such as a bank or broker), you may be able to authorize your proxy by telephone or the Internet as well as by mail. You should follow the instructions you receive from your broker or other nominee to vote these shares.

How does discretionary voting authority apply?

If you sign, date and return your proxy card, your vote will be cast as you direct. If you do not indicate how you want to vote, you give authority to Glen E. Tullman, Chief Executive Officer, and Lee Shapiro, President, to vote for the items discussed in these proxy materials and any other matter that is properly raised at the annual meeting. In such a case, your vote will be cast **FOR** the election of each director nominee, **FOR** the approval of the Bonus Plan, **FOR** the approval of the amendment to our 1993 Stock Incentive Plan to increase the number of shares available for grant thereunder, **FOR** the approval of the amendment to Article 9 of the 1993 Stock Incentive Plan, **FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2010 and **FOR** or **AGAINST** any other properly raised matters, at the discretion of Messrs. Tullman and Shapiro.

May I revoke my proxy?

Yes. You may revoke your proxy at any time before it is exercised in one of four ways:

1. by sending a written notice to the corporate secretary of Allscripts that is received prior to the annual meeting stating that the Allscripts stockholder revokes his or her proxy;

2. by properly completing a new proxy card bearing a later date and properly submitting it so that it is received prior to the annual meeting;

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3. by logging onto the Internet website specified on the proxy card in the same manner a stockholder would to submit his or her proxy electronically or by calling the toll-free number specified on the proxy card prior to the annual meeting, in each case if the Allscripts stockholder is eligible to do so and following the instructions on the proxy card; or

4. by attending the annual meeting and voting in person.

Simply attending the annual meeting will not revoke a proxy. However, if an Allscripts stockholder holds shares in street name by his or her broker and has directed such person to vote his or her shares, he or she should instruct such person to change his or her vote.

What does it mean if I receive more than one proxy card?

Your shares are likely registered differently or are in more than one account. You should sign and return all proxy cards to guarantee that all of your shares are voted.

What constitutes a quorum?

The presence, in person or by proxy, of the holders of one-third of the total number of shares of Allscripts common stock issued and outstanding as of the record date constitutes a quorum. You will be considered part of the quorum if you return a signed and dated proxy card, if you vote by telephone or over the Internet, or if you attend the annual meeting.

Abstentions and broker non-votes are counted as shares present at the annual meeting for purposes of determining whether a quorum exists. A broker non-vote occurs when a bank or broker submits a proxy that does not indicate a vote for a proposal because he or she does not have voting authority and has not received voting instructions from you. Please note that banks and brokers cannot vote on their clients behalf on non-routine proposals, such as the approval of the Bonus Plan and both amendments to the 1993 Stock Incentive Plan. Routine matters include the election of directors and the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered accounting firm.

What vote is required to approve the proposals?

Election of Directors: A plurality of the votes cast will elect directors. This means that the nine nominees who receive the highest number of votes will be elected. If you do not want to vote your shares for a particular nominee, you may indicate that in the space provided on the proxy card or withhold authority as prompted during telephone or Internet voting.

Approval of the Bonus Plan: Approval of the Bonus Plan requires the affirmative vote of a majority of the shares present or represented by proxy and having the power to vote at the annual meeting. An abstention will have the effect of a vote against the approval of the Bonus Plan, but a broker non-vote will have no effect.

Approval of the Amendment to our 1993 Stock Incentive Plan to Increase the Number of Shares Available Thereunder: Approval of this amendment to our 1993 Stock Incentive Plan requires the affirmative vote of a majority of the shares present or represented by proxy and having the power to vote at the annual meeting. An abstention will have the effect of a vote against the approval of the amendment, but a broker non-vote will have no effect.

Approval of the Amendment to Section 9 of our 1993 Stock Incentive Plan: Approval of this amendment to our 1993 Stock Incentive Plan requires the affirmative vote of a majority of the shares present or represented by proxy and having the power to vote at the annual meeting. An abstention will have the effect of a vote against the approval of the amendment, but a broker non-vote will have no effect.

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Ratification of the Appointment of the Independent Registered Public Accounting Firm: Although we are not required to submit the appointment of our independent registered public accounting firm to a vote of stockholders, we believe that it is appropriate to ask that you ratify the appointment. Ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2010 requires the affirmative vote of a majority of the shares present or represented by proxy at the annual meeting. An abstention will have the effect of a vote against the ratification of the appointment of PricewaterhouseCoopers LLP.

How do I submit a stockholder proposal?

The deadline has passed for submitting a proposal to be raised at the 2009 Annual Meeting of Stockholders. To submit a proposal to be included in our proxy statement for the 2010 Annual Meeting of Stockholders, you must submit a proposal no later than April 28, 2010. Your proposal must comply with the proxy rules of the Securities and Exchange Commission. You should send your proposal to our Secretary at our address on the cover of this proxy statement.

You also may submit a proposal that you do not want included in the proxy statement but that you want to raise at the 2010 Annual Meeting of Stockholders. We must receive your proposal in writing on or after May 11, 2010, but no later than June 10, 2010. To be properly brought before an annual meeting, our by-laws require that your proposal give: (1) a brief description of the business you want to bring before the meeting; (2) your name and address as they appear on our stock records; (3) the class and number of shares of Allscripts that you beneficially own; and (4) any interest you may have in the business you want to bring before the meeting. You should send your proposal to our Secretary at the address on the cover of this proxy statement.

Who pays to prepare, mail and solicit the proxies?

We will pay all of the costs of preparing, mailing and soliciting these proxies. We will ask brokers, banks, voting trustees and other nominees and fiduciaries to forward the proxy materials to the beneficial owners of our common stock and to obtain the authority to execute proxies. In addition to mailing proxy materials, our directors, officers and employees may solicit proxies in person, by telephone or otherwise. These individuals will not be specially compensated.

How can I reduce the environmental impact of our annual meeting by requesting electronic delivery

of annual meeting materials?

We encourage you to choose electronic (e-mail) delivery of future annual meeting materials by visiting www.proxyvote.com. Please follow the Vote By Internet instructions on the proxy card or the Notice of Internet Availability of Proxy Materials and you will be provided with the opportunity to choose electronic delivery for future meeting materials.

Who can answer my questions?

If you have any questions about the annual meeting, please contact us at 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654; telephone: (866) 358-6869.

PROPOSAL 1

ELECTION OF DIRECTORS

Nine directors currently serve on our board of directors. Each director serves for a term expiring at our next annual meeting of stockholders, or until he resigns or is removed by the board. The board of directors proposes, based on the recommendation of the Independent Nominating Committee, as to Messrs. Marcel L. Gus Gamache, Philip D. Green, Michael J. Kluger and Glen E. Tullman, and the Nominating and Governance

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Committee, as to Messrs. Kelly Barlow, Cory Eaves, John King and Michael Lawrie and Sir Dominic Cadbury, the nominees listed below, all of whom are currently serving as directors, to be elected for a new term expiring at the 2010 annual meeting.

Your shares will be voted in person at the annual meeting as you specify on the enclosed proxy card, by telephone or Internet voting. If you return a signed proxy card but do not specify how you want your shares voted, we will vote them **FOR** the election of each director nominee. If any of the director nominees is unable or fails to stand for election, the persons named in the proxy presently intend to vote your shares **FOR** a substitute nominee nominated by the Independent Nominating Committee or the Nominating and Governance Committee of the board of directors, as applicable. The board does not anticipate that any nominee will be unable to serve.

Pursuant to the Relationship Agreement between Allscripts and Misys, which indirectly holds a majority of the outstanding shares of our common stock, Misys has agreed to cause all shares of our common stock held by it or any of its subsidiaries to be both represented at each meeting where directors are to be elected and voted in favor of the election of the director nominees nominated by the Independent Nominating Committee, which for the annual meeting are Messrs. Tullman, Gamache, Green and Kluger. For more information about the composition of our board and the Independent Nominating Committee, see Corporate Governance Matters Meetings and Committees of the Board of Directors below. The nominees have provided the following information about themselves.

Kelly J. Barlow, 40, CFA, was appointed to our board of directors in October 2008. Mr. Barlow has been a partner at ValueAct Capital, an investment partnership engaged in public and private equity investing, since August 2003. Prior to joining ValueAct Capital, Mr. Barlow worked at EGM Capital for more than six years. During his tenure at EGM, he served primarily as portfolio manager of the firm s flagship long/short equity fund. Prior to EGM Capital, Mr. Barlow worked at Wells Capital Management, a wholly owned subsidiary of Wells Fargo Bank. While there, Mr. Barlow was part of the four-person growth stock team, responsible for managing more than $1 billion in small-cap equities. Mr. Barlow is a former director of Sirva, Inc.

Sir Dominic Cadbury, 69, was appointed to our board of directors in October 2008. Sir Dominic spent his career at Cadbury Schweppes, which he joined in 1964, being appointed to its board of directors in 1975, serving as Group Chief Executive from 1983 to 1993, then as Chairman until May 2000. He was Chairman of The Economist Group from 1993 to 2003. He retired as Chairman of the Wellcome Trust on April 30, 2006. He served on the board of New Star Asset Management Group plc as Deputy Chairman and as senior independent non-executive director from October 2005 until March 2007. Sir Dominic is Chancellor of Birmingham University. Sir Dominic has been the senior independent director of Misys since May 2000 and held that role until November 2005 when he was appointed Chairman of Misys.

Cory A. Eaves, 39, was appointed to our board of directors in October 2008. Since July 2009, Mr. Eaves has served as Senior Vice President of General Atlantic LLC, a global growth equity firm, in which role he provides technology and operations counsel to General Atlantic s investment teams and portfolio companies. From August 2007 until June 2009, Mr. Eaves served as Executive Vice President, Chief Technology Officer and Chief Information officer of Misys. Prior to August 2007, Mr. Eaves was the Chief Technology Officer of SSA Global, one of the world s largest enterprise software providers. Prior to that, he held technology and product management positions at a number of software and private equity firms, including General Atlantic Partners, Internet Venture Works, Lycos and Emerson Electric.

Marcel L. Gus Gamache, 66, was elected to our board of directors in August 2003. From 1994 to 2005, Mr. Gamache was President and Chief Executive Officer of ConnectiCare, a Farmington, Connecticut-based managed care company serving more than 270,000 members in Connecticut and western Massachusetts. Prior to his work at ConnectiCare, Mr. Gamache was employed for 19 years at Blue Cross and Blue Shield of Massachusetts where he served as internal auditor, Controller and Senior Vice President for Information Services. Mr. Gamache currently serves on the board of directors of a number of privately-held companies.

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Philip D. Green, 58, was elected to our board of directors in 1992. Mr. Green is Principal of PDG Consulting, LLC, a healthcare IT consulting company. From July 2006 until November 30, 2008, Mr. Green was President, Strategic Business Initiatives, at the University of Pittsburgh Medical Center (UPMC). Before joining UPMC, Mr. Green was a partner with the law firm of Gardner Carton & Douglas, LLP since June 2004. From June 2000 until June 2004, Mr. Green was a partner with Akin, Gump, Strauss, Hauer & Feld, L.L.P. From 1989 until June 2000, Mr. Green was a partner with the law firm of Green, Stewart, Farber & Anderson, P.C., of which Mr. Green was a founding partner. From 1978 through 1989, Mr. Green was a partner in the Washington, D.C. based law firm of Schwalb, Donnenfeld, Bray & Silbert, P.C.

John King, 70, was appointed to our board of directors in October 2008. Mr. King has over 30 years experience in the US healthcare industry, most recently as President and Chief Executive Officer of Legacy Health System until 1999. Prior to Legacy, Mr. King was President and CEO of Evangelical Health Systems (now Advocate Health Systems). He is a member of the American Hospital Association and a fellow in the American College of Healthcare Executives. Mr. King serves on the boards of the AHA Center for Governance, AHA Services Inc. and Pacific University of Oregon and has been a Non-Executive director of Misys since November 2005.

Michael J. Kluger, 52, was elected to our board of directors in 1994. Since November 2001, Mr. Kluger has been a Managing Director of Altaris Capital Partners LLC, a private equity healthcare firm. From 1992 until November 2001, Mr. Kluger served as a Managing Director of Liberty Capital Partners, Inc., a New York investment management firm and the general partner of Liberty Partners, L.P. From June 2001 to March 2005, Mr. Kluger served on the board of directors of ConnectiCare, Inc.

Mike Lawrie, 56, was appointed chairman of our board of directors in October 2008. Mr. Lawrie is the Chief Executive Officer and has been a member of the board of directors of Misys since November 2006. Mr. Lawrie was previously a general partner with ValueAct Capital, an investment partnership engaged in public and private equity investing. Prior to that, he was Chief Executive Officer of Siebel Systems Inc., the international software and solutions company, from 2004 to 2005. Mr. Lawrie spent 27 years with IBM where he rose to become Senior Vice President and Group Executive with responsibility for sales and distribution of all IBM products and services worldwide. Previously at IBM he was the General Manager for all operations in Europe, the Middle East and Africa. He previously served on the US Advisory board of NTT DoCoMo and as a director of SSA Global, Inc, Symbol Technology, Inc. and Good Technology, Inc. Mr. Lawrie is a former trustee of Ohio University. Mr. Lawrie serves on the board of Drexel University and is a non-executive director of Juniper Networks, Inc.

Glen E. Tullman, 50, joined Allscripts as Chief Executive Officer in August 1997 to lead our transition into the healthcare information sector. In May 1999, Mr. Tullman was elected to our board of directors. Prior to joining Allscripts, from October 1994 to July 1997, Mr. Tullman was Chief Executive Officer of Enterprise Systems, Inc., a healthcare information services company providing resource management solutions to large integrated healthcare networks. From 1983 to 1994, Mr. Tullman served in a number of management roles, including President and Chief Operating Officer, of CCC Information Services, Inc., a provider of information systems to property and casualty insurers. Mr. Tullman currently serves on the International Board of the Juvenile Diabetes Research Foundation.

The Board of Directors recommends a vote FOR each of the nominees for Director.

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Corporate Governance Matters

Governance

Code of Conduct

Allscripts has adopted a Code of Conduct that applies to all of our directors, officers and employees, including our Chief Executive Officer, Chief Financial Officer and senior financial and accounting officers. Our Code of Conduct requires that all of our directors, officers and employees avoid conflicts of interest, comply with all laws and other legal requirements, conduct business in an honest and ethical manner and otherwise act with integrity and in Allscripts best interest. We maintain a current copy of our Code of Conduct, and will promptly post any amendments to or waivers of our Code of Conduct, on our website at www.allscripts.com. Stockholders may request a written copy of the Code of Conduct by contacting our Secretary, Lee Shapiro, at Allscripts-Misys Healthcare Solutions, Inc., 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654.

In furtherance of our procedures to ensure compliance with the Sarbanes Oxley Act of 2002, each of our employees is required to complete an annual on-line, interactive education program concerning policies of our Code of Conduct.

Controlled Company Exemption

Since the consummation of the Transactions, Misys, through its subsidiaries, has held more than 50% of the power to vote for the election of our directors. Accordingly, we qualify as a controlled company under Rule 5615(c)(1) of the NASDAQ Marketplace Rules. As a controlled company, under Rule 5615(c)(2) of the NASDAQ Marketplace Rules, we are exempt from the requirements to have:

- a majority of directors who qualify as independent directors pursuant to Rule 5605(a)(2) of the NASDAQ Marketplace Rules (which we refer to as independent directors in this proxy statement);
- the compensation of our executive officers determined by a majority of independent directors or a compensation committee composed solely of independent directors; and
- our director nominees selected, or recommended for our board s selection, by either a majority of the independent directors or a nominating committee composed solely of independent directors.

Director Independence

As noted above, by virtue of our controlled company election, we are not required to have a majority of directors who qualify as independent in accordance with the listing requirements of NASDAQ. The NASDAQ definition of independence includes a series of objective tests, such as that the director is not an employee of the company and has not engaged in various types of business dealings with the company. As required by NASDAQ rules, the board has considered the independence of each director and has made a subjective determination as to Messrs. Gamache, Green and Kluger, who have been determined to be the only independent directors within the meaning of independence under the listing standards of NASDAQ, that no relationships exist which, in the opinion of the board, would interfere with the exercise of independent judgment in carrying out their responsibilities of a director. In making these determinations, the board reviewed and discussed information provided by each director and by Allscripts with regard to each director s business and personal activities as they may relate to Allscripts and Allscripts management. With respect to Mr. Green, the board considered that in December 2008, Mr. Green entered into a consulting arrangement with Innovative Health Strategies LLC, a subsidiary of Drinker Biddle & Reath LLP, a law firm that is providing, and may continue to provide in the future, legal services to Allscripts and the Audit Committee.

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Meetings and Committees of the Board of Directors

Board Composition and Meetings

Our board consists of nine members, with one vacancy on the board. Pursuant to our certificate of incorporation and bylaws, our board includes:

three independent directors recommended to the board for election by our Independent Nominating Committee, which consists solely of legacy Allscripts directors;

our chief executive officer, whom the Independent Nominating Committee has the authority to recommend to the board for election; and

six directors, including the chairman of the board, recommended to the board for election by our Nominating and Governance Committee (the Misys Directors), which is comprised of a majority of directors nominated by Misys.

The selection of directors is further described below under the heading Nominations for Directors below.

Pursuant to the Relationship Agreement entered into between Allscripts and Misys, if Misys ownership of our common stock drops below certain specified levels, beginning at 50%, then the Nominating and Governance Committee s right to nominate directors for election will be proportionately reduced and the Independent Nominating Committee will nominate such directors.

From January 1, 2008 until October 9, 2008, the members of our board were M. Fazle Husain, Bernard Goldstein, Robert A. Compton, Marcel L. Gus Gamache, Glen Tullman, Philip D. Green and Michael J. Kluger. Additionally, John McConnell was a director from January 1, 2008 through his resignation from the board on March 17, 2008. Since October 10, 2008, the members of our board have been Marcel L. Gus Gamache, Glen Tullman, Philip D. Green, Michael J. Kluger, Sir Dominic Cadbury, Mike Lawrie, Jim Malone, John King, Cory A. Eaves and Kelly J. Barlow. Mr. Malone served as a director from October 10, 2008 through his resignation from the board effective January 9, 2009.

Based upon information requested from and provided by each director concerning his background and employment and affiliations, including family relationships, our board determined that each of Messrs. Gamache, Green and Kluger was an independent director.

During 2008, our board met 14 times. From January 1, 2009 through May 31, 2009, our board met four times. In addition to meetings of the full board, directors attended meetings of the board committees. During 2008 and from January 1, 2009 through May 31, 2009, all board members attended at least 75% of the board meetings and requisite committee meetings during the period of their service. Allscripts has standing Audit, Compensation, and Nominating and Governance Committees and since October 10, 2008 has had a standing Independent Nominating Committee. Each committee is governed by a charter approved by the board.

Philip Green serves as the lead independent director and focuses on key governance issues, board self-evaluations and the Chief Executive Officer evaluation.

Audit Committee

The Audit Committee is responsible for ensuring the integrity of the financial information reported by Allscripts. In accordance with its written charter, the Audit Committee is directly responsible for appointment, compensation, retention and oversight of the work of the independent auditor, approves the scope of annual audits performed by the independent auditor and reviews the results of those audits. In addition, the Audit

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Committee oversees the accounting and financial reporting process of Allscripts and meets with management, the independent auditors and Allscripts internal staff to review audit results and opinions, as well as financial, accounting and internal control matters. The Audit Committee also is responsible for reviewing all related party transactions and has the authority to approve all such transactions.

From January 1, 2008 through October 9, 2008, the members of the Audit Committee were Michael J. Kluger (Chairman), Marcel L. Gus Gamache and Bernard Goldstein. Since October 10, 2008, the members of the Audit Committee have been Messrs. Kluger, Gamache and Green. Mr. Gamache serves as the Chairman of the Audit Committee. The board of directors has determined that each of the members of the Audit Committee is independent in accordance with the regulations of the SEC and the listing standards of NASDAQ. In addition, the board has determined that each member of the Audit Committee has a working familiarity with basic finance and accounting practices, including the ability to read and understand financial statements. Finally, the board has determined that Mr. Gamache is an audit committee financial expert under the rules of the SEC. The Audit Committee has adopted a charter that specifies the composition and responsibilities of the committee. A copy of the Audit Committee Charter is posted on our website at www.allscripts.com and is available to stockholders upon written request made to our Secretary, Lee Shapiro, at Allscripts-Misys Healthcare Solutions, Inc., 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654. During 2008, the Audit Committee met seven times. From January 1, 2009 through May 31, 2009, the Audit Committee met four times.

Compensation Committee

The Compensation Committee determines executive officers salaries, bonuses and other compensation and administers our Amended and Restated 1993 Stock Incentive Plan and our 2001 Non-statutory Stock Option Plan. Additionally, the Compensation Committee makes recommendations to the board regarding the compensation of non-management directors. Pursuant to our by-laws, the members of the Compensation Committee are to be our Chairman and two independent directors. The Compensation Committee has the power to delegate its authority to one or more subcommittees composed of two members, each of whom is a non-employee director within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended, and an outside director within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended.

From January 1, 2008 through October 9, 2008, Philip D. Green (Chairman), M. Fazle Husain and Michael J. Kluger served on the Compensation Committee. From October 10, 2008 through May 31, 2009, the members of the Compensation Committee have been Messrs. Lawrie, Green and Kluger. Mr. Lawrie serves as the Chairman of the Compensation Committee. The board of directors has determined that each of the members of the Compensation Committee, other than Mr. Lawrie, is independent in accordance with the regulations of the SEC and the listing standards of NASDAQ. The Compensation Committee has adopted a charter that specifies the composition and responsibilities of the Compensation Committee, which is posted on our website at www.allscripts.com and is available to stockholders upon written request made to our Secretary at Allscripts-Misys Healthcare Solutions, Inc., 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654. During 2008, the Compensation Committee met four times. From January 1, 2009 through May 31, 2009, the Compensation Committee met two times.

The Compensation Committee periodically reviews the compensation program for non-employee directors in comparison to the practices of a peer group. Based upon this review, the Compensation Committee may recommend to the board adjustments to the compensation of non-employee directors to bring director compensation in line with competitive practices. Additionally, in January 2009 the Company engaged Watson Wyatt to compile a market study of director compensation. Based in part on the results of this study, the Compensation Committee implemented, effective as of December 1, 2008, a new director compensation program as discussed below. The pay objective for non-employee directors is to provide a competitive level and mix of pay that enhances Allscripts ability to attract and retain highly qualified directors. For additional information regarding the Compensation Committee and the role of the Chief Executive Officer regarding individual compensation actions, see Executive Compensation Compensation Discussion and Analysis.

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Nominating and Governance Committee

The Nominating and Governance Committee leads the board in its annual review of the board s performance; reviews and assesses succession planning; and makes recommendations to the board with respect to the assignment of individual directors to various committees. In addition, the Nominating and Governance Committee has authority to nominate up to six directors, each for directorships previously held by directors other than the chief executive officer or an independent director, to stand for election by stockholders. The Nominating and Governance Committee has adopted a charter that specifies its composition and responsibilities, which is posted on our website at www.allscripts.com and is available to stockholders upon written request made to our Secretary at Allscripts-Misys Healthcare Solutions, Inc., 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654.

From January 1, 2008 through October 9, 2008, Marcel L. Gus Gamache and Philip D. Green served on the Nominating and Governance Committee. Since October 10, 2008, Messrs. Lawrie, King and Gamache have served on the Nominating and Governance Committee, with Mr. Gamache serving as chairman. During 2008, the Nominating and Governance Committee met one time, From January 1, 2009 through May 31, 2009, the Nominating and Governance Committee did not meet.

Independent Nominating Committee

The Independent Nominating Committee, which was formed on October 10, 2008, is comprised of three independent directors and its responsibilities include:

- nominating to the board three (3) independent directors and the chief executive officer for directorships;
- nominating to the board replacements for vacancies on the board of independent directors and the chief executive officer;
- reviewing and assessing management s succession planning and report any action they deem necessary or appropriate; and
- reviewing and assessing the independence of directors in light of the requirements of NASDAQ and recommend any changes to the board.

The Independent Nominating Committee has adopted a charter that specifies its composition and responsibilities, which is posted on our website at www.allscripts.com and is available to stockholders upon written request made to our Secretary at Allscripts-Misys Healthcare Solutions, Inc., 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654.

Marcel L. Gus Gamache, Philip D. Green and Michael Kluger serve on the Independent Nominating Committee, with Mr. Gamache serving as Chairman. The board has determined that each of the current members of the Independent Nominating Committee is independent in accordance with the regulations of the SEC and the listing standards of NASDAQ. From its inception through May 31, 2009, the Independent Nominating Committee did not meet.

Communications with Directors

Interested parties may communicate concerns to any of our non-management directors by writing to the director in care of our Secretary at Allscripts-Misys Healthcare Solutions, Inc., 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654. In accordance with the policy adopted by our non-management directors, our Secretary will promptly relay to the addressee all communications that he determines require prompt attention by a non-management director and will regularly provide the non-management directors with a summary of all communications addressed to non-management directors.

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Nominations for Directors

The Nominating and Governance Committee and the Independent Nominating Committee share responsibility, as detailed above, for the proposal of nominees for service as directors and each will consider recommendations offered by stockholders in accordance with our by-laws. Individuals are selected as director nominees based on their business and professional accomplishments, integrity, demonstrated ability to make independent analytical inquiries, ability to understand our business and willingness to devote the necessary time to board duties. An existing director s qualifications in meeting these criteria are considered each time such director is re-nominated for board membership. Assuming that appropriate biographical and background information is provided to the Nominating and Governance Committee and the Independent Nominating Committee, as the case may be, such committee would apply the same process and standards to the evaluation of each potential director nominee, regardless of whether he or she is recommended by one or more stockholders or is identified by some other method.

The Nominating and Governance Committee and the Independent Nominating Committee may hire outside advisors to assist in identifying and/or evaluating potential director nominees. Neither committee utilized outside advisors in deciding to nominate the director candidates for the upcoming annual meeting of stockholders. If you wish to recommend a nominee for director for the 2010 Annual Meeting of Stockholders, pursuant to our by-laws, our Secretary must receive your written nomination not less than 120 nor more than 150 days prior to the anniversary of the date of the 2009 Annual Meeting of Stockholders. You should submit your proposal to the Secretary at Allscripts-Misys Healthcare Solutions, Inc., 222 Merchandise Mart Plaza, Suite 2024, Chicago, Illinois 60654. Our by-laws require that you provide: (1) your name and address and the name and address of the nominee; (2) a statement that you are a record holder of Allscripts common stock entitled to vote at the meeting and that you plan to appear in person or by proxy at the meeting to make the nomination; (3) a description of all arrangements or understandings under which you are making the nominations; (4) any other information that the rules of the SEC require to be included in a proxy statement; and (5) the nominee s agreement to serve as a director, if elected.

Attendance at Annual Meeting

All members of our board of directors are invited to attend our annual meeting of stockholders. Their attendance, however, is not required. Last year, Mr. Tullman represented the board at our annual meeting via video conference.

Stock Ownership Requirements

Effective as of December 1, 2009, all directors will be subject to a minimum stock ownership requirement (including stock options, restricted stock and restricted stock units) of $160,000 in value, which is four times the basic annual fee for service as a director.

Director Compensation

Each director other than Mr. Lawrie, Mr. Tullman, Sir Dominic Cadbury and, prior to his resignation as an officer of Misys, Mr. Eaves, is paid a fee of $10,000 per quarter, and each non-employee director is reimbursed for travel expenses incurred when attending meetings. Under our Amended and Restated 1993 Stock Incentive Plan, independent directors are eligible to receive stock awards in the form of stock options, restricted stock or restricted stock units at the discretion of the board of directors or the Compensation Committee. In 2009, the Company made restricted stock unit grants, each of which was $125,000 in grant date fair value, to the three independent directors of the Company. In addition, the Chairman of the Audit, Compensation and Nominating and Governance Committees received an additional $20,000, $10,000 and $10,000, respectively for their services as Chairman of the respective committees. Mr. Tullman, who is our Chief Executive Officer, and Mr. Lawrie, who is our Chairman, do not receive any additional compensation for services as a director.

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2008/2009 Non-Employee Director Compensation Table

The table below summarizes compensation for non-employee directors during 2008 and, other than for Messrs. Compton, Goldstein, Husain and McConnell, who were no longer serving as directors, from January 1, 2009 through the end of our 2009 fiscal year on May 31, 2009.

	Year	Fees Earned or Paid in Cash ($) (1)	Stock Awards ($) (2)(3)(4)(5)	Total ($)
Kelly J. Barlow (4)	2008			
	2009*	20,000		20,000
Sir Dominic Cadbury	2008			
	2009*			
Cory A. Eaves	2008			
	2009*			
John King	2008			
	2009*	20,000		20,000
Jim Malone	2008			
	2009*			
Marcel L. Gus Gamache	2008	3,000	38,206	41,206
	2009*	35,000	41,439	76,439
Philip D. Green	2008	4,500	25,471	29,971
	2009*	20,000	41,439	61,439
Michael J. Kluger	2008	4,500	38,222	42,722
	2009*	20,000	41,439	61,439
Robert A. Compton (6)	2008	3,000	50,957	53,957
Bernard Goldstein (6)	2008	3,000	25,471	28,471
M. Fazle Husain (6)	2008	1,500	25,471	26,971
John P. McConnell (6)	2008	1,500		1,500

* The amounts in the table for 2009 are for the period from January 1, 2009 through the end of our 2009 fiscal year on May 31, 2009.

(1) This column reports the amount of cash compensation earned in the applicable period. For 2009, each non-employee director receives a fee of $10,000 per quarter. For 2008, Each non-employee director received a fee of $1,500 for attendance at board meetings. No fees were paid for telephonic meetings. We reimburse each non-employee director for expenses associated with attending board and committee meetings and other board-related activities.

(2) The dollar value represents the amount Allscripts recognized for financial statement reporting purposes in the applicable period in accordance with Statement of Financial Accounting Standards No. 123 (Revised), Share-Based Payment (FAS 123(R)) for restricted stock awards. Under the fair value recognition provisions of this statement, stock-based compensation cost is measured at the grant date based on the fair value of the award, which is calculated as the market price on the date of grant multiplied by the number of shares of restricted stock units underlying such grant, and is recognized as expense over the requisite service period, which is the vesting period. For purposes of this table and in accordance with SEC disclosure rules, we have disregarded the estimate of forfeitures related to service-based vesting conditions. The restricted stock awards vest 25% on each of the first four anniversary dates from the grant date. Such awards become fully vested in the event of a Change of Control of Allscripts, as defined in the Restricted Stock Award Agreements relating to such grants, and, as to each director, in the event such director is not re-elected to the Allscripts board of directors. In connection with the consummation of the Transactions, all restricted stock unit awards granted to our directors prior to March of 2008 and all options and restricted stock awards vested in full. See Note 9 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended May 31, 2009 for additional information regarding the application of FAS 123(R) in fiscal 2009.

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(3) The following table displays the restricted stock units held by independent directors as of May 31, 2009:

	Grant Date of Stock Award	Restricted Stock Units(#)	Grant Date Fair Value($)
Marcel L. Gus Gamache	1/30/2009	14,846	125,003
Philip D. Green	1/30/2009	14,846	125,003
Michael J. Kluger	1/30/2009	14,846	125,003

No other non-employee director holds restricted stock units.

(4) Mr. Barlow s fees are paid to ValueAct Capital.

(5) The following table displays the aggregate number of options held by each independent director as of May 31, 2009:

	Number of Shares Underlying Options(#)
Marcel L. Gus Gamache	83,918
Philip D. Green	
Michael J. Kluger	131,052

No other non-employee director holds options.

(6) Messrs. Compton, Goldstein and Husain resigned from the board on October 10, 2008 in connection with the closing of the Transactions. Mr. McConnell submitted his letter of resignation, which was effective on March 17, 2008.

Executive Officers

Following is certain information about the executive officers of Allscripts as of August 17, 2009, based on information furnished by them.

Mike Lawrie, 56, was appointed chairman of our board of directors in October 2008. Mr. Lawrie is the Chief Executive Officer and has been a member of the board of directors of Misys since November 2006. Mr. Lawrie was previously a general partner with ValueAct Capital, ValueAct Capital, an investment partnership engaged in public and private equity investing. Prior to that, he was Chief Executive Officer of Siebel Systems Inc., the international software and solutions company, from 2004 to 2005. Mr. Lawrie spent 27 years with IBM where he rose to become Senior Vice President and Group Executive with responsibility for sales and distribution of all IBM products and services worldwide. Previously at IBM he was the General Manager for all operations in Europe, the Middle East and Africa. He previously served on the US Advisory board of NTT DoCoMo and as a director of SSA Global, Inc, Symbol Technology, Inc. and Good Technology, Inc. Mr. Lawrie is a former trustee of Ohio University. Mr. Lawrie serves on the board of Drexel University and is a non-executive director of Juniper Networks, Inc.

Glen E. Tullman, 50, joined Allscripts as Chief Executive Officer in August 1997 to lead our transition into the Healthcare Information Sector. In May 1999, Mr. Tullman was elected to our board of directors. Prior to joining Allscripts, from October 1994 to July 1997, Mr. Tullman was Chief Executive Officer of Enterprise Systems, Inc., a healthcare information services company providing resource management solutions to large integrated healthcare networks. From 1983 to 1994, Mr. Tullman served in a number of management roles, including President and Chief Operating Officer, of CCC Information Services, Inc., a provider of information systems to property and casualty insurers. Mr. Tullman currently serves on the International Board of the Juvenile Diabetes Research Foundation.

William J. Davis, 41, became our Chief Financial Officer in October 2002, and is responsible for Allscripts financial operations. Mr. Davis was the Chief Financial Officer of Lante Corporation, an Internet consulting company, from 2000 until August 2002 and was Controller of Lante Corporation from 1999 through 2000. From 1991 through 1999, Mr. Davis was a Senior Manager in the Technology Group of PricewaterhouseCoopers LLP. Mr. Davis currently serves on the board of directors of SXC Health Solutions Corp.

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Lee A. Shapiro, 53, became President of Allscripts in 2002 and has been with Allscripts since April 2000. Mr. Shapiro has directed our strategic initiatives, including our transaction with Misys, the sale of our Physician s Interactive and Medication Services Group and the acquisitions of A4 Health Systems, Inc., ChannelHealth Incorporated, Advanced Imaging Concepts, Inc. and RxCentric. Prior to joining Allscripts, Mr. Shapiro was the Chief Operating Officer of Douglas Elliman-Beitler, a commercial office management and development company, where he directed all business activities throughout the United States. Previously, Mr. Shapiro was President of SES Properties, Inc., a closely held, fully integrated real estate company based in Carlsbad, California. Concurrently, Mr. Shapiro formed City Financial Bancorp and served as its Vice Chairman, responsible for acquisition of financial institutions, financing, regulatory issues, legal affairs, review and restructuring of operations and the ultimate sale of the company. Mr. Shapiro also practiced commercial law at Barack, Ferrazzano, Kirschbaum, Perlman & Nagelberg, a Chicago law firm. Mr. Shapiro currently serves on the board of directors of Physicians Interactive and the board of advisors of Opus North. Mr. Shapiro also serves as an officer and director of the Gastro-Intestinal Research Foundation.

Eileen McPartland, 54, became Chief Operating Officer of Allscripts on June 1, 2009. Ms. McPartland is responsible for the operations of Allscripts development, service, support and associated teams. From January of 2007 through June 1, 2009, Ms. McPartland served as Executive Vice President of Global Sales and Services for Misys, where she led the effort to build Misys services and solutions offering to customers across banking and healthcare businesses. Prior to joining Misys, Ms. McPartland was Senior Vice President, North America Consulting, at Oracle Corporation. In that position, she held responsibility for Oracle s application, technology and Indian offshore consulting practices. Prior to that, Ms. McPartland held the position of Senior Vice President, Global Services at Siebel Systems (now a part of Oracle), leading the Americas, Europe and Asia. Before joining Siebel Systems, Ms. McPartland was vice president and general manager of Gartner Research, where she oversaw a global research operation that supports more than 11,000 client companies worldwide.

Jeff A. Surges, 42, joined Allscripts in December 2007 in connection with Allscripts acquisition of ECIN. Mr. Surges currently is the Group President of Sales, and Mr. Surges is responsible for company-wide sales. Mr. Surges has nearly 20 years of experience managing high-growth technology companies in the healthcare and information services industries, most recently serving as President and Chief Executive Officer of ECIN before being acquired by Allscripts. Prior to joining ECIN in October 1999, Mr. Surges was General Manager of McKessonHBOC s Resource Management Group, a supply management and healthcare information technology company. Mr. Surges joined HBOC in 1997 in connection with its acquisition of Enterprise Systems, Inc.

Brian D. Vandenberg, 47, joined Allscripts in January 2004. Mr. Vandenberg is our Senior Vice President and General Counsel and is responsible for all legal affairs. Prior to joining Allscripts in 2004, Mr. Vandenberg was General Counsel and Senior Vice President- Corporate Development at uBid, Inc., an online auction technology company. Earlier, he was engaged in private law practice. Mr. Vandenberg holds a J.D. degree from DePaul University College of Law, and a B.S. in Psychology from the University of Wisconsin LaCrosse.

Ownership of Allscripts Common Stock

The following table sets forth the number of shares of Allscripts common stock beneficially owned as of August 17, 2009 by:

- our Named Executive Officers or NEOs ;
- each director;
- all directors and executive officers as a group; and
- each stockholder that we know to own beneficially more than 5% of Allscripts common stock based on information filed with the Securities and Exchange Commission.

Beneficial ownership is a technical term broadly defined by the Securities and Exchange Commission (SEC) to mean more than ownership in the usual sense. In general, beneficial ownership includes any shares that the holder can vote or transfer and stock options and warrants that are exercisable currently or become exercisable within 60 days. These shares are considered to be outstanding for the purpose of calculating the percentage of outstanding Allscripts common stock owned by a particular stockholder, but are not considered to be outstanding for the purpose of calculating the percentage ownership of any other person. Percentage of ownership is based on 144,901,267 total shares of Allscripts common stock outstanding as of August 17, 2009, the record date for the annual meeting. Except as otherwise noted, the stockholders named in this table have sole voting and dispositive power for all shares shown as beneficially owned by them.

Named Executive Officers and Directors (1)	Shares of Common Stock Beneficially Owned (2)	Options Exercisable and Restricted Stock Units Vesting Within 60 Days	Total	Percent of Class
Glen E. Tullman	1,097,532	763,646	1,861,178	1.3%
William J. Davis	340,500	256,122	596,622	*
Lee A. Shapiro	370,680	603,545	974,225	*
Laurie A.S. McGraw	319,224	147,501	466,725	
R. L. (Vern) Davenport	149,861		149,861	*
Kelly J. Barlow				*
Sir Dominic Cadbury	10,000		10,000	*
Cory A. Eaves				*
Marcel L. Gus Gamache	19,391	83,918	103,309	*
Philip D. Green	116,986		116,986	*
John G King	10,000		10,000	*
Michael J. Kluger	95,591	81,052	176,643	*
Michael Lawrie	70,000		70,000	*
All directors and executive officers as a group (17 persons)	2,804,969	1,935,784	4,740,753	3.3%

5% Stockholders	Shares of Common Stock Beneficially Owned	Percent of Class
Misys plc (3)	79,811,511	55.1

* Amount represents less than 1% of our common stock.

(1) Unless otherwise set forth in the following footnotes, the address of each beneficial owner is 222 Merchandise Mart Plaza, Suite 2024, Chicago, IL 60654.

(2) Beneficial ownership does not include unvested shares of restricted stock units, including performance based restricted stock units, which do not vest within 60 days as follows: Mr. Tullman 550,169 units; Mr. Davis 323,251 units; Mr. Shapiro 342,403 units; Ms. McGraw 260,867 units; Mr. Davenport 191,695 units; Mr. Gamache 14,846 units; Mr. Green 14,846 units; Mr. Kluger 14,846 units; and all directors and executive officers as a group (17 persons) 2,181,566 units.

(3) Based upon information contained in a Schedule 13D/A filed with the SEC on February 11, 2009, as updated by a Form 4 filed by Misys on June 1, 2009, Misys has shared and dispositive power with two of its subsidiaries, Misys Patriot US Holdings LLC and Misys Patriot Limited with respect to 79,811,511 shares as of May 31, 2009. The address for Misys is One Kingdom Street, Paddington, London W2 6BL, UK.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires executive officers, directors and 10% stockholders to file reports of ownership and changes of ownership of Allscripts   common stock with the SEC. Based on a review of copies of these reports and amendments provided to us and written representations from

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executive officers and directors, we believe that, during 2008 and during the subsequent period through the date of this proxy statement, the following reports were not filed on a timely basis: Ms. McPartland one report relating to her becoming subject to Section 16(a), Mr. Tullman two reports related to gifts of shares. Mr Gamache one report relating to the acquisition of shares, Mr. Green and Ms. McGraw one report each relating to the acquisition of shares in connection with the exercise of stock options, Mr. Kluger one report related to the acquisition of restricted stock units, Mr. Shapiro one report related to the acquisition of shares upon exercise of a warrant, Mr. Cull two reports related to withholding of shares in payment of tax liability upon vesting of restricted stock units, Mr. Bulkley one report related to the disposition of shares and Mr. Surges one report related to withholding of shares in payment of tax liability upon vesting of restricted stock units.

Executive Compensation

Compensation Discussion and Analysis (as used in this section, the Company refers to Allscripts)

General

Michael Lawrie, Philip D. Green and Michael J. Kluger are the current members of the Compensation Committee. As a result of our controlled company status, we are not required to have a compensation committee composed solely of independent directors. The board of directors has determined that Mr. Green and Mr. Kluger are each independent as defined in Rule 4200(a)(15) of the NASDAQ s listing standards. Pursuant to the Compensation Committee charter, the Compensation Committee has the sole authority to determine the compensation of the Company s Chief Executive Officer, to review and approve the compensation of the Company s other executive officers, and to review the compensation of the Company s directors and recommend changes in the directors compensation to the Board of Directors. The Committee also oversees the administration of the Company s incentive compensation plans, equity-based compensation plans and any material employee benefit, bonus, retirement, severance or other compensation plan.

Completion of Transactions

As noted above, in connection with the consummation of the Transactions, we changed our fiscal year end from December 31 to May 31. For accounting purposes, the Transactions are treated as a reverse acquisition, with Misys Healthcare deemed to be the accounting acquirer. As a result of the reverse acquisition accounting, Misys Healthcare s financial statements became our historical financial statements. Please refer to our Form 10-K for the fiscal year ended May 31, 2009 for more information. However, a portion of the following discussion and tables set forth information with regard to compensation for services rendered to legacy Allscripts Healthcare Solutions, Inc. for periods prior to the consummation of the Transactions on October 10, 2008, which is derived from the historical financial statements of legacy Allscripts. We are presenting information both for calendar 2008, which we refer to as 2008 and is derived in part from the historical financial statements of legacy Allscripts prior to October 10, 2008, and for the period from January 1, 2009 through the end of our 2009 fiscal year on May 31, 2009, which we refer to as the Transitional 2009 Period.

The composition of our Compensation Committee changed as a result of the Transactions. Prior to the Transactions, our Compensation Committee consisted of three directors, each of whom was independent. As a result of the Combination, the Compensation Committee consists of two independent directors and one director designated by Misys. For additional information regarding the Compensation Committee and its charter, see Corporate Governance Matters Meetings and Committees of the Board of Directors Compensation Committee above. In this Compensation Discussion and Analysis, when we refer to the Compensation Committee, we are referring to the committee serving at the time the compensation decision was made.

The combination of Allscripts and Misys Healthcare has had a significant impact on the business scope and environment in which we operate. The significant increase in the size and complexity of our business subsequent to the Transactions has increased the roles and responsibilities of many of our executives. The increased business scope and responsibilities has further raised the bar for the caliber of talent that we are required to attract and retain for our success. Additionally, our compensation programs include additional components as they were revised or modified to reflect certain components of Misys compensation program. Furthermore, as noted below under Summary Compensation Table several of our key executives received transaction bonuses in recognition of their roles in the successful completion of the Transactions pursuant to their employment agreements.

Executive Pay Policy

The Compensation Committee seeks to establish and implement a compensation system for the Company s executive officers that is performance-oriented and designed to meet the following objectives:

- Enable the Company to attract, motivate and retain its executive officers by providing incentives which are competitive in the executive market;
- Reward outstanding performance for an individual s direct contribution to company and business unit goals;
- Provide long-term incentive compensation through equity grants;
- Provide for compensation that is both externally competitive and internally equitable; and
- Ensure our officers compensation is aligned with our corporate strategies and business objectives, and the long-term interest of our stockholders.

The principal components of the compensation program for the Company s executive officers are base salary, cash payments under an annual bonus award plan and long-term incentive compensation in the form of restricted stock units. The Company also provides a 401(k) retirement savings plan with matching contributions, group health and welfare plans, group term life insurance and severance benefits upon a termination of employment under certain circumstances, including following a change of control of the Company. The Company does not maintain supplemental retirement programs or defined benefit pension plans for its executive officers because the Compensation Committee believes that the existing compensation arrangements enable the Company s executive officers to adequately plan for their retirement.

Under the direction of the Compensation Committee, the Company has entered into employment agreements with each of its Named Executive Officers, or NEOs. Based on its experience with the Company, the Committee believes that employment agreements with shorter terms and annual performance reviews promote better performance by Company executives. One component of the NEO employment agreements is the severance arrangements. Each employment agreement provides for the payment of specified severance benefits upon termination of the NEO s employment with the Company under certain circumstances. The Committee believes that it is necessary to enter into severance arrangements in order to attract and retain qualified executive officers. For a detailed discussion of the Company s employment agreements with its NEOs, see Potential Payments Upon Termination or Change of Control included in this proxy statement.

Compensation Procedures

Role of Management. The role of the Compensation Committee is to align the executive compensation program with stockholders interests and our business strategy. The Compensation Committee believes this alignment can be best achieved by consulting with our senior management because of their familiarity with our day-to-day operations. As such, management provides the Compensation Committee with valuable insights into our day-to-day operations, what kinds of rewards and incentives are effective, and recommendations for compensation decisions. In 2008 and the Transitional 2009 Period, the Compensation Committee consulted with Messrs. Tullman, Shapiro and Davis in formulating compensation plans and members of that group attended Compensation Committee meetings. No executive officer participates in the Compensation Committee s deliberations over any component of his or her own compensation.

Role of Misys plc. Prior to the consummation of the Transactions, and after the key business terms of the Transactions had been agreed to, Misys negotiated amended and restated employment agreements with our NEOs, which set base salaries, target bonus levels and retention bonuses. These employment agreements also established the level of the October 2008 equity award grants to our NEOs. The terms agreed to between Misys and our NEOs in large part determined the compensation of the NEOs in the Transitional 2009 Period. Misys

also required that twenty percent of the initial equity awards granted after closing of the Transactions be given in the form of no cost performance-based options to acquire ordinary shares of Misys.

Since completion of the Transactions, the Compensation Committee also has regularly consulted with internal management at Misys for input into compensation decisions for the Named Executive Officers. Misys and its board of directors also are responsible for the administration of the Misys Omnibus Share plan under which Misys share and option incentive awards are granted.

Market Analysis. The Compensation Committee relies on various sources of information to establish and maintain the Company s compensation programs and also relies on the experience and knowledge it has gained over the years from the administration of the Company s compensation programs. The Compensation Committee also considers information and recommendations provided to it by management, including benchmarking data that management has obtained from third parties. No executive officer participates in the Compensation Committee s deliberations over any component of his or her own compensation.

The Compensation Committee engaged an outside firm to prepare a compensation analysis report that was provided to the Compensation Committee in January 2008. The compensation analysis report used compensation data made available from a nationally recognized executive compensation database, and it compared the compensation of Allscripts Chief Executive Officer, Chief Financial Officer and President to the compensation of similar executives at the companies included in the following peer group:

Healthcare Software Companies	**Software Companies**
Eclipsys Corporation	Quest Software, Inc.
The Trizetto Group, Inc.	Informatica Corporation
Quality Systems, Inc.	Wind River Systems, Inc.
Cerner Corporation	MicroStrategy, Inc.
	Progress Software Corporation
	Verint Systems, Inc.
	Lawson Software, Inc.

The compensation figures in the analysis were prepared with information available as of January 21, 2008 and were reported for each company s last fiscal year furnished in a proxy statement. Due to the timing of proxy filings this translates to using data points in the compensation report which are generally two years old. Using the data compiled in the compensation study, our executive officers fell in the following compensation ranges when compared to the peer group. The metrics evaluated to arrive at total compensation include salary, annual bonus, stock awards and stock options valued at grant date fair value and other compensation as reported in the Summary Compensation Table included in this proxy statement.

	CEO	**CFO**	**President**	**COO**
Minimum 2006 Total Compensation	$623,400	$339,300	$364,600	$520,400
Maximum 2006 Total Compensation	$4,918,800	$5,069,700	$1,747,800	$8,848,000
Average 2006 Total Compensation	$1,939,000	$1,456,800	$1,036,100	$2,042,900
Allscripts 2006 Total Compensation	$1,103,500	$784,700	$885,500	$759,800
Allscripts Ranking	6 of 12	9 of 12	7 of 11	8 of 11
Allscripts Percentile	50^{th}	28^{th}	41^{st}	23^{rd}

Based on the compensation data gathered in January 2008, and with the rationale of more closely aligning compensation to that of the peer group, the minimum and maximum total target annual compensation amounts for 2008, based on salary, bonus, long-term incentive compensation, retirement and perquisites, shown in the table below were recommended by the firm for the following Allscripts executives. The Compensation Committee did not set compensation at a predetermined percentile of the peer group reviewed, but rather used

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this market data to ensure that the compensation being offered to executive officers was competitive in the marketplace. The Compensation Committee also used this market data to ensure that the compensation being paid by the Company was not outside of the peer ranges.

Title	Minimum Total Target Annual Compensation	Maximum Total Target Annual Compensation
Chief Executive Officer	$1,250,000	$2,600,000
Chief Financial Officer	$650,000	$1,100,000
President	$962,500	$1,500,000
Chief Operating Officer	$962,500	$1,500,000

Based on Allscripts overall financial growth and the compensation analysis above, the Compensation Committee increased Allscripts executive salaries effective February 15, 2008, and issued restricted stock units to our executives during January 2008 to bring our executive compensation packages more in line with target compensation ranges.

Committee Process. As discussed above, the Compensation Committee continually reviews both the Company s compensation philosophy and the actual compensation being paid. The Compensation Committee met, including in executive sessions without any members of management present, to discuss, evaluate and set executive officer compensation. Other than as described above, the Compensation Committee did not engage third party human resource consulting firms in connection with setting executive compensation for 2008 or the Transitional 2009 Period.

Elements of Compensation

The Compensation Committee believes that the Company s compensation programs for its executive officers are competitive and appropriately designed to attract and retain key employees, reward performance and promote long-term stockholder value. The Compensation Committee plans to continue to review the compensation payable to the Company s executive officers, periodically evaluate the Company s compensation practices against competitive data and make changes to the Company s compensation structure to ensure that the programs are designed and implemented to achieve the Committee s stated goals. This section describes the various elements of our compensation program for NEOs, together with a discussion of various matters relating to those items. The principal components of compensation for our NEOs were:

- cash compensation consisting of base salary and cash bonus;
- equity compensation; and
- perquisites and other personal benefits.

Base Salary. Base salaries are paid to the Company s executive officers to compensate them for the performance of their respective job duties and responsibilities. The Compensation Committee reviews base salaries of the Company s executive officers on an annual basis. In setting annual base salaries, the Compensation Committee takes into consideration the Company s overall financial and operating performance in the prior year, the Company-wide target for base salary increases for all employees, market and competitive salary information, changes in the scope of an executive officer s job responsibilities and other relevant factors. The Compensation Committee also reviews the executive officer s performance and the performance of the divisions, business units and departments for which he is responsible. For the Chief Executive Officer, the Compensation Committee evaluates the Chief Executive Officer s performance and determines the salary adjustment. For the other executive officers, the Compensation Committee receives an evaluation from the Chief Executive Officer on the executive officer s performance and a recommendation for a salary adjustment.

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In 2008, after taking into account the market data and other factors described above, the Compensation Committee approved salary increases for our NEOs. The salaries received by our NEOs in 2008 represented the following percentage increase from the salaries earned in 2007 (Mr. Davenport is omitted from the table below because he did not receive a salary increase in 2008 as he was not employed by Allscripts prior to October 10, 2008):

Name	2008 Salary Percentage Increase
Glen E. Tullman, Chief Executive Officer	17.76%
William J. Davis, Chief Financial Officer	2.14%
Lee A. Shapiro, President	7.03%
Laurie A.S. McGraw	4.53%

During the Transitional 2009 Period, our NEOs received the base salary negotiated by them with Misys in their respective employment agreements, which, on an annualized basis, was unchanged from the 2008 amount earned by Mr. Davenport and represented increases of 25.14% for Mr. Tullman, 4.03% for Mr. Davis, 10.95% for Mr. Shapiro and 7.22% for Ms. McGraw from their respective salaries earned in 2008. Subsequent to the closing of the Transactions, the Compensation Committee approved an increase in Mr. Shapiro s base salary from $475,000 to $600,000, which was effective as of June 13, 2009. Based on the competitive salary information discussed below under 2010 Compensation Program, the Compensation Committee approved a base salary increase for our Chief Executive Officer of $50,000, to $750,000, for fiscal year 2010. Such salary adjustment was effective as of August 1, 2009. None of our other NEOs received a salary increase for fiscal year 2010.

Cash Bonuses/Annual Employee Incentive Compensation Plan. Prior to the completion of the Transactions, the Company maintained one cash bonus plan, the Executive Management Bonus Plan (the EMBP), in which NEOs participated. Subsequent to the consummation of the Transactions, the Executive Management Bonus Plan was replaced by the AllscriptsMisys Incentive Plan 2008/2009 (the Cash Incentive Plan). The EMBP and the Cash Incentive Plan, which are each described below, provided cash compensation to NEOs only upon, and to the extent of the attainment of personal and business objectives. As a result of the consummation of the Transactions, certain retention bonuses, as described below, were also paid to our NEOs.

EMBP. The EMBP was effective for the first three fiscal quarters of 2008 for legacy Allscripts, which ended September 30, 2008. The EMBP applied to all NEOs and provided for payment ranges and targets based on attainment of three performance objectives:

1. Corporate or Business Unit revenue attainment (32% weighting)

2. Corporate or Business Unit operating income attainment (48% weighting)

3. Quarterly attainment of individual objectives (20% weighting)

Performance objectives for the EMBP were developed through a systematic process. Based on a review of business plans, management, including the NEOs, developed preliminary recommendations for Compensation Committee review. The Compensation Committee then reviewed management s preliminary recommendations and established final financial targets and individual objectives. In establishing final targets, the Committee strove to ensure that the incentives provided pursuant to the EMBP were consistent with the strategic goals set by the board, that the goals set based on the financial budget were sufficiently ambitious so as to provide a meaningful incentive and that bonus payments, assuming target levels of budgeted performance are attained, would be consistent with the overall NEO compensation program established by the Compensation Committee. If target levels of performances are attained, the payout is generally 50% of base salary. The incentive awards under the EMBP were generally determined and paid on a quarterly basis, 45 days following the end of the latest fiscal quarter.

For 2008, the revenue goal to receive a target EMBP payout was $395.8 million and the operating income target, before inclusion of bonus expense, stock-based compensation expense, interest expense and deal-related amortization, was $103.5 million. Due to the completion of the Transactions on October 10, 2008, as well as

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certain other one-time costs in the first nine months of 2008, the Compensation Committee used discretion to make the following partial bonus awards to our NEOs under the EMBP based on the Company s performance in 2008 through September 30, 2008 (Mr. Davenport is omitted from the table below because he did not receive payments under the EMBP):

Name	January 1, 2008 September 30, 2008 EMBP Payment
Glen E. Tullman	$30,000
William J. Davis	$30,000
Lee A. Shapiro	$30,000
Lawrie A.S. McGraw	$23,500

Cash Incentive Plan. The Cash Incentive Plan replaced the EMBP described above after completion of the Transactions on October 10, 2009. Performance objectives for the Cash Incentive Plan are developed through a systematic process. Based on a review of business plans, management, including the NEOs, develops preliminary recommendations for Compensation Committee review. The Compensation Committee reviews management s preliminary recommendations and establishes final financial targets and individual objectives. In establishing final targets, the Compensation Committee strives to ensure that the incentives provided pursuant to the Cash Incentive Plan are consistent with the strategic goals set by the Board, that the goals set based on the financial budget are sufficiently ambitious so as to provide a meaningful incentive and that bonus payments, assuming target levels of budgeted performance are attained, will be consistent with the overall NEO compensation program established by the Committee. If target levels of performances were attained, the payout for fiscal 2009 was generally 75% of base salary. However, this target level of base salary was prorated to account for the fact that the Cash Incentive Plan was not effective for the entire fiscal year 2009.

For fiscal year 2009, the minimum adjusted income from operations threshold, which was calculated as GAAP income from operations plus an add back of deal related amortization and one-time costs related to the Transactions, which we refer to in this proxy statement as Adjusted Income from Operations, to receive a target Cash Incentive Plan payout was $112.9 million, with 100% of the target bonus funded at an Adjusted Income from Operations threshold of $128.2 million and maximum funding of 150% of target for Adjusted Income from Operations at or in excess of $146.8 million. The actual Adjusted Income from Operations for fiscal 2009 was $126.8 million, resulting in 99% of the target bonus being funded under the Cash Incentive Plan. The Compensation Committee then determined the individual awards under the Cash Incentive Plan based on achievement of pre-determined Company-wide, business unit and personal objectives, including strategy, customer satisfaction, synergies relating to the Transactions and operating margins. The Compensation Committee also used discretion to adjust NEO awards. In the case of Mr. Davenport and Ms. McGraw, the Compensation Committee used discretion to reduce their award because their respective business units performed below budget. In recognition of the successful completion of the dispositions of the Company s Physicians Interactive and Medication Services Group businesses in fiscal 2009, the Compensation Committee used discretion to increase the award to Mr. Shapiro. The awards made to Messrs. Tullman and Davis where near their respective target, consistent with the Company s overall performance.

As a result of this process, the following payments were made to our NEOs under the Cash Incentive Plan for the period from October 1, 2008 through May 31, 2009 (target amounts are also shown below):

Name	October 1, 2008 May 31, 2009 Cash Incentive Plan Target Amount	October 1, 2008 May 31, 2009 Cash Incentive Plan Payment
Glen E. Tullman	$394,000	$394,000
William J. Davis	$239,000	$180,000
Lee A. Shapiro	$267,000	$347,000
Lawrie A.S. McGraw	$183,000	$100,000
R. L. (Vern) Davenport	$338,000	$198,000

Transaction Related Bonuses. As negotiated by Misys and our NEOs, as a result of the consummation of the Transactions, the following retention bonus payments were made on January 2, 2009:

Key Executive	Retention Bonus Payment
Glen Tullman	$1,785,000
Lee Shapiro	$1,211,250
William Davis	$1,083,750
Lawrie A.S. McGraw	$413,950
R. L. (Vern) Davenport	$225,000

Stock-Based Awards. Under our Amended and Restated 1993 Stock Incentive Plan, the Compensation Committee may grant executive officers and other employees incentive and non-qualified stock options, restricted stock and other forms of stock-based awards. Additionally, a portion of the initial equity awards made after the closing of the Transactions was in the form of no cost options to acquire ordinary shares of Misys under Misys Omnibus Share Plan. On January 1, 2006, Allscripts adopted Statement of Financial Accounting Standards No. 123 (Revised), Share-Based Payment (FAS 123(R)). FAS 123(R) requires companies to recognize stock-based compensation expense related to all stock awards issued to employees, including options, in the statement of operations based on their fair values on the date of the grant and after applying an estimated forfeiture rate. Due to the accounting requirements mandated by the adoption of FAS 123(R), Allscripts does not expect to grant options to employees in the future, and instead, expects to use awards of restricted stock units as stock-based incentives to employees. The issuance of restricted stock units for the Company s executive officers is subject to the Compensation Committee s discretion and is generally tied to the overall financial and operating performance of the Company, the individual performance of the executive officer and the performance of the business unit, department or function for which he or she is responsible.

Restricted stock unit awards generally vest 25% on each of the first four anniversary dates from the date of grant; however, as a result of the consummation of the Transactions, all restricted stock unit awards and restricted stock awards granted prior to March 2008 vested in full. The holders of restricted stock units are not entitled to vote the underlying shares of the Company s common stock. Since October 10, 2008, restricted stock unit awards have included a dividend equivalent right entitling the award holder to cash payments on dividends, if any, declared and paid on the Company s common stock.

The Compensation Committee believes the Stock Incentive Plan and the related issuance of restricted stock units is consistent with its stated objective of establishing an executive compensation system program that aligns the long-term interest of our executive officers with those of our stockholders.

The restricted stock unit grants and no cost options to acquire ordinary shares of Misys awarded to Messrs. Tullman, Davis and Shapiro on October 28, 2008 were awarded pursuant to their amended and restated employment agreements in consideration for each executive agreeing not to trigger the right under the prior employment agreement to severance and other benefits as a result of the closing of the Transactions. The Transitional 2009 Period and, other than as noted in the prior sentence, 2008 restricted stock unit grants set forth below were made by the Compensation Committee based on a number of considerations, including an analysis of compensation arrangements at a number of comparable healthcare technology companies and general software companies listed above, the Company s year-over-year performance in revenue growth and earnings as compared to prior years and that of other comparable companies, the relative complexity of the business challenges faced by management and the environment in which the Company competes and the desirability of using equity grants to further align the interests of management with the stockholders of the Company.

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	Grant Date	Number of Underlying Shares
Glen E. Tullman	01/25/08	133,067
	10/28/08	419,581
	10/28/08(1)	646,447
William J. Davis	01/25/08	33,266
	10/28/08	279,721
	10/28/08(1)	407,759
Lee A. Shapiro	01/25/08	49,900
	10/28/08	279,721
	10/28/08(1)	435,109
Laurie A.S. McGraw	01/25/08	33,266
	10/28/08(1)	310,791
	01/05/09	209,791
R. L. (Vern) Davenport	08/12/08(1)	93,620
	10/28/08(1)	99,453
	01/05/09	139,861
	04/24/09	19,912

(1) Indicates awards made in the form of options to acquire ordinary shares of Misys.

The restricted stock units granted on January 25, 2008 vested in full as a result of the consummation of the Transactions. All of the other restricted stock unit awards are subject to the Company s standard four-year vesting schedule. Options to acquire Misys ordinary shares are subject to performance-based vesting conditions. The options to acquire ordinary shares of Misys vest ratably on October 10, 2009, October 10, 2010 and October 10, 2011, subject to the attainment of target levels of Adjusted Income from Operations, for the preceding fiscal year. All equity-based awards are made by the Compensation Committee, or a subcommittee thereof. The Committee does not delegate this responsibility to executive officers. The Compensation Committee has not selected a particular time each year in which equity-based awards are granted. There is no program, plan, or practice to time grants to our executives in coordination with the release of material non-public information. All restricted stock unit grants to executive officers have been in amounts approved solely by the Compensation Committee, or since October 10, 2008, a subcommittee of the Compensation Committee, in each case consisting solely of independent directors. The exercise price of all stock option grants to executive officers has been the closing market price on the date of the grant.

Perquisites

Allscripts generally does not provide its NEOs with significant perquisites and personal benefits in excess of $10,000.

The total perquisites provided to each NEO are described in footnote 4 to the Summary Compensation Table included in this proxy statement and includes parking expense payments.

Severance Arrangements in Employment Agreements

Allscripts has entered into severance arrangements as a component of the employment agreements with members of our senior management team, including the NEOs. These agreements provide for payments and other benefits if the officer s employment terminates for a qualifying event or circumstance, such as being terminated without Cause or leaving employment for Constructive Discharge, as these terms are defined in the employment agreements. A termination following a Change of Control generally results in the NEOs receiving additional compensation. Additional information regarding the employment agreements, including a quantification of benefits that would have been received by our NEOs had termination occurred on May 31, 2009, is found under the heading Potential Payments upon Termination or Change-of-Control in this proxy statement.

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The Compensation Committee believes that these severance and change of control arrangements are an important part of overall compensation for our NEOs. The Compensation Committee believes that these agreements help to secure the continued employment and dedication of our NEOs, notwithstanding any concern that they might have at such time regarding their own continued employment, prior to or following a change of control. The Compensation Committee also believes that these agreements are important as a recruitment and retention device, as many of the companies with which we compete for executive talent have similar agreements in place for their senior employees.

Stock Ownership Requirements

All of our NEOs, and certain other of our executives, are subject to minimum stock ownership and retention requirements (including stock options, restricted stock and restricted stock units). For our NEOs, these requirements were included in the amended and restated employment agreements negotiated by Misys and approved by our Compensation Committee. An NEO could be terminated by the Company for Cause for failure to maintain the minimum level of ownership.

In the case of Messrs. Shapiro, Davis and Davenport and Ms. McGraw, they must maintain an ownership level with a fair market value equal to: (i) 100% of their respective base salaries on October 10, 2008 from October 10, 2008 through October 9, 2009, (ii) 66% of their respective base salaries on October 10, 2008 from October 10, 2009 through October 9, 2010 and (iii) 33% of their respective base salaries on October 10, 2009 from October 10, 2010 through October 9, 2011. In the case of Mr. Tullman, his minimum ownership level is measured as of the same periods noted above for Messrs. Shapiro, Davis and Davenport and Ms. McGraw, but with 200%, 133% and 66% as the required minimum percentages in clauses (i), (ii) and (iii) of the prior sentence, respectively. As of May 31, 2009, each of Messrs. Tullman, Shapiro, Davis and Davenport and Ms. McGraw satisfied the applicable ownership requirements.

Tax Considerations

Under Internal Revenue Code Section 162(m), a company generally may not deduct compensation in excess of $1,000,000 paid to the chief executive officer and the other three most highly compensated officers, other than the chief executive officer or the chief financial officer. Certain performance based compensation is not included in compensation for purposes of the limit. The structure of Allscripts executive compensation program has not historically given rise to Section 162(m) concerns, although in connection with the consummation of the Transactions and the resulting growth of the Company, it has become a focus. To that end, the Company is seeking stockholder approval of the an annual bonus plan as set forth below in Proposal 2 and is also seeking re-approval of the performance measures contained in the 1993 Stock Incentive Plan in Proposal 4 below, each of which is being sought to exempt awards from Section 162(m). Finally, as set forth below under 2010 Compensation Program, in July 2009 the Compensation Committee approved, subject to stockholder approval, the grant of performance based restricted stock unit awards. The Compensation Committee recognizes the desirability of preserving the deductibility of payments made to the NEOs and will continue to assess the impact of Section 162(m) on its compensation practices. However, the Compensation Committee believes that it must maintain flexibility in its approach in order to structure a program that is the most effective in attracting, motivating and retaining the Company s key executives.

2010 Compensation Program

The Compensation Committee recently undertook a thorough review of the Company s compensation program with respect to its NEOs and certain other members of senior management, in particular against those offered by a group of companies that include other healthcare technology companies and general software companies, listed below. As part of this review, the Compensation Committee retained Mercer (U.S.) Inc., an independent compensation consultant. Mercer provides expert knowledge of marketplace trends and best practices relating to competitive pay levels.

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Representatives of Mercer delivered a presentation to the Compensation Committee regarding their review of the Company s compensation program. The representatives compared the compensation program to the compensation programs used by the comparable companies listed below.

Healthcare Technology Companies	Software Companies
Eclipsys Corporation	Quest Software, Inc.
SXC Health Solutions Corp.	Informatica Corporation
IMS Health Inc.	Citrix Systems, Inc.
Cerner Corporation	MicroStrategy, Inc.
	Progress Software Corporation
	Fair Issac Corp
	Lawson Software, Inc.
	Epicor Software Corp
	BMC Software Inc.
	Novell Inc.

The Committee uses these sources of market data, together with the recommendation of Mercer, to ensure that the compensation being paid by the Company is competitive with those of its peer companies and set a benchmark for NEO compensation. For fiscal year 2010, the Compensation Committee will seek to set total direct compensation to an amount within a competitive range of the median for similarly situated officers at the comparable companies. However, any benchmark is not applied rigidly in order for the Compensation Committee to retain flexibility to reward superior performance or reduce compensation for unsatisfactory performance.

In fiscal year 2010, the Company s philosophy and objectives with respect to executive pay will remain unchanged from those described above under Executive Pay Policies and the Company will utilize similar compensation programs to those described under Specific Compensation Programs. In addition, with a focus on performance based compensation and strengthening the alignment of interests between our stockholders and executives, the Compensation Committee has recently approved, subject to stockholder approval, performance based restricted stock unit awards in addition to traditional time based vesting restricted stock unit awards.

Compensation Committee Report

The Compensation Committee of the board of directors of Allscripts-Misys Healthcare Solutions, Inc. oversees Allscripts compensation program on behalf of the board. In fulfilling its oversight responsibilities, the Compensation Committee reviewed and discussed with management the Compensation Discussion and Analysis set forth above.

In reliance on the review and discussions referred to above, the Compensation Committee recommended to the board that the Compensation Discussion and Analysis be included in the Company s Annual Report on Form 10-K for the fiscal year ended May 31, 2009 and Allscripts proxy statement to be filed in connection with Allscripts 2009 Annual Meeting of Stockholders.

COMPENSATION COMMITTEE

Michael Lawrie (Chairman)

Philip D. Green

Michael J. Kluger

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2009 Summary Compensation Table

The following table shows the total compensation of Allscripts Chief Executive Officer, Chief Financial Officer and the three other most highly compensated executive officers for 2008 and the Transitional 2009 Period. We refer to these five individuals as Named Executive Officers or NEOs in this proxy statement.

Name and Principal Position	Year (1)	Salary ($)	Bonus ($)	Stock Awards ($) (2)	Non-Equity Incentive Plan Compensation ($) (3)	All Other Compensation ($) (4)	Total ($)
Glen E. Tullman	2009*	291,667		365,873	394,000	12,205	1,063,745
Chief Executive Officer	2008	559,375	1,785,000(5)	2,436,934	30,000	13,130	4,824,439
	2007	475,000		121,512		11,488	608,000
	2006	375,000	47,084(6)	88,007	179,060	7,950	697,101
William J. Davis	2009*	177,083		240,852	180,000	11,575	609,510
Chief Financial Officer	2008	408,541	1,283,750(5)	778,241	30,000	13,040	2,413,572
	2007	400,000		75,956		11,565	487,521
	2006	290,000	38,040(6)	55,001	140,165	7,520	530,726
Lee A. Shapiro	2009*	197,916		244,463	347,000	12,205	801,584
President	2008	428,125	1,361,250(5)	1,065,010	30,000	13,891	2,823,276
	2007	400,000		91,137		13,882	505,019
	2006	315,000	37,950	66,011	153,167	8,565	580,693
Laurie A.S. McGraw	2009*	135,416		315,621	109,000	9,633	569,670
Group President, Strategic Client Sales (7)	2008	303,124	413,950(5)	626,171	23,500	13,040	1,379,785
	2007	290,000		49,814		85,336	425,150
R. L. (Vern) Davenport	2009*	188,535		504,913	198,000	10,605	902,053
Group President, Government Sector (8)	2008	450,000	535,500(5)	551,291		11,546	1,548,337

* The amounts in the table for 2009 are for the period from January 1, 2009 through the end of our 2009 fiscal year on May 31, 2009.

(1) The Year 2009 represents the Transitional 2009 Period of January 1, 2009 through May 31, 2009.

(2) Dollar value in the Stock Awards column represents the amount the Company recognized in 2006, 2007, 2008 and the Transitional 2009 Period, respectively, as expense for financial statement purposes in accordance with FAS 123(R) with respect to restricted stock awards granted in such years and, in the case of 2008 and 2009, options to acquire ordinary shares of Misys. Under the fair value recognition provisions of FAS 123(R), stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense over the requisite service period, which is the vesting period. For purposes of this table and in accordance with SEC disclosure rules, we have disregarded the estimate of forfeitures related to service-based vesting conditions. The restricted stock unit awards vest 25% on each of the first four anniversary dates from the grant date. Such awards become fully vested in the event of a Change of Control of Allscripts, as defined in the Restricted Stock Award Agreements relating to such grants. In connection with the consummation of the Transactions, all restricted stock unit awards granted to our Named Executive Officers prior to March of 2008 vested in full and all remaining expense, if any, in respect of such awards was recorded in 2008. The options to acquire ordinary shares of Misys vest ratably on October 10, 2009, October 10, 2010 and October 10, 2011, subject to the attainment of target levels of Adjusted Income from Operations for the preceding fiscal year. The initial vesting level of such Misys share awards is at achievement of 90% of targeted Adjusted Income from Operations, at which level 25% of that year s award would vest. See Note 9 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended May 31, 2009 for a discussion of the relevant assumptions used in calculating these amounts pursuant to FAS 123(R) in fiscal 2009. See also Note 9 to the Consolidated

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Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2007 for a discussion of the relevant assumptions used in calculating these amounts pursuant to FAS 123(R). For further information on these awards, see the Grants of Plan-Based Awards table in this proxy statement.

(3) These amounts reflect payments, in respect of periods prior to September 30, 2008, under our Executive Management Bonus Plan (EMBP) and, from October 1, 2008 through May 31, 2009, under the AllscriptsMisys Incentive Plan 2008/2009 (the AMIP) and are based upon the attainment of pre-established performance objectives. No incentive amounts were earned under the EMBP during 2007.

(4) The amounts reported under All Other Compensation for 2008 and the Transitional 2009 Period include parking perquisites, 401(k) matching contributions, health club dues and taxable benefits for premiums paid for group life insurance as follows:

		Parking Expense Payments ($)	401(k) Matching Contribution ($)	Group Life Insurance Taxable Benefits ($)	Health Club Dues ($)	Total ($)
Glen E. Tullman	2009*	1,600	9,800	805		12,205
	2008	3,660	9,200	270		13,130
William J. Davis	2009*	1,600	9,800	175		11,575
	2008	3,660	9,200	180		13,040
Lee A. Shapiro	2009*	1,600	9,800	805		12,205
	2008	3,660	9,200	431	600	13,891
Laurie A.S. McGraw	2009*	1,600	7,583	450		9,633
	2008	3,660	9,200	180		13,040
R. L. (Vern) Davenport	2009*		9,800	805		10,605
	2008		9,200	2,346		11,546

* The amounts in the table for 2009 are for the period from January 1, 2009 through the end of our 2009 fiscal year on May 31, 2009

(5) Pursuant to their amended and restated employment agreements, Messrs. Tullman, Davis, Shapiro, Davenport and Ms. McGraw were paid cash bonuses that vested upon consummation of the Transactions in the amounts of $1,785,000, $1,083,750, $1,211,250, $225,000 and $413,950, respectively.

(6) The cash bonuses paid to certain of our NEOs in 2006 were awarded in recognition of the successful completion of the acquisition of A4 Health Systems, Inc.

(7) Ms. McGraw was not a Named Executive Officer in 2006.

(8) Mr. Davenport was an employee of Misys Healthcare Systems, LLC and became an employee of the Company on October 10, 2008.

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Grants of Plan Based Awards

The following table provides information regarding non-equity incentive plan awards and restricted stock unit awards and Misys stock option awards granted in 2008 and the Transitional 2009 Period to the NEOs.

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards						
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Stock Awards: Number of Shares of Stock or Units (#)	Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards ($)
Glen E. Tullman			$394,000(1)	$591,000(2)				
			$350,000(3)					
	01/25/08				133,067(4)			1,999,997
	10/28/08				419,581(6)			2,400,003
	10/28/08				646,447(7)			676,215
William J. Davis			$239,000(1)	$358,500(2)				
			$210,000(3)					
	01/25/08				33,266(4)			499,988
	10/28/08				279,721(6)			1,600,004
	10/28/08				407,759(7)			440,985
Lee A. Shapiro			$267,000(1)	$400,500(2)				
			$237,500(3)					
	01/25/08				49,900(4)			749,997
	10/28/08				279,721(6)			1,600,004
	10/28/08				435,109(7)			453,351
Laurie A.S. McGraw			$183,000(1)	$274,500(2)				
			$130,000(3)					
	01/25/08				33,266(4)			499,988
	10/28/08				310,791(7)			332,986
	01/05/09				209,791(5)			2,095,812
R. L. (Vern) Davenport			$338,000(1)	$507,000(2)				
	08/12/08				93,620(7)			313,592
	10/28/08				99,453(7)			173,276
	01/05/09				139,861(5)			1,397,211
	04/24/09				19,912(5)			225,006

(1) These amounts reflect the target cash incentive compensation amounts under the AMIP, which is 75% of annual salary for all NEOs and, in each case, prorated to account for the fact that the AMIP was only in effect from October 1, 2008 through May 31, 2009.

(2) These amounts reflect the maximum cash incentive compensation amounts under the AMIP, which is 150% of the target amount.

(3) These amounts reflect the target cash incentive compensation amounts, which is 50% of annual salary for all NEOs except Ms. McGraw who had a target cash incentive payout of 40% of her annual salary and is based upon achievement of performance goals at target levels under our EMBP. The Company does not establish threshold or maximum payouts.

(4) These restricted stock units granted under our Amended and Restated 1993 Stock Incentive Plan vested in full in connection with the closing of the Transactions on October 10, 2008.

(5) The shares underlying these restricted stock unit awards are subject to stockholder approval of the proposal to increase the number of shares available for grant under our Amended and Restated 1993 Stock Incentive Plan.

(6) These units were awarded under our Amended and Restated 1993 Stock Incentive Plan pursuant to the respective NEOs employment agreements in connection with the consummation of the Transactions.

(7) The shares underlying these no cost option awards are ordinary shares of Misys.

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Narrative to Summary Compensation Table and Plan-Based Awards Table

Employment Agreements

Allscripts entered into amended and restated employment agreements with Messrs. Tullman, Shapiro, Davis and Davenport and Ms. McGraw effective upon the closing of the Transactions on October 10, 2008. In the case of each NEO, the term of their agreement will expire on October 10, 2011, but Allscripts may renew each agreement for additional one-year periods.

Under the employment agreements, as amended, each of the NEOs are entitled to receive the following base salaries in fiscal 2010:

Name	2010 Salary
Glen E. Tullman, Chairman and Chief Executive Officer	$750,000
William J. Davis, Chief Financial Officer	425,000
Lee A. Shapiro, President	600,000
Laurie A.S. McGraw, Group President, Strategic Client Sales	325,000
R. L. (Vern) Davenport, Group President, Government Sector	450,000

Each executive is also entitled to a performance bonus subject to the sole discretion of, and based upon criteria selected by, the Chief Executive Officer, the board of directors or a committee of the board of directors. The target bonus for Messrs. Tullman and Shapiro is 100% of his respective base salary and for Messrs. Davis and Davenport and Ms. McGraw, 75% of their respective base salary, but, in each case may, based on performance, exceed such amount.

For a description and quantification of benefits payable upon termination or a change of control, see Potential Payments Upon Termination or Change-of-Control below.

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Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information regarding stock options and restricted stock units of the Company, and options to acquire ordinary shares of Misys, held by each of the NEOs at May 31, 2009.

	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (1)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (2)
Glen E. Tullman	296,017		$1.70	6/24/2013				
Chief Executive Officer	155,876		$4.57	4/1/2014				
	311,753		$5.13	12/31/2014				
					419,581(3)	5,416,791	298,360(5)	496,769
							348,087(5)	579,565
William J. Davis	79,462		$1.70	6/24/2013				
Chief Financial Officer	72,742		$4.57	4/1/2014				
	103,918		$5.13	12/31/2014				
					279,721(3)	3,611,198	198,907(5)	331,180
							208,852(5)	347,739
Lee A. Shapiro	103,918		$6.40	9/27/2010				
President	147,794		$2.71	3/1/2011				
	16,957		$3.25	7/26/2011				
	106,258		$1.70	6/24/2013				
	72,742		$4.57	4/1/2014				
	155,876		$5.13	12/31/2014				
					279,721(3)	3,611,198	198,907(5)	331,180
							236,202(5)	393,276
Laurie A.S. McGraw	12,269		$14.27	11/15/2009				
Group President, Strategic Client Sales	139		$13.27	8/25/2010				
	41,567		$3.25	7/26/2011				
	41,567		$4.57	4/1/2014				

	31,175		$5.09	12/30/2014		
	20,784		$5.13	12/30/2014		
					209,791(4)	2,708,402
					149,180(5)	248,385
					161,611(5)	269,082
R. L. (Vern) Davenport		239,630(6)	$4.69	3/29/2017		
					159,773(4)	2,062,669
Group President, Government Sector					16,666(5)	27,749
					79,876(5)	132,994
					93,620(5)	155,877
					99,453(5)	165,589

Note: Multiple awards have been aggregated where the expiration date and the exercise and/or base price of the instruments are identical.

(1) The amounts set forth in this column reflect the number of shares of unvested restricted stock units granted under our Amended and Restated 1993 Stock Incentive Plan.

(2) The amounts set forth in this column equal the number of shares of restricted stock indicated multiplied by the closing price of our common stock ($12.91) on May 31, 2009. In the case of Misys no cost option awards, the amounts set forth in this column equal the number of ordinary shares of Misys indicated multiplied by the closing price of Misys shares ($1.665) on May 29, 2009. The amounts assume all of the shares of restricted stock will vest based upon continued service.

(3) Restricted stock units granted on October 28, 2008. The restricted stock units will vest in four equal annual installments of the respective grant date beginning on October 28, 2009.

(4) Restricted stock units granted on October 28, 2008, subject to stockholder approval. The restricted stock units will vest in four equal annual installments of the respective grant date beginning on October 28, 2009.

(5) The shares underlying these no cost option awards are ordinary shares of Misys and are subject to vesting based on performance.

(6) The shares underlying these market price option awards are ordinary shares of Misys.

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Options Exercises and Stock Vested

The following table sets forth: (i) the number of shares of Allscripts common stock, or as indicated below, ordinary shares of Misys acquired during 2008 and during the Transition 2009 Period upon the exercise of stock options and the value realized upon exercise and (ii) the number of shares acquired upon vesting of restricted stock or restricted stock unit awards and the value realized upon vesting. In connection with the Closing of the Transactions on October 10, 2008, all outstanding stock options, restricted stock and restricted stock unit awards granted before March 2008 vested in full.

		Option Awards		Stock Awards	
		Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($) (1)	Number of Shares Acquired on Vesting (#) (2)	Value Realized on Vesting ($) (3)
Glen E. Tullman	2009*	400,000	3,788,714		
	2008			154,883	1,569,947
William J. Davis	2009*	145,000	1,515,587		
	2008			46,902	478,230
Lee A. Shapiro	2009*	200,000	1,837,765		
	2008	3,333	34,430	66,262	674,466
Laurie A.S. McGraw	2009*	103,918	981,227		
	2008	59,758	391,415	42,356	435,857
R. L. (Vern) Davenport	2009*			96,544(4)	119,410
	2008			96,544(4)	133,564

* The amounts in the table for 2009 are for the period from January 1, 2009 through the end of our 2009 fiscal year on May 31, 2009

(1) Values reflect the difference between the market price of the underlying securities at exercise and the exercise price of the options.

(2) Of the amounts shown in this column, Allscripts withheld the following shares to cover tax withholding obligations: Mr. Tullman 154,883 shares, Mr. Davis 46,902 shares, Mr. Shapiro 66,262 shares and Ms. McGraw 42,356 shares.

(3) The value realized equals the fair market value of Allscripts common stock on the vesting date, multiplied by the number of shares vested.

(4) Represents ordinary shares of Misys acquired.

Potential Payments Upon Termination or Change of Control

As noted above under Executive Compensation Narrative to Summary Compensation Table and Plan-Based Awards Table Employment Agreements, we have entered into employment agreements with each of our NEOs that provide for payments in connection with such NEO s termination, whether upon a change of control or otherwise.

The estimated benefits to be provided to the NEOs under the employment agreements in each of those situations are described below, including a summary of payments that would have been required had a termination taken place on May 31, 2009, the last day of our most recent fiscal year, based upon the closing price of our common stock on May 29, 2009 of $12.91.

Payments Made upon Termination

The employment agreements provide for payments of certain benefits, as described below, upon the termination of the employment of an NEO. The NEO s rights upon a termination of his or her employment depend upon the circumstances of the termination. Central to an understanding of the rights of each NEO under

the employment agreements is an understanding of the definitions of Cause and Constructive Termination that are used in those agreements. For purposes of the employment agreements:

We have Cause to terminate an NEO for an NEO s: (i) willful or grossly negligent failure to perform duties, (ii) violation of law which is materially injurious to the operations or reputation of Allscripts, (iii) conviction of a crime involving property of Allscripts or constituting a felony or involving fraud or moral turpitude, (iv) failure to maintain certain ownership levels of Allscripts common stock or (v) material violation of a general Company policy or refusal to follow lawful directors of the board of directors.

A constructive discharge under the employment agreements generally means: (i) a failure of Allscripts to meet its obligations, in any material respect, under the employment agreement, including, without limitation, a reduction of or failure to pay base salary, (ii) a material diminution in or other substantial adverse alteration in the nature or scope of an NEO s responsibilities, or (iii) the relocation of more than fifty miles to an NEO s principal place of business. In the case of Mr. Shapiro, a constructive discharge includes the separation from employment of Mr. Tullman prior to the 18-month anniversary of the closing of the Transactions.

The employment agreements require, as a precondition to the receipt of these payments, that the NEO sign a standard form of release of employment. They also include noncompete and nonsolicit provisions that would apply for one year following such NEO s termination of employment and a confidentiality provision. Additionally, in the event that any payment by us to the NEOs would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, we have agreed to pay such executive an amount, net of taxes, equal to such excise tax amount.

Payment Obligations for Termination by Allscripts with Cause or upon Death or Disability or by the NEO without Constructive Discharge

If an NEO is terminated by Allscripts for Cause or as a result of the NEO s death or disability (as defined in the employment agreements), or if an NEO terminates his or her employment without constructive discharge, he or she is entitled to receive:

accrued but unpaid base salary through the date of termination; and

earned but unpaid annual cash incentive compensation in respect of the fiscal year prior to the fiscal year in which the termination occurs.

Payment Obligations for Termination by Allscripts Without Cause or due to Constructive Discharge.

If an NEO is terminated by Allscripts without Cause or an NEO terminates his or her employment for constructive discharge (except during the two-year period following a change in control), he or she is entitled to receive:

accrued but unpaid base salary through the date of termination;

earned but unpaid annual cash incentive compensation in respect of the fiscal year prior to the fiscal year in which the termination occurs (as determined and payable had there been no termination);

if such termination occurs after October 10, 2009, one times the sum of base salary plus target performance bonus, such amounts to be paid in 12 equal monthly installments;

continuation of health benefits for 12 months; and if such termination occurs after October 10, 2009, pro-rata vesting of any unvested stock option or stock awards equal to (i) the number of shares of such award that would vest on the normal vesting date multiplied by (ii) a fraction, the numerator of which is the number of days elapsed since the last regular

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vesting date of such award (or grant date if no vesting date has occurred), and the denominator of which is the number of days between the last regular vesting date (or grant date if no vesting date has occurred) and the normal vesting date; provided, however, that for performance based awards, vesting shall be subject to the satisfaction of, and based on the level of performance achieved, performance conditions.

Payments Upon a Change of Control; Severance Upon Termination Following a Change of Control.

Pursuant to the employment agreements, NEOs will receive the following upon the occurrence of a change of control (other than the Transactions) if such NEO has remained continuously employed by Allscripts from October 10, 2008 through the effective date of such change of control:

full vesting of all unvested equity awards;

a lump sum cash payment equal to the sum of such NEO s base salary and target bonus amount;

an additional lump sum payment in cash equal to the sum of such NEO s base salary and target bonus amount, but only if Allscripts or representatives of the third party effecting the change of control do not offer the NEO a comparable job to be held after the change of control, regardless of whether the NEO remains employed by Allscripts or its successor following such change of control. A comparable job under the employment agreements means employment following a change of control (i) with substantially the same duties and responsibilities as were held by the NEO immediately prior to the change of control, (ii) within 50 miles of the location at which the NEO provides services prior to such change of control and (iii) at the same or increased base salary and target performance bonus level as were in effect prior to such change of control;

if the NEO s employment is terminated without Cause or due to constructive discharge during the two-year period following the change of control, an additional lump sum cash payment equal to the excess of the sum of such NEO s base salary and target bonus amount less (but in no event result in a negative number) the amount of any payment to the NEO in connection with the lack of a comparable job offer described above; and

continuation of health benefits for twelve (12) months.

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The following table presents potential payments, as described above, to each NEO as if each NEO s employment had been terminated as of May 29, 2009, the last business day of fiscal year 2009. The amounts presented in the table are in addition to amounts each NEO earned or accrued prior to termination, such as an NEO s earned salary, previously vested options and RSUs and accrued vacation.

Name	Base Severance Pay (1x base salary and target bonus) ($)	Additional Severance Pay for Lack of Comparable Job ($)	Accelerated Vesting Of Equity Awards ($)	Continued Health Benefits ($) (1)	Total ($)
Glen Tullman					
Death or Disability					
By Allscripts for Cause or Executive without Constructive Discharge					
By Allscripts without Cause or by Executive for Constructive Discharge				1,370	1,370
Change-In-Control (no termination and comparable job)	1,400,000		5,416,791	1,370	6,818,161
Change-In-Control (no termination and no comparable job)	1,400,000	1,400,000	5,416,791	1,370	8,218,161
Change-In-Control with Termination	1,400,000	1,400,000	5,416,791	1,370	8,218,161
William J. Davis					
Death or Disability					
By Allscripts for Cause or Executive without Constructive Discharge					
By Allscripts without Cause or by Executive for Constructive Discharge				1,370	1,370
Change-In-Control (no termination and comparable job)	743,750		3,611,198	1,370	4,356,318
Change-In-Control (no termination and no comparable job)	743,750	743,750	3,611,198	1,370	5,100,068
Change-In-Control with Termination	743,750	743,750	3,611,198	1,370	5,100,068
Lee Shapiro					
Death or Disability					
By Allscripts for Cause or Executive without Constructive Discharge					
By Allscripts without Cause or by Executive for Constructive Discharge				1,370	1,370
Change-In-Control (no termination and comparable job)	831,250		3,611,198	1,370	4,443,818
Change-In-Control (no termination and no comparable job)	831,250	831,250	3,611,198	1,370	5,275,068
Change-In-Control with Termination	831,250	831,250	3,611,198	1,370	5,275,068

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Name	Base Severance Pay (1x base salary and target bonus) ($)	Additional Severance Pay for Lack of Comparable Job ($)	Accelerated Vesting Of Equity Awards ($)	Continued Health Benefits ($) (1)	Total ($)
Laurie A.S. McGraw					
Death or Disability					
By Allscripts for Cause or Executive without Constructive Discharge					
By Allscripts without Cause or by Executive for Constructive Discharge				1,370	1,370
Change-In-Control (no termination and comparable job)	568,750		2,708,402	1,370	3,278,522
Change-In-Control (no termination and no comparable job)	568,750	568,750	2,708,402	1,370	3,847,272
Change-In-Control with Termination	568,750	568,750	2,708,402	1.370	3,847,272
R. L. (Vern) Davenport					
Death or Disability					
By Allscripts for Cause or Executive without Constructive Discharge					
By Allscripts without Cause or by Executive for Constructive Discharge				6,884	6,884
Change-In-Control (no termination and comparable job)	787,500		2,062,669	6,884	2,857,053
Change-In-Control (no termination and no comparable job)	787,500	787,500	2,062,669	6,884	3,644,553
Change-In-Control with Termination	787,500	787,500	2,062,669	6,884	3,644,553

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Equity Compensation Plan Information

The following table provides information as of May 31, 2009 about Allscripts common stock that may be issued upon the exercise of options and rights under all of our existing equity compensation plans, including our Amended and Restated 1993 Stock Incentive Plan and our 2001 Non-statutory Stock Option Plan. Stockholders did not approve the 2001 Non-statutory Stock Option Plan, which is described below.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in columns (a) and (b)) (c)
Equity compensation plans approved by security holders	6,035,584	$4.89	0(2)
Equity compensation plans not approved by security holders	1,062,311	$2.53	104,501
Total (1)	7,097,895	$4.25	104,501

(1) Excludes 304,351 shares subject to options outstanding pursuant to the ChannelHealth Incorporated 1999 Stock Option Plan, which we assumed in connection with our 2001 acquisition of ChannelHealth Incorporated (the ChannelHealth Options). The ChannelHealth Options have a weighted-average exercise price of $17.51 per share.

(2) There are no shares available for issuance under the Amended and Restated 1993 Stock Incentive Plan. We are seeking stockholder approval of an increase of the number of shares available under the Amended and Restated 1993 Stock Incentive Plan as set forth in Proposal 3 below.

2001 Non-statutory Stock Option Plan

The board originally adopted the 2001 Non-statutory Stock Option Plan (the 2001 Plan) on January 31, 2001 and has amended the Plan from time to time. The 2001 Plan was not approved by our stockholders. The 2001 Plan will terminate on January 31, 2011. Currently, the board of directors may amend or terminate the 2001 Plan at any time, subject to NASDAQ stockholder approval requirements. Under the 2001 Plan, the Compensation Committee may grant stock options to key individuals performing services for us, including employees (other than officers or directors), consultants and independent contractors.

Since its inception, 4,500,000 shares of common stock have been reserved for issuance under the 2001 Plan. At May 31, 2009, there were 1,062,311 shares of common stock reserved for issuance upon exercise of options and 104,501 shares available for future issuance under the 2001 Plan. The number of shares underlying options made to any one participant in a calendar year may not exceed 1,000,000 shares. The number of shares that can be issued and the number of shares subject to outstanding options may be adjusted in the event of a stock split, stock dividend, recapitalization or other similar event affecting the number of shares of our outstanding common stock.

The Compensation Committee administers the 2001 Plan. Subject to the specific provisions of the 2001 Plan, the Compensation Committee determines award eligibility, timing, amount and terms of the options. The Compensation Committee also interprets the 2001 Plan, establishes rules and regulations under the 2001 Plan and makes all other determinations necessary or advisable for the 2001 Plan s administration. Options under the 2001 Plan must be nonqualified stock options. The Compensation Committee may specify any period of time following the date of grant during which options are exercisable, so long as the exercise period is not more than 10 years. Upon exercise, the option holder may pay the exercise price in such form as the Compensation Committee will provide. Unless otherwise permitted by the Internal Revenue Code and Rule 16b-3 under the

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Securities Exchange Act of 1934 and approved in advance by the Compensation Committee, an option under the 2001 Plan may not be sold, assigned or otherwise transferred during its holder s lifetime.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We or one of our subsidiaries may occasionally enter into transactions with certain related persons. Related persons include our executive officers, directors, 5% or more beneficial owners of our common stock, immediate family members of these persons and entities in which one of these persons has a direct or indirect material interest. We refer to transactions with these related persons as related party transactions. In accordance with our written policy, the Audit Committee is responsible for the review and approval of each related party transaction with Misys and its subsidiaries and each other related party transaction exceeding $120,000. The Audit Committee considers all relevant factors when determining whether to approve a related party transaction including, without limitation, whether the terms of the proposed transaction are at least as favorable to us as those that might be achieved with an unaffiliated third party. Among other relevant factors, the Audit Committee considers the following:

- the size of the transaction and the amount of consideration payable to a related person;
- the nature of the interest of the applicable executive officer, director or 5% stockholder in the transaction;
- whether the transaction may involve a conflict of interest;
- whether the transaction involves the provision of goods or services to us that are available from unaffiliated third parties; and
- whether the proposed transaction is on terms and made under circumstances that are at least as favorable to us as would be available in comparable transactions with or involving unaffiliated third parties.

All related party transactions below were either entered into before the counterparty became a related party or have been approved by the Audit Committee in conjunction with our policy described above.

Shared Services Agreement

On March 1, 2009, Allscripts and Misys entered into a Shared Services Agreement dated as of March 1, 2009 and effective as of October 10, 2008 (the Services Agreement). The Services Agreement replaced a Memorandum of Understanding entered into by Allscripts and Misys on October 10, 2008. The Services Agreement was approved by the Audit Committee of Allscripts Board of Directors. The services being provided to Allscripts include: (1) human resource functions such as administration, selection of benefit plans and designing employee survey and training programs, (2) management services, (3) procurement services such as travel arrangements, disaster recovery and vendor management, (4) research and development services such as software development, (5) access to information technology, telephony, facilities and other related services at Misys customer support center located in Manila, The Philippines; and (6) information system services such as planning, support and database administration. Allscripts is providing Misys with certain tax, facility space and payroll processing services. During fiscal year 2009, Allscripts incurred $8,501,893 in selling, general and administrative expenses for services provided by Misys under the Services Agreement.

Aprima Medical Software (formerly iMedica Corporation) Agreement

As part of the settlement of a dispute that occurred prior to the consummation of the Transactions between Misys and Misys Healthcare, on the one hand, and Aprima Medical Software, on the other hand, Misys agreed, on behalf of Misys Healthcare, to pay Aprima Medical Software a total of $12,000,000 in cash contingent upon

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delivery by Aprima and acceptance by Allscripts of certain source code and services. This amount has been paid in full and the agreement by Misys to make such payment on behalf of Allscripts was entered into prior to Misys becoming a related party.

Stock Repurchase Agreement

On February 10, 2009, Allscripts entered into a Stock Repurchase Agreement (the Repurchase Agreement), with Misys, Misys Patriot Ltd. (Misys UK Holdings), and Misys Patriot US Holdings LLC (Misys US Holdings and collectively with Misys and Misys UK Holdings, Misys). Pursuant to the Repurchase Agreement, and during the two-year term of Allscripts previously announced open market purchase program, Allscripts has agreed to purchase from Misys, and Misys has agreed to sell to Allscripts, the number of shares of Allscripts common stock needed to keep Misys ownership percentage in Allscripts unaffected by the open market repurchases being made by Allscripts. The repurchase price for any shares acquired pursuant to the Repurchase Agreement will be the weighted average purchase price paid by Allscripts for all other shares acquired in the open market program.

During the year ended May 31, 2009, as part of the previously announced share repurchase program and to maintain Misys ownership level of Allscripts common stock, Allscripts repurchased and cancelled 3,074,506 shares of common stock from Misys at an average price (excluding commissions) of $9.49 per share for an aggregate purchase price of $29,188155.

License Agreements

On October 10, 2008, Misys terminated its existing trademark license to Misys Healthcare and replaced it with a royalty-free license (the Trademark License Agreement) enabling Misys Healthcare to use the Misys brand name and logo and certain Misys healthcare-specific marks and to sublicense to Allscripts and its affiliates the use of such licensed marks in their respective healthcare information technology businesses. Also on October 10, 2008, Misys Healthcare and Allscripts executed a sublicense agreement (the Trademark Sublicense Agreement) consistent with the terms of the Trademark License Agreement. The Trademark License Agreement and Trademark Sublicense Agreement were entered into before Allscripts and Misys became related parties.

On October 10, 2008, Misys Open Source Solutions LLC, a subsidiary of Misys, licensed to Misys Healthcare on a nonexclusive, royalty-free, worldwide basis the proprietary components of the Misys Connect software owned by Misys open source division for use in healthcare information technology products and services (the Proprietary License). Under the terms of the Proprietary License, Misys Healthcare, Allscripts and Allscripts wholly-owned subsidiaries may license use of the proprietary Misys Connect software to their customers and are responsible for maintaining and supporting their customers use of the licensed Misys Connect software. The Proprietary Software License Agreement was entered into before Allscripts and Misys became related parties.

Relationship Agreement

In connection with the entry into the merger agreement with Misys, Allscripts and Misys entered into a Relationship Agreement dated as of March 17, 2009, as amended (the Relationship Agreement). The Relationship Agreement sets forth the agreement between Misys and Allscripts with respect to certain governance and other matters, including the composition of Allscripts board of directors, a voting agreement from Misys and a standstill agreement that Misys will not acquire more than 60 percent of the fully-diluted number of shares of Allscripts common stock. As noted above, pursuant to the Relationship Agreement, Misys has agreed to cause all shares of our common stock held by it or any of its subsidiaries to be both represented at each meeting where directors are to be elected and voted in favor of the election of the director nominees nominated by the Independent Nominating Committee.

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The Relationship Agreement also contains Misys agreement not to sell, transfer or dispose of 15 percent or more of the outstanding shares of Allscripts common stock unless approved by our board of directors. The Relationship Agreement also contains anti-dilution protection for Misys in the event of issuances of common stock, subject to limited exceptions, such as grants under Allscripts benefit plans under 1.95 percent of the fully-diluted number of shares of our common stock. Pursuant to the Second Amendment to the Relationship Agreement, dated as of January 5, 2009, Misys agreed to cause the shares of Allscripts common stock held by its subsidiaries to be voted in favor of a proposal to increase the number of shares available under Allscripts stock incentive plan to 21,593,489 shares.

Certificate of Incorporation and Bylaws

On October 10, 2008, in connection with the closing of the Transactions, we amended and restated our certificate of incorporation and bylaws. As amended and restated, our certificate or incorporation and bylaws provide that Misys is entitled to nominate six directors for election to our board of directors. Additionally, the amendments establish the composition of the committees of our board of directors.

Misys Stock Award Plans

Misys operates several share based compensation plans, in which certain of our employees participate. The Misys plans include both market price awards (options priced at fair value of Misys stock at date of grant) and no cost awards (zero strike price). Certain of the awards include performance based vesting conditions, otherwise options vest over a service period, generally three years. Periodically, and in accordance with the plans, Misys grants share options to employees of Allscripts. The fair value of these awards is recorded as compensation cost over the term of vesting period.

Misys Open Source Solutions Agreements

Allscripts and Misys Open Source Solutions, LLC (MOSS), a wholly-owned subsidiary of Misys, entered into a Consulting Agreement effective as of May 31, 2009. Pursuant to this consulting agreement, MOSS will perform certain consulting services to Hartford Healthcare Services, a customer of Allscripts, including in regard to the creation, development and on-going operation of the Harford Virtual Care Community, which will serve as the governing entity for the Health Information Exchange (HIE) activities in the Greater Hartford, Connecticut area. It is estimated that MOSS will be paid $250,000 by Allscripts for services rendered to Hartford Healthcare Services, not including travel and other out-of-pocket expenses.

Allscripts also entered into a Master Teaming Agreement for Proposals with MOSS, effective May 31, 2009. The Master Teaming Agreement was entered into for the purpose of establishing standards and conditions pursuant to which Allscripts and MOSS would act as a team for the purpose of preparing and submitting proposals to provide products and/or services to a customer where it is to their mutual benefit to do so. In the event that MOSS and Allscripts collaborate in preparing and submitting a proposal, an individualized teaming statement will be entered into between MOSS and Allscripts setting forth the specific terms and responsibilities of the parties.

Other

Warren Tullman, the brother of our Chief Executive Officer, Glen E. Tullman, is employed as a Senior Vice President at Allscripts. During 2008 and from January 1, 2009 through May 31, 2009, Mr. Warren Tullman received compensation including a base salary of $140,000 per year, commission payments totaling $181,600 and $43,305, respectively, and was granted 5,071 and 1,000 restricted stock units, respectively.

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Audit Committee Report

The Audit Committee is comprised of three directors, each of whom is independent, as defined in NASDAQ s listing standards and SEC regulations. The Audit Committee operates under a charter adopted by the board and consistent with NASDAQ and SEC requirements.

Management is responsible for Allscripts financial reporting process, including its systems of internal and disclosure controls, and for the preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Allscripts independent public accountants, appointed by the Audit Committee, are responsible for auditing those financial statements.

The Audit Committee of Allscripts held eight meetings during fiscal 2009. During the meetings, discussions were had with management and PricewaterhouseCoopers LLP, Allscripts independent accountants, regarding matters required by Statement on Auditing Standards No. 61 (Communications with Audit Committees), Statement on Auditing Standards No. 99 (Consideration of Fraud in a Financial Statement Audit) and SEC rules regarding auditor independence discussed in Final SEC Releases Nos. 33-8183 and 33-8183a. Discussions were also held with PricewaterhouseCoopers LLP regarding its independence from Allscripts. The Committee also received from PricewaterhouseCoopers LLP written disclosures and the letter regarding its independence required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant s communications with the audit committee concerning independence.

Throughout fiscal 2009, management completed documentation, testing and evaluation of Allscripts internal control over financial reporting pursuant to the requirements set forth in Section 404 of the Sarbanes-Oxley Act of 2002 and related regulations. At each quarterly meeting, management provided updates to the Audit Committee regarding progress made to complete management s assessment of its internal control over financial reporting. As of July 30, 2009, management concluded that the internal control over financial reporting was effective at May 31, 2009 and PricewaterhouseCoopers LLP concurred with management s assessment. The conclusions of both management s and PricewaterhouseCoopers LLP s assessments were included in Allscripts Annual Report on Form 10-K for the fiscal year ended May 31, 2009, under Item 9A, Controls and Procedures. The Audit Committee continues to oversee Allscripts efforts related to its internal control over financial reporting and management s preparations for the evaluation in fiscal 2010. The Securities and Exchange Commission granted us relief from including legacy Misys Healthcare in such evaluation and testing for our fiscal year ended May 31, 2009.

During its meetings, the Audit Committee reviewed and discussed the unaudited quarterly and audited annual financial statements with management and PricewaterhouseCoopers LLP. Based on the foregoing, the Audit Committee recommended to the board that the audited financial statements be included in Allscripts Annual Report on Form 10-K for the fiscal year ended May 31, 2009, filed with the Securities and Exchange Commission.

Audit Committee

Marcel L. Gus Gamache, Chairman

Philip Green

Michael J. Kluger

PROPOSAL 2

APPROVAL OF THE ALLSCRIPTS-MISYS HEALTHCARE SOLUTIONS, INC. INCENTIVE PLAN

Introduction

Allscripts is asking stockholders to approve the Allscripts-Misys Healthcare Solutions, Inc. Incentive Plan (Bonus Plan) under which executive officers and other employees would be eligible to receive incentive awards based on the achievement of objective performance goals. The plan was approved by the board of directors on August 17, 2009, subject to stockholder approval.

The Bonus Plan will allow a subcommittee of the Compensation Committee to utilize specified financial or individual measures (as more fully described below) when determining such awards. Should the Bonus Plan receive stockholder approval, it is intended that the plan will qualify for exemption under Section 162(m) of the Internal Revenue Code (the Code), which would generally allow all awards to be tax deductible by us. Unless otherwise specified, all references in this Proposal 2 to the Compensation Committee are to the subcommittee of the Compensation Committee.

Description of the Plan

The purpose of the Bonus Plan is to retain and motivate officers and other employees of Allscripts who are designated by Allscripts to participate in the Bonus Plan for a specified performance period (a Performance Period) by providing such designated officers and employees with the opportunity to earn incentive payments based upon the extent to which specified performance goals have been achieved or exceeded for that Performance Period.

The following is a brief summary of some of the terms of the Bonus Plan and is qualified in its entirety by, and made subject to, the Bonus Plan set forth as *Appendix A* to this proxy statement.

All officers and other employees of Allscripts and its subsidiaries are eligible to be designated for participation in the Bonus Plan. The Compensation Committee will designate the eligible employees who will participate in the Bonus Plan for a specified Performance Period, and will do so not later than 90 days after the beginning of the Performance Period or, if earlier, the date on which 25% of the Performance Period has been completed (the Applicable Period). Currently, approximately seven persons have been designated for participation in the Bonus Plan.

Under the Bonus Plan, payment of awards to participating employees is subject to the attainment of specific performance goals and other terms and conditions established by the Compensation Committee for each Performance Period during the Applicable Period. A participant may receive an award under the Bonus Plan based upon achievement of a performance goal or goals using one or more objective corporate-wide or subsidiary, division, operating unit or individual measures. With respect to bonuses payable to persons who are, or are expected to be, employed as the chief executive officer or certain of the other most highly compensated executive officers of Allscripts as of the last day of Allscripts taxable year (162(m) Covered Employees), the applicable performance goals shall include one or more of the following objective performance measures: earnings before interest and taxes (EBIT); earnings before interest, taxes, depreciation and amortization (EBITDA); financial return ratios, consisting of return on equity, return on assets and return on invested capital; the ratio of EBIT to capital; the ratio of EBITDA to capital; net income; operating income; revenues; profit margin; cash flow(s); expense reduction; working capital ratios; successful implementation of strategic initiatives; customer satisfaction measures; and successful integration of acquisitions. Each such goal may be expressed on an absolute or relative basis and may include comparisons based on current internal targets, the past performance of Allscripts (including the performance of one or more subsidiaries, divisions, or operating units) or the past or current performance of other companies (or a combination of such past and current performance).

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In the case of earnings-based measures, performance goals may include comparisons relating to capital (including, but not limited to, the cost of capital), shareholders equity, shares outstanding, assets or net assets, or any combination thereof. With respect to participants who are not 162(m) Covered Employees and who are not expected to be 162(m) Covered Employees at any time during the applicable Performance Period, the performance goals may include any objective or subjective corporate-wide or subsidiary, division, operating unit or individual measures, whether or not listed above.

If the relevant performance goals are attained during the Performance Period, a participant will be eligible to receive a cash award. Performance goal targets are expressed in terms of an objective formula or standard which may be based on an employee s base salary, or a multiple thereof, at the time or immediately before the performance goals for such Performance Period were established. In all cases, the Compensation Committee has the sole and absolute discretion to reduce the amount of any payment under the Bonus Plan that would otherwise be made to any participant or to decide that no payment shall be made. No participant will receive a payment under the Bonus Plan with respect to any Performance Period having a value in excess of $3,000,000, which maximum amount will be prorated with respect to Performance Periods that are less than one year in duration.

Determination of the performance compensation awarded to each participant is to be made at a time determined by the Compensation Committee after the last day of each Performance Period following a certification by the Compensation Committee that the applicable performance goals were satisfied. During the Applicable Period, the Compensation Committee will establish terms regarding the timing of payment of awards, which time will either cause payments to be exempt from Section 409A of the Internal Revenue Code or to comply with such section.

The Compensation Committee may delegate its responsibilities under the Bonus Plan to our chief executive officer or such other executive officer of Allscripts as it deems appropriate, except that the Compensation Committee may not delegate its responsibilities with respect to bonuses payable to 162(m) Covered Employees.

The Compensation Committee has established a bonus pool for fiscal 2010 awards under the Bonus Plan in an amount equal to 5% of the Company s Adjusted Income from Operations in fiscal 2010. The Compensation Committee has the discretion to reduce participants bonuses to amounts lower than their respective share of the bonus pool. The Compensation Committee intends to exercise such discretion based on Company-wide performance goals, business unit performance goals and participants individual performance.

The following table shows the expected minimum and maximum amounts that may be awarded to the following persons and groups that have been designated for participation under the Bonus Plan for Allscripts fiscal year ending on May 31, 2010. Two of our NEOs, Laurie McGraw and R. L. (Vern) Davenport have not yet been designated for participation in the Bonus Plan and, thus, are not included in the following table. The precise amounts that will be payable with respect to performance during such fiscal year are not determinable until after such date:

Plan Participant	**Dollar Value ($) (1)**
Glen Tullman, Chief Executive Officer	$ 0 to $1,500,000
Lee Shapiro, President	$ 0 to $1,200,000
William J. Davis, Chief Financial Officer	$ 0 to $637,500
Executive Group (seven persons)	$ 0 to $6,052,500
Non-Executive Director Group	$ 0
Non-Executive Officer Employee Group	$ 0

(1) The target amount for Messrs Tullman, Shapiro and Davis under the Bonus Plan for the fiscal year ending May 31, 2010 are $750,000, $600,000 and $356,250, respectively.

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No compensation will be paid under the Bonus Plan to 162(m) Covered Employees if the Bonus Plan is not approved by stockholders. If approved, the Bonus Plan will remain in effect until June 1, 2014, unless terminated earlier by the board of directors. The actual amount of compensation that will be paid under the Bonus Plan, if the approval of stockholders is obtained, cannot be determined at this time.

Vote Required and Board Recommendation

The affirmative vote of holders of a majority of the shares of common stock represented in person or by proxy at the annual meeting is required to approve the Bonus Plan.

The Board of Directors unanimously recommends a vote FOR the approval of the Allscripts-Misys Healthcare Solutions, Inc. Incentive Plan.

PROPOSAL 3

APPROVAL OF THE AMENDMENT TO THE ALLSCRIPTS HEALTHCARE SOLUTIONS, INC. AMENDED AND RESTATED 1993 STOCK INCENTIVE PLAN TO INCREASE THE

NUMBER OF SHARES AVAILABLE FOR GRANT THEREUNDER

General

The Allscripts Healthcare Solutions, Inc. Amended and Restated 1993 Stock Incentive Plan, as amended (the 1993 Plan) was originally adopted by the board of directors on September 14, 1993 and has been amended from time to time since adoption. In addition, on June 9, 2005 and June 17, 2007, Allscripts stockholders approved amendments to increase the number of shares issuable under the 1993 Plan. On October 28, 2008, the board of directors approved, subject to stockholder approval at the annual meeting, an amendment to the 1993 Plan as described below.

Proposed Amendment

At the annual meeting, stockholders will be requested to approve an amendment to the 1993 Plan (the Amendment), the sole change of which is to increase by 7,140,209 the number of shares of common stock available for issuance under stock incentive awards (i.e., options, stock appreciation rights, restricted stock and restricted stock units) that may be made under the 1993 Plan. As of October 28, 2008, all shares available under the 1993 Plan had been granted.

The board of directors believes that the granting of stock-based awards assists Allscripts in its efforts to attract and retain the best available individuals for positions of substantial responsibility, to provide additional incentive to such individuals and to promote the success of our business by aligning the financial interests of these individuals with long-term stockholder value. Given the lack of any available shares under the 1993 Plan, additional shares must be reserved for issuance under the 1993 Plan for future grants to attract and retain these individuals and to support broad-based participation. Consequently, the board of directors recommends that you approve the Amendment.

The following summary of the Amendment and the 1993 Plan is qualified in its entirety by reference to the complete text of the Amendment and the 1993 Plan. Copies of the Amendment and the 1993 Plan, as amended and restated, are attached to this proxy statement as *Appendices B* and *C,* respectively.

Description of the 1993 Plan

The 1993 Plan permits awards of a variety of equity-based incentives, including stock options, stock appreciation rights, restricted stock and restricted stock units. Each employee is eligible for participation in the 1993 Plan and, since October 10, 2008, approximately 2,500 persons have received awards under the 1993 Plan.

Administration of the 1993 Plan

The Compensation Committee administers the 1993 Plan. Subject to the specific provisions of the 1993 Plan, the Compensation Committee determines award eligibility, timing and the type, amount and terms of the

awards. The Compensation Committee also interprets the 1993 Plan, establishes rules and regulations under the 1993 Plan and makes all other determinations necessary or advisable for the 1993 Plan s administration.

Shares Available for the 1993 Plan

Pursuant to the 1993 Plan s amendment approved by stockholders on June 17, 2007, 11,593,489 shares of common stock were reserved for issuance under the 1993 Plan. On October 10, 2008, the number of shares available for grant under the 1993 Plan increased by 2,859,791 shares as a result of an anti-dilution adjustment resulting from the consummation of the Transactions. All shares available for issuance under the 1993 Plan have been granted and awards for an additional 3,341,618 shares have been granted subject to stockholder approval of this proposal. The board of directors now proposes to amend the 1993 Plan to increase the number of shares of common stock that can be issued by 7,140,209 shares to 21,593,489, which would, after taking into account the awards granted subject to stockholder approval, result in 3,798,591 additional shares available for grant under the 1993 Plan.

On August 17, 2009, there were 2,778,528 shares of common stock reserved for issuance upon exercise of outstanding stock option awards, which options have a weighted-average exercise price of $4.90 and a weighted- average term of 5.47 years, and 4,327,119 restricted stock units outstanding under the 1993 Plan. Since October 28, 2008, 3,342,490 restricted stock units (including performance based restricted stock units assuming target performance) were awarded under the 1993 Plan, subject to stockholder approval of the increase in available shares contemplated by this proposal. No other types of awards have been granted since such date. There are no stock appreciation rights outstanding under the 1993 Plan. If shares of common stock subject to an award granted under the 1993 Plan are not issued by reason of the expiration, termination, cancellation or forfeiture of that award, those shares will again be available for the grant of new awards under the 1993 Plan. In addition, shares attributable to awards that were forfeited or cancelled under any stock option plan adopted prior to the adoption of the 1993 Plan or under the Amended and Restated 1993 Eligible Director Stock Option Plan were added to the shares available for the grant of new awards under the 1993 Plan.

The number of shares of common stock underlying awards made to any one participant in any twelve-month period may not exceed 3,000,000 shares.

Adjustments

In the event of a stock split, stock dividend, merger, consolidation, reorganization, recapitalization or other similar event or change in Allscripts issued common stock, the number of shares of common stock available under the 1993 Plan, the number of shares of common stock subject to then existing stock options, stock appreciation rights, restricted stock and restricted stock units and, if applicable, the exercise price of such awards will be proportionately adjusted by the Compensation Committee. In addition, the 1993 Plan allows the Compensation Committee, in its sole discretion, to accelerate or cash out awards in the event of a merger, consolidation or similar event with another corporation.

Change of Control

Upon a Change of Control (as defined in a grantee s award agreement), the following will occur to the grantee s applicable award granted under the 1993 Plan:

- the portion of a grantee s outstanding stock option award which has not vested will immediately vest and become exercisable (currently all stock options are fully vested);

- the portion of a grantee s outstanding performance based restricted stock unit award which has not vested will, if the grantee is not offered a comparable job (as defined in the applicable employment agreement or, if there is no employment agreement, consistent with the standard definition of thereof used in the Company s employment agreements) vest and become unrestricted; and

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the portion of the grantee s outstanding restricted stock or restricted stock unit award which has not vested will immediately vest and become unrestricted.

Eligible Participants

Subject to the limitations of the 1993 Plan, the Compensation Committee has full power and discretion to determine individuals who perform services for or on behalf of Allscripts, such as employees, officers, eligible directors (as defined in the 1993 Plan), consultants and agents of Allscripts. Because consultants and agents may not be directly employed by Allscripts, it is not possible to approximate the number of such consultants and agents that were or will be eligible to participate in the 1993 Plan.

Types of Stock Incentive Awards That May Be Made Under the 1993 Plan

The Compensation Committee has, subject to the limitations of the 1993 Plan, full power and discretion to determine the form of grant to which an eligible employee is entitled, the number of shares of common stock subject to the grant, the fair market value of the common stock, when necessary, the time and conditions of vesting or exercise, the conditions, if any, under which the vesting or exercise may be accelerated and all other terms of the award.

Stock Options

Options under the 1993 Plan may be either incentive stock options or nonqualified stock options. An incentive stock option is a stock option granted in accordance with Section 422 of the Internal Revenue Code of 1986, as amended, that is intended by the Compensation Committee to constitute an incentive stock option and may entitle the grantee to favorable tax treatment as described below. A nonqualified stock option is a stock option that is not an incentive stock option. Incentive stock options may only be granted to individuals who are Allscripts employees; individuals who are not Allscripts employees may only be granted nonqualified stock options. Incentive stock options are subject to additional limitations relating to, among others: employment status, minimum exercise price, length of exercise period, maximum value of the common stock underlying the stock options and a required holding period for common stock received upon exercise of the stock option. Prior to the exercise of a stock option, the holder of such option has no rights as a stockholder with respect to the shares of common stock subject to such option.

The per share exercise price may not be less than the fair market value of Allscripts common stock on the date the option is granted. Under the 1993 Plan, the option holder may pay the exercise price in several ways upon exercise. He or she can pay: (1) in cash, (2) if the Compensation Committee so provides, by delivering previously owned Allscripts common stock with a fair market value equal to the exercise price or (3) if the Compensation Committee so provides, by a combination of these methods. For purposes of the 1993 Plan, fair market value means, as of any date: (a) the closing price of the common stock on such date if the common stock is actively traded or quoted on an established market or (b) the value that the Compensation Committee determines is the fair market value in good faith and in its sole discretion if the common stock is not actively traded or quoted in an established market.

Stock Appreciation Rights

Under the 1993 Plan, a stock appreciation right, or SAR, may be granted independently or in tandem with a stock option. If an SAR is granted in tandem with a stock option, the exe